Citizens Financial Group, Inc.

Citizens Bank, National Association

Resolution Plan

Public Summary

December 31, 2015

Chapter 1. PUBLIC SECTION

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1.I Introduction

On September 13, 2011, the Board of Governors of the Federal Reserve System (the **Federal Reserve Board** or **FRB**) and the Federal Deposit Insurance Corporation (the **FDIC**) jointly adopted a final rule, Federal Reserve Regulation QQ and Part 381 of the FDIC regulations (together, the **Title I Rule**), to implement resolution-planning requirements for certain nonbank financial companies and bank holding companies pursuant to Section 165(d) of Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the **Dodd-Frank Act**). Under the Title I Rule, Citizens Financial Group, Inc. (**CFG** and, together with its subsidiaries, **Citizens**) is required to submit periodically a resolution plan (the **Title I Plan**).

On January 17, 2012, the FDIC issued a final rule, Part 360 of the FDIC regulations (the **IDI Rule**), that requires insured depository institutions (**IDIs**) with assets of $50 billion or more to submit periodically to the FDIC a plan for resolution in the event of failure under the Federal Deposit Insurance Act (**FDIA**). Citizens Bank, N.A. (**CBNA**) is concurrently filing its separate plan (the **IDI Plan**) to fulfill the requirements of the IDI Rule. The FDIC provided further clarification, guidance and direction for the preparation of CBNA's 2015 IDI Plan in December 2014. This IDI Plan is substantially included as a subpart of the Title I Plan, which together are referred to as the "**Citizens Resolution Plan.**"

This is Citizens' third annual submission of its IDI Plