

2017

CORPORATE SOCIAL RESPONSIBILITY REPORT



CONTENTS

3

ABOUT
CITY NATIONAL
BANK

6

OUR CHAIRMAN & CEO
ON CORPORATE SOCIAL
RESPONSIBILITY

8

VALUE FOR
SOCIETY

24

VALUING THE
ENVIRONMENT

31

VALUE FOR
COLLEAGUES

35

VALUE FOR
CLIENTS

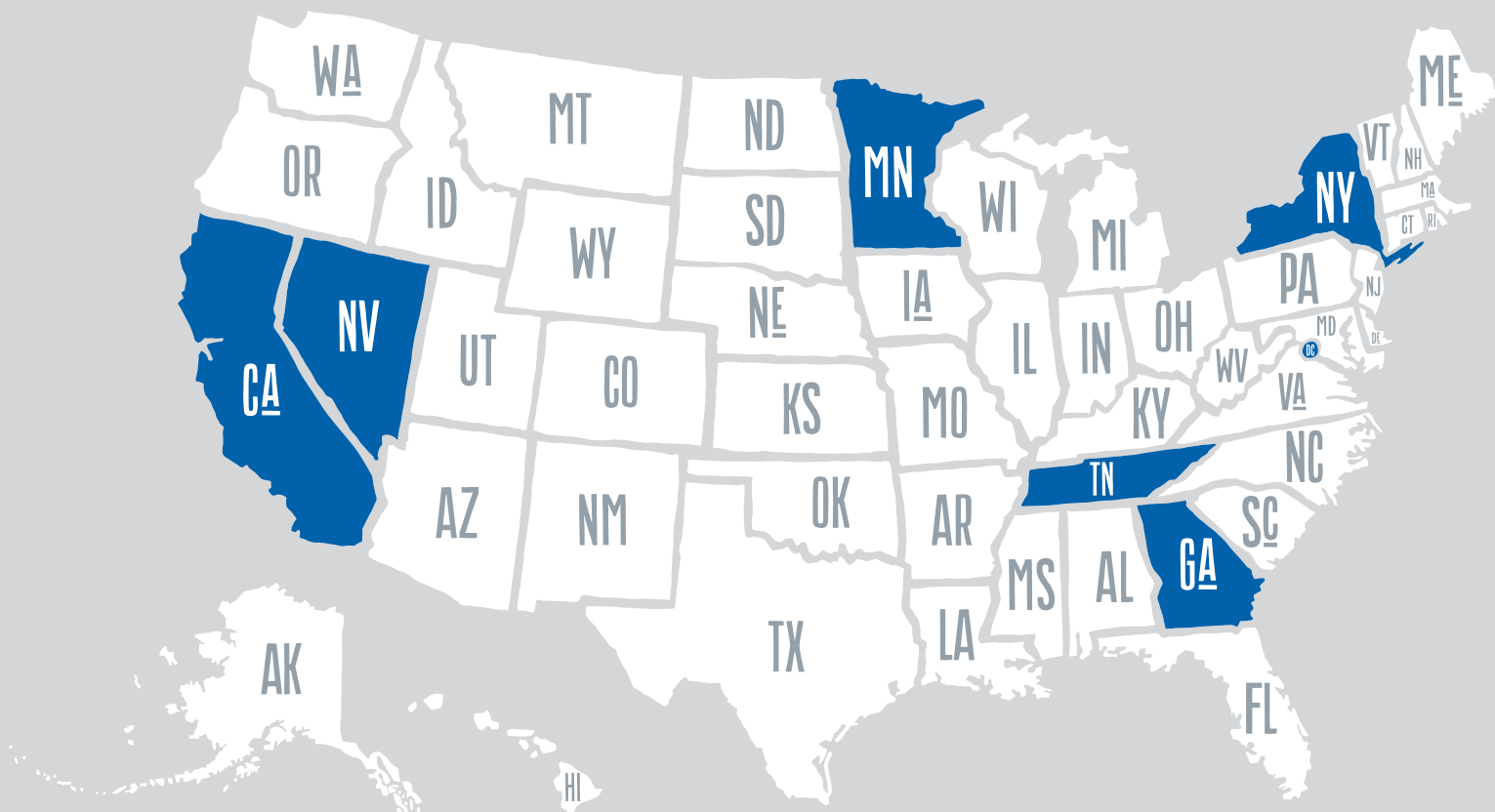
Reporting Period: All data in this report reflect activities undertaken during the 2017 fiscal year (November 1, 2016 – October 31, 2017) unless otherwise noted. Where possible, we have provided information for 2016 and 2017 to give readers a view of trends in our performance.

About City National Bank

PROFILE

City National Bank holds \$48.7 billion in assets and provides banking, investment and trust services through 72 offices, including 19 full-service regional centres in Southern California, the San Francisco

Bay Area, Nevada, New York City, Nashville, Atlanta, Minneapolis and Washington D.C. In addition, the bank and its investment affiliates manage or administer \$64.9 billion in client investment assets.



City National Bank is a subsidiary of Royal Bank of Canada (RBC), one of the largest banks in the world based on market capitalization. RBC serves more than 16 million personal, business, public sector and institutional clients through offices in Canada, the United States and 35 other countries.

VALUES

Our values reflect the great “pride” we take in what we’ve achieved as a company. For City National Bank, pride isn’t just an idea in and of itself. P.R.I.D.E. also stands for the set of values that guide our behavior.

PRIDE

PEOPLE

Working together effectively as a team on behalf of our clients, our shareholders, our colleagues and our communities; investing in our professional development and recognizing and celebrating our success.

RELATIONSHIPS

Understanding, anticipating and responding to our clients’ and colleagues’ needs with speed, expertise and courtesy.

INTEGRITY

In valuing diversity, communicating openly and maintaining high professional and ethical standards.

DEDICATION

To achieving profitability and planned goals, delivering quality service and expertise and intelligently managing risk.

ENTREPRENEURS & EXCELLENCE

Working as entrepreneurs – taking responsibility for getting it done, pursuing innovation and better ways of doing business and delivering with excellence in everything we do.

RECOGNITION

A company's reputation is built in part by what people say about it. Year after year, we are honored by the recognition shown for our corporate responsibility, community and sustainability efforts. These are a few of the organizations that recognized our community efforts in 2017.



We received the Innovation in Financial Education Award for our Dollars and Sense program which supported Everfi software in delivering over 21,000 hours of financial education to schools and community-based organizations in low- and middle-income communities in 2017. Courses covered everything from introductory topics like saving and budgeting to advanced topics like insurance, taxes and investing.



City National was named Corporate Citizen of the Year.



Big Brothers Big Sisters
of Greater Los Angeles

Colleague Martha Henderson received the BBBS Innovator Award in April 2018.





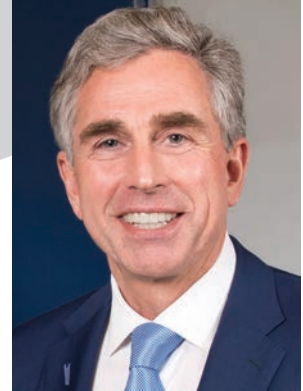
“A devotion to the people and the communities we serve has always driven the bank and its colleagues to become active, engaged members of those communities.”



RUSSELL GOLDSMITH
Chairman and
Chief Executive Officer

Our Chairman and CEO on Corporate Social Responsibility

RUSSELL GOLDSMITH
Chairman &
Chief Executive Officer



This is the third year we have produced this report to chronicle our efforts in supporting the communities which we serve and the citizens who live in them. It is also meant to showcase the efforts of our colleagues within City National Bank who give selflessly of their own time and resources to improve the lives of others and to provide them with new skills – such as financial literacy and business acumen – that open doors to new opportunities.

This bank was founded in 1954 and while we have been formally documenting what we now call “Corporate Social Responsibility (CSR)” for only three years, it has long been a fundamental belief that has guided the bank throughout its existence. A devotion to the people and the communities we serve has always driven the bank and its colleagues to become active, engaged members of those communities.

As you will read later in this report, our colleagues whole-heartedly support our efforts in terms of creating sustainability programs. Fully 95% of colleagues who responded to an internal survey believe that it is important for CNB to have a sustainability program and 86% felt that their daily actions and decisions support the success of our sustainability program. What was most encouraging was that more than nine out of 10 colleagues

said they were taking steps in their personal lives to be more sustainable. So it is particularly gratifying to see colleagues serving as mentors to seventh-grade students, helping them explore career opportunities through a program called **SPARK** (see page 19). Or to see how our colleagues are becoming engaged in environmental issues through the **Green Champion program** (see page 30).

CITY NATIONAL BANK HAS ALWAYS SEEN ITSELF AS THE BANK OF FAMILIES AND ENTREPRENEURS WHO LEAD COMPANIES THAT PROVIDE JOBS AND CAREER EXPERIENCES IN LOCAL COMMUNITIES.

Our success in these communities has been achieved through our approach to helping people lead rewarding and financially secure lives. But at the end of the day, it is our colleagues whose daily interactions with customers and their sincere efforts to provide service excellence that propel us all forward.

I trust you will find the information on the following pages to be compelling. To provide your thoughts on our activities please contact us at CNBGives@cnb.com.



to serve our communities
at the level required for a sustainable
business, we must first and foremost be
part of these communities. This means more
than simply being present. We must be
involved, fully engaged, open to dialogue and,
most importantly, we must contribute.”

SAL MENDOZA

Senior Vice-President,
Community Reinvestment

Value for Society

Our community reinvestment plans are predicated on the philosophy that we must have an impact, make a difference and foster positive changes to strengthen our communities and the people who live in them.

While this is a corporate philosophy, it is also embraced by our colleagues whose personal commitment and involvement bring our plans to life.

Given we are a respected financial institution, we are best positioned to have an impact in areas such as creating economically healthy communities, encouraging employment through our loans programs and by promoting literacy. Because we are a sustainable business, we are able to invest millions of dollars in the charitable and civic programs and organizations whose aim is to enhance the lives of the individuals they serve. City National financial products that help small- and medium-sized businesses become established and prosper have the run-on effects of creating new employment opportunities, enabling economic development and initiating new affordable housing.

A CULTURE OF ENGAGEMENT

To engage with our communities then, we must fully appreciate their needs and the various challenges they face. We engaged with numerous community partners including The California Reinvestment Coalition, The National Diversity Coalition and the Greenlining Institute in the course of developing our five-year, \$11 billion commitment, which addresses requirements of the Community Reinvestment Act (CRA). Joining with these organizations and many others, we hold quarterly community meetings open to all interested parties including community members and our colleagues.

At these meetings, the bank presents its progress on its community commitments. At our final meeting in 2017, we hosted 50 community partners, City National Bank colleagues and members of the general public.

Our colleagues consistently demonstrate the belief that they can play a role in improving the communities in which they live. Furthermore, they endorse the role that City National has created for itself.

The bank recently conducted a survey of colleagues working in four locations. Approximately 1,000 colleagues responded to give **three broad findings**:

95%

felt it was important for City National to have a sustainability program

86%

felt that their daily actions and decisions support the success of our sustainability program

91%

said they were taking steps to become more sustainable in their personal lives

We intentionally structure our programs so as to encourage our colleagues to participate in their communities through their own charitable giving and volunteering. Please see pages 20 and 21 for more information.

Economic Contribution

We operate our business in a responsible fashion thereby creating value that we are able to distribute through a variety of means. This creates a positive economic ripple effect for our stakeholders. Such economic value comes in a number of forms. A key driver of economic benefit is our loans program.

OUR PRIMARY FOCUS IS ON
SERVING ENTREPRENEURS, SMALL-
AND MID-SIZED BUSINESSES,
PROFESSIONALS AND THEIR FAMILIES.



It is these industrious individuals whose commercial activities generate jobs and create economic value in communities across the nation.

LENDING

Key
Performance
Indicator
(\$ billions)

2017 2016

Loan balances at year-end 30.7 26.9

New loans 7.9 6.4

Commercial and industrial loans 13.7 3.0

Residential mortgages 8.2 1.4

SUPPLIER DIVERSITY AT CITY NATIONAL

City National is committed to providing opportunities to diverse suppliers throughout the United States. We encourage all types of businesses to apply to become CNB suppliers. We are especially open to certified minority, women-owned, LGBT, veteran and disabled veteran-owned businesses.

SUPPLIER DIVERSITY

Key Performance Indicator
(\$ millions)

Investments in goods and services purchased from diverse businesses*

2017	2016
20	16

* Certified minority-, women-, LGBT-, veteran- and disabled veteran-owned businesses.

For more information, contact us at 800-773-7100, press zero and ask for more information on the bank's supplier diversity program and how to apply.

Community Investments

Beyond the economic benefits of our operations, City National Bank also supports its communities through the provision of loans, investments and grants in accordance with the Community Reinvestment Act. The CRA encourages financial institutions to meet the credit needs of the communities where they operate. Our CRA strategy is to drive economic empowerment through small business development, job creation, affordable housing and financial education.

We foster healthy communities by providing access to small business and community development lending and equity investments in projects that strengthen local neighborhoods and support economic development in underserved communities.

Historically, City National Bank has placed emphasis on lending to small businesses. We see these businesses as tools to drive local job creation. One third of our small business loans (defined as loans of \$1 million or less) are provided to companies with annual revenues of less than \$1 million.

Our community development lending is robust and growing in scope, generally amounting to multi-million dollar loans that:

- Promote economic development
- Provide community services targeted to low- or moderate-income (LMI) individuals
- Revitalize and stabilize underserved geographies by expanding access to consumer goods and services
- Provide affordable housing.

The latter, the creation of affordable housing, is a key element of our community investment program. The bank continually teams with for-profit and non-profit developers to create affordable housing opportunities for LMI homebuyers and renters and directly supports numerous organizations dedicated to developing affordable housing.

COMMITMENT

In 2015, after consulting with community partners in California, we made a five-year, \$11 billion commitment for community lending and investment, as well as other activities outlined in the CRA.

**\$11
billion**

Community Lending and
Investment Commitment
(over five-year period)

PROGRESS

We continue to make good progress on our CRA commitments and conscientiously address areas where we are running below our own expectations. For example, we are addressing the shortfall in our small business loans portfolio by modifying our scorecard and incentive plan and we are currently reviewing our small business products.



COMMITMENT SCORECARD

	Commitment	2017*	2016*	Total Invested to Date**
Community development loans	\$4.4 billion	\$657 million	\$836 million	\$1.493 billion
Small business loans	\$4.2 billion	\$588 million	\$598 million	\$1.186 billion
Other qualified investments	\$1.6 billion	\$477 million	\$372 million	\$849 million
Residential mortgages funded for minority borrowers	\$700 million	\$180 million	\$158 million	\$336 million

* In accordance with CRA reporting requirements, the investments are reported on a January 1 to December 31 basis.

** From January 1, 2016 to December 31, 2017.

COMMUNITY INVESTMENT LOAN ORIGINATIONS

Key Performance Indicator (\$ millions)	2017	2016
TOTAL COMMUNITY DEVELOPMENT LOAN ORIGINATIONS	721	920
Affordable housing loans	40	23
Economic development loans	313	462
Community services organizations	368	435
TOTAL SMALL BUSINESS LOAN ORIGINATIONS	726	740

During 2016 and 2017, the first two years of the most recent CRA exam cycle, City National Bank qualified \$1.6 billion in community development loans including a \$20 million revolving line of credit to Century Housing, a private, non-profit corporation that works as a financial intermediary for affordable housing developers in Greater Metropolitan Los Angeles. Since its formation in 1979, the organization has provided more than \$550 million in financing to create 16,000 affordable new homes.

PACIFIC COAST REGIONAL

BIG BOOST FOR SMALL BUSINESS

Whether just getting started or already established, running a small business is a tremendous challenge and a far greater one in underserved communities. Pacific Coast Regional Small Business Development Corporation (PCR) has been providing financial and educational assistance to underserved small business persons and communities for 40 years. City National Bank proudly supports PCR with \$2 million in SBA (Small Business Administration) loans.

NHS

ABANDONED GROCERY STORE BECOMES “ONE-STOP SHOP” FOR COMMUNITY EMPOWERMENT

When NHS (Neighborhood Housing Services of Los Angeles County) were shown an abandoned grocery store shell in Compton, California back in 2014, they saw more than tired walls. They envisioned a place that could put health, housing, employment, conservation, entrepreneurship and public safety resources all under one roof. A few years later, that vision has become a reality.

The Center for Sustainable Communities (CSC) celebrated its grand opening recently with a myriad of events and community participants. *“This is a place for the community. It’s a place for them to bring their families, get the help they need and then, go out and share it with someone else,”* said NHS president and CEO Lori Gay.

The “one-stop shop” for community empowerment will eventually host a Community Conservation Center, Community Technology Center, Financial Empowerment Center, health clinic, healthy living café, job training for youth and adults, organic garden, public safety and enforcement drop in site, senior and afterschool programs and a vision clinic & 3D classroom. It currently hosts the NHS Financial Empowerment Center, PCR Small Business Development Center and Metro CDC youth development, education and gardening programs.

Since 1984, NHS has developed and rehabilitated over 21,000 housing and commercial units, placed 4.4 million families on the road to homeownership, created 225 block clubs, employed 228 neighborhood youth and created 56,500 jobs. NHS is the largest non-profit affordable homeownership provider in Southern California. City National is a strong supporter of NHS, with a working capital loan of a million dollars plus another million in affordable housing lending. As sponsors and supporters, we have also invested \$100,000 in the organization.



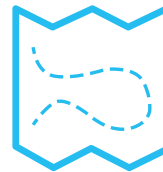
NHS Statistics



21,000
housing and
commercial units



4.4 million
families placed on the road
to homeownership



225
block clubs



228
neighborhood youths
employed



56,500
jobs

NHS CEO Lori Gay speaks on a panel as part of the week-long grand opening celebration of the new Center for Sustainable Communities in Compton, California.

CALIFORNIA COMMUNITY ECONOMIC DEVELOPMENT ASSOCIATION

The California Community Economic Development Association's (CCEDA) mission is to serve low- and moderate-income individuals, families and communities in California by supporting organizations committed to community revitalization.

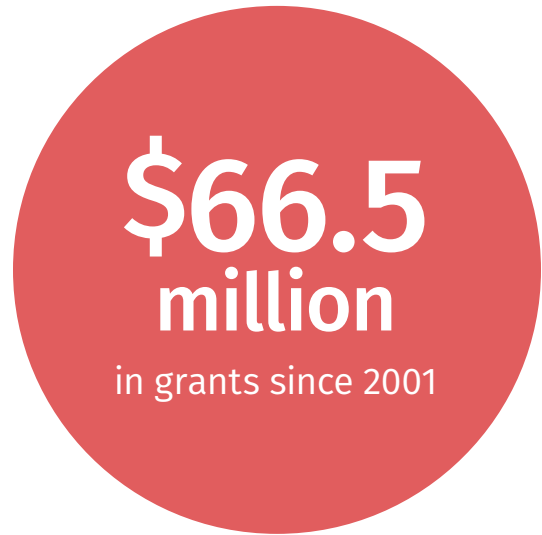
City National Bank sponsored the CCEDA's 27th Teaching at Learning Conference held at the Japanese American Cultural & Community Center. It is the hallmark of their program and brings together 100 practitioners to collaborate and learn from leaders in their field – building connections among non-profit practitioners, funders and local governments. The grant also funded the publishing of CCEDA's latest edition of Dictionary of Community Economic Development Terms used by practitioners in the complex community economic development field to keep abreast of the latest developments. City National Bank is recognized prominently in the acknowledgements section of this dictionary.

Company Giving

City National Bank supports a broad variety of causes whose work resonates with our clients and our communities. We provide financial support to charitable and civic organizations that are dedicated to resolving social problems and creating positive change. We have made substantial investments in literacy and financial literacy as we see these two issues as fundamental building blocks to personal and community prosperity.

WE ALSO TURN OUR ATTENTION TO AREAS WHERE WE FEEL THE NEED IS GREATEST – SUCH AS IN DISASTER RELIEF.

We started in 2001 to track our charitable giving towards disaster relief and our efforts have totalled over \$1 million over the years. Recently, we have worked through the American Red Cross and others to contribute to relief efforts for the California wildfires, mudslides, the hurricanes of late 2017 and the tragic shooting in Las Vegas.



Also since 2001, we have made grants totalling \$66.5 million – \$9.9 million of which has been directed to education. Our five-year charitable contribution goal is \$30 million, part of our \$11 billion CRA commitment detailed on page 13. From 2001 to the end of 2017, we reached out to 6,888 organizations and educational institutions.



Key Performance Indicator (\$ millions)

	2017	2016
Investments in charitable and civic programs*	7.9	7.3

* Includes the company's contributions in Workplace Giving campaign. See page 20 for more on Workplace Giving.

SPARK

MENTORSHIP PROGRAM SPARKS INTEREST IN YOUTH

CITY NATIONAL BANK
The way up.

Seventh-grader Ruben Guzman spends two hours a week at a bank – and he likes it. That’s because he meets with a mentor as part of a program developed by SPARK, a non-profit organization that brings together schools and businesses to help middle-school students explore avenues of self-development and career exploration.

When SPARK came knocking at City National’s door in 2017 looking for volunteers, the bank didn’t have to look very far as 50 colleagues quickly signed on to be mentors to 50 mentees, seventh-grade students from Stevenson Middle School in Boyle Heights, California. City National colleagues have been mentoring young people and touching lives through Spark ever since.

“I get to work with nice and good people,” says Ruben. “Last semester, my mentor and I did a project about the homeless. We discovered there are many people that are homeless and there are many ways to help them. This semester, my mentor and I share a love of technology and we are working on a trailer for a game.”

Community Involvement

The program is somewhat unusual in that the mentees actually come to the mentors' offices for their two-hour weekly mentoring sessions. At the end of the program, mentors and mentees attend a "Share Your SPARK" event during which each team presents the project they worked on together.

Feedback on the program shows that City National colleagues find the SPARK experience as rewarding and beneficial as the students. "My favorite thing about City National Bank is a combination of seeing my mentor, meeting his friends and working on our project," continues Ruben. "I would 100% recommend SPARK to my peers. I already have."

SPARK Statistics

87% of SPARK students agree they can have the job they want someday

92% of SPARK students have graduated, or are on track to graduate, from high school, compared to 68% for their peers

75% of SPARK mentors developed new skills through the mentoring opportunity

82% of SPARK mentors feel closer to their communities

We believe that our colleagues recognize the charitable giving programs we have in place and are inspired to take similar actions on their own. Today, colleagues support a broad range of initiatives in the communities where the bank operates. The activities include programs for education and personal empowerment and care for those in need.

Colleagues embrace the concept of fully engaging with the communities we serve and they emulate the model that we have set. We encourage and support our colleagues through a workplace giving campaign and also offer the convenience of payroll deductions. The bank places no restrictions on the type of 501(c)3 charity to which colleagues may donate through Workplace Giving.

To enable these programs, City National Bank covers all administrative costs and, in some instances, provides charitable funding as well. More than 80% of City National colleagues participate in workplace giving.

WORKPLACE GIVING

Key Performance Indicator	2017	2016
Colleagues participating in Workplace Giving campaign	4,236	3,848
Amount donated by City National colleagues	\$1.382 million	\$1.3 million
Annual total dollar investment through Workplace Giving	\$1.52 million	\$1.42 million

* Includes company contribution. Total company giving reported on page 20.

VOLUNTEERISM



In terms of volunteerism, we recognize the tremendous impact our colleagues have in their communities. Since we began tracking the data in 2001, our colleagues have donated a staggering 235,805 hours of volunteer time, representing \$5.8 million in social value.*

Key Performance Indicator	2017	2016
Colleague logged volunteer hours	30,099	26,200
Colleagues logging volunteer hours	28%	21%

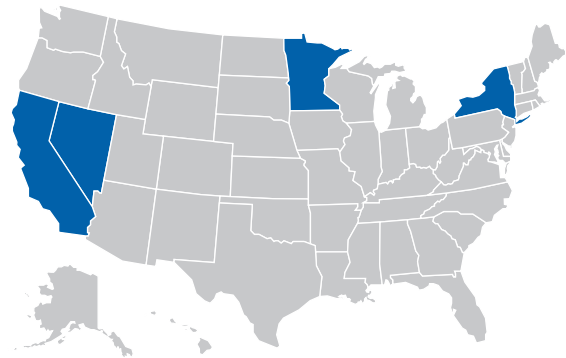
Another means by which the bank supports the efforts of its colleagues is through our Dollars for Doers program. Through this special initiative, colleagues who volunteer 20 hours or more with a charitable organization can apply for up to \$500 annually in Dollars for Doers grants to support that organization from the bank.

* Based on \$24.69/hour, as suggested by independentsector.org.

COMMUNITY SUPPORT PROGRAMS

PRIDE Day

Every year on our annual PRIDE Day, colleagues turn out in force to work in their communities. In 2017, almost 400 colleagues participated in projects located in Greater Los Angeles, Orange County, Ventura, San Diego, Minneapolis, Nevada and New York.



Sample projects on which colleagues worked include:

- Food bank initiatives in Los Angeles, Ventura and Minneapolis
- Delivering food in New York City
- Anti-bullying unity days in several locales
- Serving food at Ronald McDonald House in San Diego
- School beautification in New York City.

PRIDE DAY CONTRIBUTIONS

Key Performance Indicator	2017	2016
Colleagues participating	396	350
Number of community aid projects coordinated	10	9
Number of volunteer hours recorded during the day	1,322	1,067

*Reading is
The way up®*

\$1.5 million+
to teachers*

At City National Bank we believe that easy and ample access to books is a key tool in ensuring the literacy of children and young people. The size and quality of a school library is the best predictor of academic achievement. Based on this belief, City National Bank launched its award-winning *Reading is The way up®* program through which it has donated more than 600,000 books to elementary school libraries in California, Nevada, New York, Tennessee and Georgia. Since created in 2002, *Reading is The way up®* has also awarded nearly 1,300 teacher grants to enhance literacy totalling more than \$1.5 million.

Reading is The way up® grants range from \$500 to \$1,000 and help augment or expand literacy projects that are judged to be creative and engaging and which are seen to have tangible effect on student achievement. The education professionals receiving these grants are select from the ranks of full-time teachers, librarians, administrators and school media specialists.

The bank has also hosted numerous school visits where renowned writers speak to students about becoming an author and getting published. The bank also provides thousands of hours of financial literacy courses in schools.

In 2008, the bank expanded the *Reading is The way up®* program by partnering with Barnes and Noble to launch the Holiday Partnership, an annual book drive that provides books and cash donations for the purchase of books by school librarians at schools and non-profit organizations in four states. A total of 17 Barnes and Noble stores have partnered with us for this program.



* Awarded to teachers at elementary, middle and high schools for creative literacy projects since program inception.

Back-to-School Drive

Through its annual Back-to-School Drive, the bank donates backpacks filled with educational supplies, gift cards and books to elementary and middle schools and non-profit organizations in California, Nevada, New York, Georgia, Tennessee, Minnesota, Washington State and Washington D.C.

Backpack supplies include erasers, highlighters, round-tip scissors, packages of wide-ruled paper, colored pencils and sharpeners, folders, notebooks, rulers, boxes of crayons, glue sticks, binders and more. In addition, bank colleagues volunteer hundreds of hours of their time packing and delivering the backpacks to the various schools receiving them.



LITERACY CONTRIBUTIONS

Key Performance Indicators	2017	2016
<i>Reading is The way up®</i>		
Number of literacy grants	121	60
Total amount of grants	\$90,000	\$53,000
Number of organizations and schools receiving book donations	33	33
Number of books donated	300,000	120,000
<i>Back-to-School Drive</i>		
Supplies collected for students attending needy schools	1,830	1,400



City National Bank's **Dollars and Sense program** delivers financial literacy training in the classroom provided by the bank's colleagues. This program was started in 2007 as an enhancement to our *Reading is The way up®* literacy program. The Dollars and Sense program is for grades kindergarten up to 12 and teaches age-appropriate information about banking and finance.

Key Performance Indicator	2017	2016
Colleagues teaching financial literacy	280	195
Students taught	25,260	22,410



“City National’s CSR Program is an ongoing and long-term initiative that will continue to strive for excellence through environmental sustainable operations, commitment to ethical business practices; philanthropy, corporate citizenship and community involvement. We will communicate our efforts to our key stakeholders, while maintaining our contribution to communities the bank serves in a meaningful and lasting manner.”

HARRY F. TOPPING
Senior Vice-President,
Corporate Premises

Valuing the Environment

As a financial services company we enjoy precious links to the communities we serve. Countless customers pass through our branches every day. And as you can read in our Value for Society chapter, we play a vital role in helping businesses in our community thrive and create new employment opportunities.

Given our first-hand knowledge of the inner workings of our communities and of the priorities of the citizens who populate them, we are acutely aware of our obligations to lessen our environmental impact.

City National's plan for protecting our national resources encompasses all aspects of our business. The effort is particularly significant in the face of ever-encroaching climate change that is creating unprecedented weather events and have a punishing effect on communities at home and abroad.

Our remedial efforts in this regard are multi-faceted, ranging from water consumption to Greenhouse Gas (GhG) emissions and from paper consumption to the operational efficiencies of the buildings we occupy. For a number of years now we have stated our corporate goal of reducing our GhG emissions by 10% from current levels by 2019, in addition to what we have already achieved.



ENERGY AND EMISSIONS





Our energy use across our various premises is something that we monitor very closely. By concentrating on remedial activities – such as modernizing our air conditioning systems – we are able to minimize our energy consumption.

We have likewise taken advantage of the favorable climate in certain areas of our operations. We have, for example, placed solar panels at a key operations centre in Southern California. We have also adopted daylight harvesting technologies which provides an incremental power source for low-energy electronic equipment in our Los Angeles headquarters building. Other initiatives include:

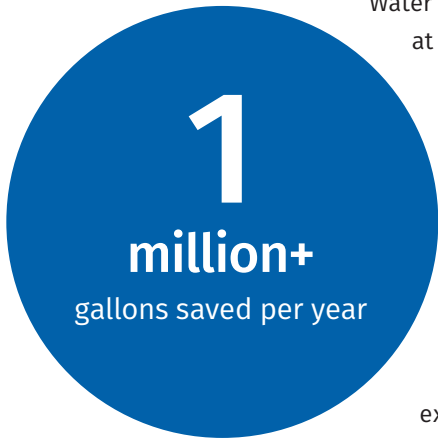
- Automatically shutting down computers after hours
- Conducting both new construction and renovations that bring more natural light into our buildings
- Installing special window shades and tinting to mitigate heat gain.

Another way to reduce our carbon footprint is to encourage our colleagues to use public transit. City National offers annual public transit subsidies to our colleagues as a measure to help reduce car emissions. Available in select locations, these subsidies reduce traffic by increasing the use of public transit.

As part of our purchasing policy, we source goods and services locally whenever possible to help reduce emissions related to transportation.

Key Performance Indicator	2017	2016
 Total energy use (kWh)	7,844,990	8,147,764
 Energy saved through air conditioning upgrades (kWh)	247,583	N/A
 Carbon dioxide emissions avoided through our first solar power system (tons)	116	N/A
 Public transportation subsidies for colleagues (\$)	547,375	601,337

WATER

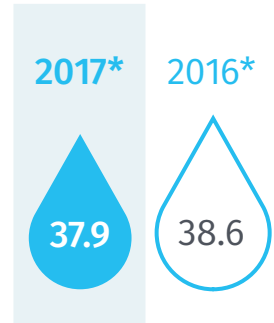


Water consumption, especially at our California locations, is of critical importance to us all and the bank believes in investing to lessen our consumption. A new water treatment system we have installed at the bank's Operations Center, for example, saves more than one million gallons of water per year.

Now more than ever, water consumption is a critical barometer of our commitment to its reduction. To ensure we have an impact outside the bank's physical operations, we also encourage our 4,300 colleagues to take efforts to reduce their personal consumption at home.

Key Performance Indicator

Water use (millions of gallons)



* For a 12-month period from September 1 to August 31.

WASTE AND RECYCLING

We are glad to report that waste reduction and recycling of materials have both become second nature to our colleagues and are an integral part of our corporate culture. The bank sponsors a number of programs that support our colleagues as they act on their own priorities in the disposal and reuse of materials such as batteries and electronic equipment.

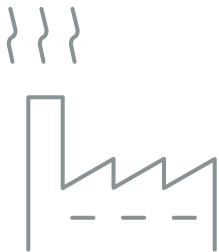
Traditionally for a financial services company such as ours, the consumption of paper is an expected by-product of our operations. We have been successful in reducing that trend towards paper consumption through the introduction of online reporting and online bills and through our growing reliance on eDocuments which don't need to be printed.

The states in which we operate are known for the quality of their water treatment and monitoring efforts. The bank and its colleagues fully support the use of filtered domestic water and eschew the use of bottled water, as does much of society today.

The recycling of paper products in locations where paper is still required is an area where we can have a tremendous impact in terms of keeping materials out of landfill areas. We recycle paper and cardboard at all of our locations.



For instance, in 2017 at our Flower Street headquarters location, we recycled 81,797 tons of paper, yielding the following benefits:



CARBON FOOTPRINT
118,442 lbs

of CO₂ emissions avoided =
11.5 cars off the road per year



LANDFILL SPACE
409 cubic yards

of landfill space conserved



TREES
1,373
trees preserved



WATER
2.2 million gallons

of water saved =
245 pools full of water saved



ENERGY
184,861 kWh

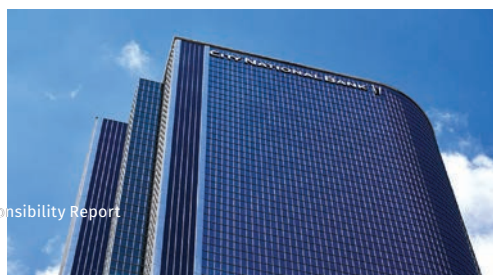
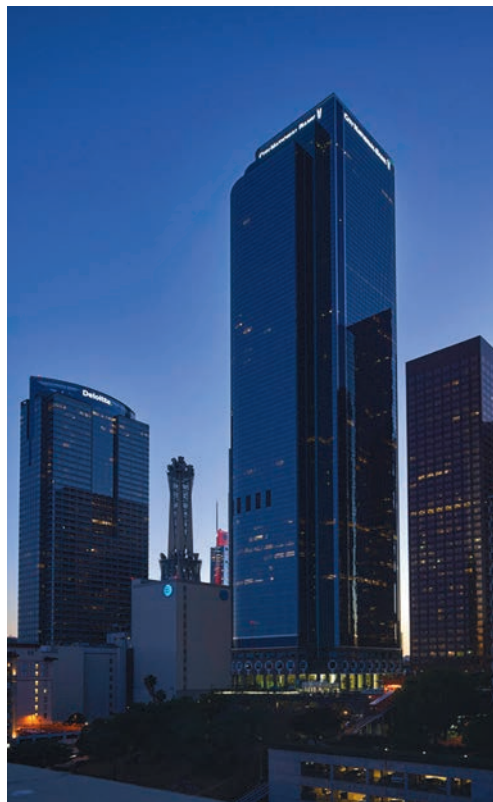
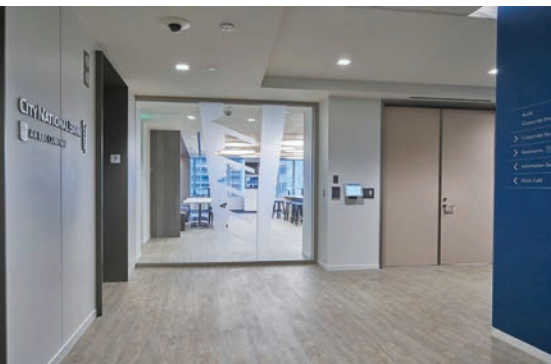
of electricity saved =
491 years of energy demand for a laptop

GREEN BUILDINGS

All new building projects at City National are designed to attain certification under the LEED (Leadership in Energy and Environmental Design) system. 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. Meeting the requirements can be arduous, but we believe it is the right thing to do.

In 2017, we started work on our plan to increase our downtown Los Angeles capacity by expanding into nearly

300,000 square feet of office space in a building close to our headquarters on Flower Street. The building was chosen in part for its sustainable designation as LEED Platinum certified and its accessibility to public transit. Green building practices were employed for the renovations that took place throughout the year. Ultimately, 1,600 colleagues are expected to move in to the 11-storey space. City National boasts green facilities in locations throughout the U.S., including San Francisco and New York.



GREEN CHAMPION

MARSHALLING COLLEAGUES TO THE ENVIRONMENTAL CAUSE

In 2017, City National launched the pilot of a new employee engagement initiative called the CNB Green Champion Program. The program is an extension of the City National's Corporate Social Responsibility efforts. Green Champion was developed to encourage colleagues' participation in the bank's environmental sustainability efforts. Colleagues engaged in such work tend to be more productive and enjoy high levels of job satisfaction.

As part of the pilot, Green Champion teams were created at four City National sites: City National Plaza, Roxbury, 400 Park Avenue and the San Francisco Regional Center. Each team has a leader, ten to fifteen team members and is coached and advised by the Green Champion Steering Committee. Green Champion initiatives were implemented over the three-month period of the pilot initiative.

All initiatives focus on some aspect of environmental sustainability such as increasing recycling, reducing energy consumption and reducing pollution rates caused by commuting. Teams achieve success through highly visible communications, collaboration using online channels, employee recognition and well-documented results.

"The green champion program pilot has been most gratifying and we are seeing excellent results to date," says Andrea Cervantes, corporate premises. *"Colleague enthusiasm for the program is high and we anticipate the program will be rolled out at appropriate locations across the company later in 2018."*





“We strive to create the kind of workplace that brings out the best in people and in turn, attracts the best people. We believe that our shared values of integrity, inclusion, entrepreneurship and creative problem solving make us stronger and better in our service to clients, communities and each other.”

MARTHA TUMA

EVP and Chief HR Officer

Value for Colleagues

To be a responsible corporation and further our sustainable business model, we must foster a fair and inclusive workplace where everyone is respected and appreciated for their particular strengths and perspectives.

We also believe that a company’s culture is not a product of the institution itself, but rather is the collective sentiment of the people employed by the company. The bank’s culture is a product of our people and it survives and thrives through their beliefs and action.

The culture that our 4,300 colleagues personify every day is defined by a values-based sentiment that embraces integrity, inclusivity, diversity, entrepreneurship and creative problem-solving. City National is large enough to enjoy the benefits of a large corporation and yet small enough to enjoy a collegial approach among colleagues and with our customers.

Key
Performance
Indicator

Number of colleagues

	2017	2016
Number of colleagues	4,214	3,838

DIVERSITY, MULTI-CULTURALISM AND INCLUSION

We seek to draw our colleagues from within the broad communities we serve, seeking individuals from all cultural and experiential backgrounds. The wide variety of perspectives they bring enriches our workplace and enhances our ability to serve the needs of our clients and communities. More than 50% of our colleagues are ethnic minorities.

We do not view the creation of a diverse workplace as an obligation; we see a diverse workforce as a strategic asset that greatly extends our reach and adds to our appeal as the bank of choice for our customers and the employer of choice for our colleagues, the majority of whom are talented financial professionals coveted within the industry.

WE FOSTER WORKPLACE INCLUSION AND THAT BEGINS WITH OUR WORKPLACE AND HIRING PRACTICES. WE LOOK FOR TALENTED PEOPLE WHO VOICE AND DEMONSTRATE A DESIRE TO GIVE BACK TO THEIR COMMUNITIES.

By supporting their personal growth and development, we promote mutual respect and engender their long-term commitment to the bank. In turn, our colleagues extend the same level of dedication to our clients. They furthermore tend to seek links within the communities we serve and thereby build bridges that support a level of economic development that benefits many people.

We also promote diversity by maintaining multicultural resource groups, hosting panels and organizing workshops dedicated to multi-cultural and diversity issues. These activities are predicated on the belief that as a bank we cannot fully appreciate the richness of any one cultural group unless we are first open to listening





to them. This outreach serves to enrich our perspectives on diversity and has a flow-through “halo” effect on our hiring and promotion practices.

We have nine colleague affinity groups at City National:



Our affinity groups are made up of colleagues drawn from various lines of business throughout the bank. Each affinity group works as a team and collaborates with other teams, to advance its goals and find solutions tailored to the needs of its respective constituencies, both internally and externally.

Key Performance Indicator	2017	2016
	52%	53%
	48%	47%

ETHNICITY

	2017	2016
Asian	21%	20%
Black or African American	9%	9%
Hispanic or Latino	22%	22%
Native Hawaiian or other Pacific Islander	1%	1%
Two or more races	2%	2%
White	44%	45%

VETERANS

City National believes that the brave men and women who have served honorably in the U.S. military bring a spirit of exceptional compassion, duty and comradery to our workplace. It has been our experience that our veterans typically display leadership, teamwork and organizational skills. They are resilient and steadfast in their approach. In short, they demonstrate precisely the types of characteristics that made them successful in the military and make them ideal colleagues for our business.

In 2017, we had 78 colleagues on staff who have previous military service.

Key Performance Indicator	2017	2016
Number of self-identified military veterans	78	58

I BELONG AT CITY NATIONAL

A veteran of the U.S. Military, colleague Frank Rodriguez has been with City National for nine years. While he's been involved in sending care packages from the bank to U.S. soldiers in Afghanistan, he feels it's the way the bank respects its people that make it such a great place to work. *"I belong at City National because I feel appreciated here,"* Frank says. *"I find that colleagues generally care about you and so does the management team. I feel I am in a good place."*



“To be successful in today’s landscape, even a domestic bank must be positioned to serve a global customer base. At City National Bank, we understand the importance of a multicultural strategy – one whereby we consider cultural nuances, behaviors and social attitudes of our client base in order to serve them effectively. We are a traditional bank with a progressive approach to client growth and sustainability, providing the tangible products and services clients need to reach their financial goals and objectives.”

KAREN A. CLARK
Senior Vice-President
Multi-Cultural
Strategies Manager

Value for Clients

We treat all of our clients on all levels of the economic spectrum with respect, service and dedication. We encourage a bank-wide culture of inclusion predicated on the belief that diversity enriches a society when all are accepted and allowed to contribute their maximum level of ability.

Since its inception, business for City National Bank has been personal. It is that personal approach that has become the hallmark of our success.

Each of our colleagues is likewise personally invested in the success of our clients. Driven by that, colleagues develop and nurture lasting proactive relationships with our clients. Based on bonds of common trust and respect, they offer clients the types of financial products and services that meet their particular needs and that help them succeed, however they may define it.

We make it clear to our clients that we are a responsible, healthy and sustainable bank, keen to serve and partner with them today and in the future.

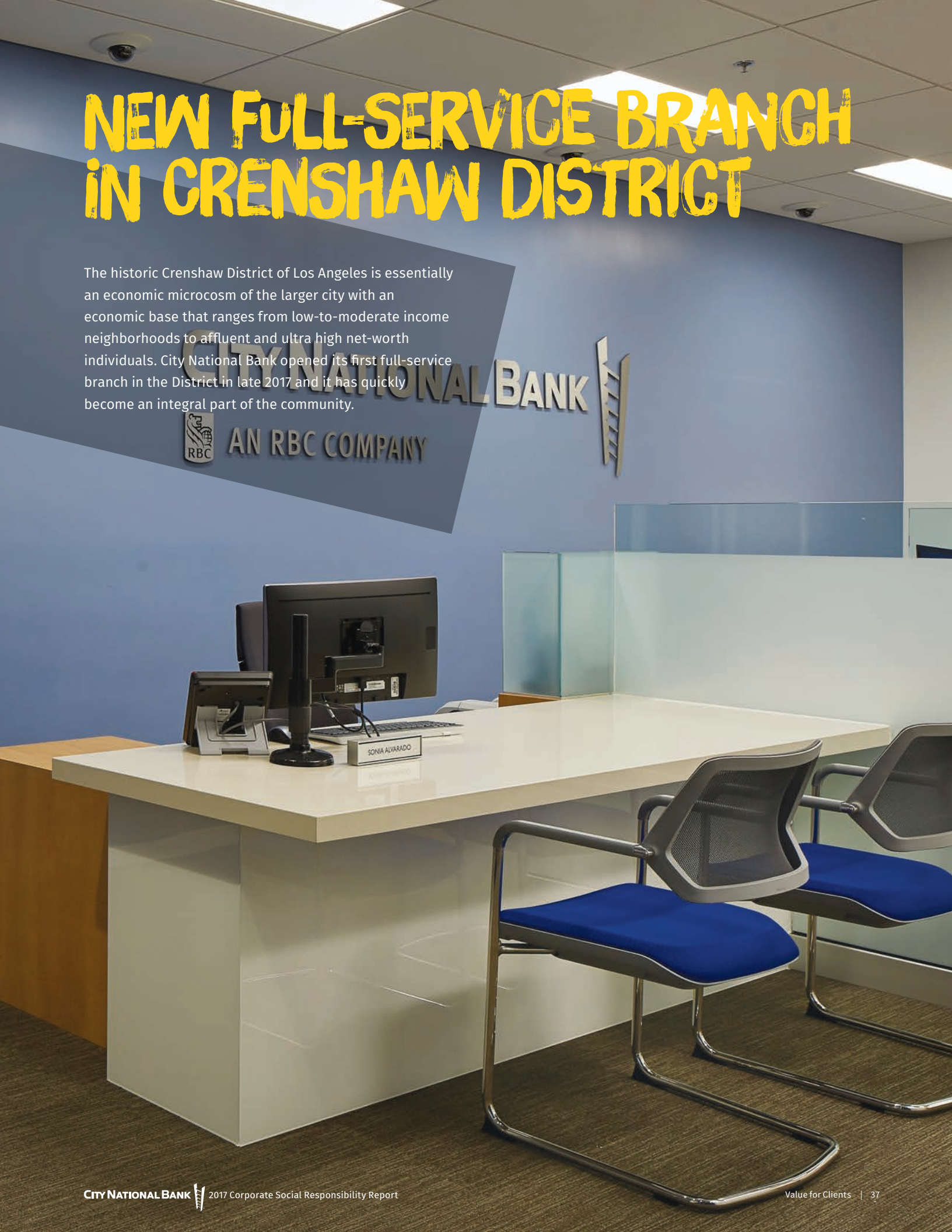


NEW FULL-SERVICE BRANCH IN CRENSHAW DISTRICT

The historic Crenshaw District of Los Angeles is essentially an economic microcosm of the larger city with an economic base that ranges from low-to-moderate income neighborhoods to affluent and ultra high net-worth individuals. City National Bank opened its first full-service branch in the District in late 2017 and it has quickly become an integral part of the community.



AN RBC COMPANY



“BECAUSE OF THE ECONOMIC DIVERSITY OF THE DISTRICT, CITY NATIONAL BANK IS EXTREMELY WELL POSITIONED TO SERVE THE POPULATION HERE,” SAYS PETER JACKSON, BRANCH MANAGER AND LONG-TIME RESIDENT OF THE CRENSHAW DISTRICT. “WE HAVE THE BREADTH OF SERVICES TO SERVE OUR CUSTOMERS WHATEVER THEIR FINANCIAL NEEDS MIGHT BE.”



PETER JACKSON
Branch Manager,
Crenshaw resident and
Branch Manager



Relying on word of mouth and community engagement as opposed to a “grand opening” event, Peter and his team utilized a high-touch marketing program in the Crenshaw community. In addition to the branch staff, City National has nearly 100 colleagues who live in and around the Crenshaw area. These colleagues essentially became ambassadors of the bank to the Crenshaw community. They represent the bank, for example, at grass roots events such as block parties, book clubs and other community gatherings.

The branch partnered with other financially oriented community agencies to ensure the full needs of the local community were met – including providing loans for new businesses and ensuring mortgage opportunities for individuals who might not otherwise qualify.

“At City National Bank, we consider ourselves relationship managers and we excel at developing and maintaining strong bonds with our customers, no matter their economic circumstances. When we opened, we set an ambitious five-year target for the Crenshaw branch and we’re thrilled to say that we have reached 20% of that goal after just six months.”

HELPING CLIENTS PROTECT THE PLANET

We offer products and services that help clients address social and environmental issues. For instance, our digital offerings can enhance the banking experience while addressing our clients' increasing demand for banking products and services that allow them to play a role in the sustainability of our environment. We minimize paper use and emissions with green checking and savings accounts, online banking with bill pay, e-deposits and online statements.



WASTE MANAGEMENT COMPANY ENTERS GREEN ERA POWERED BY CITY NATIONAL

E. J. Harrison & Sons has been in the business of picking up trash since 1932. But these days, they don't just pick up the trash. They are diverting it into hundreds of different products placing the company at the forefront of the green waste movement. The company provides services to some 90,000 residential, commercial and industrial customers in the Ventura area of California.

"City National Bank helped us finance the infrastructure to reduce waste," says Myron Harrison, Vice President at the company. "Creating a greener future costs money. We needed a bank big enough to finance our growth."

Myron says being in the green waste space is exciting and he reports that landfills are filling up at about half the pace as when waste was not being recycled. The company has also embraced City National Bank's online banking capabilities and it now uses e-deposits to move hundreds of thousands of dollars every month. Like City National Bank, E. J. Harrison & Sons is very involved in their local communities.

"City National Bank understands business and they understand my business – I like that," concludes Myron.

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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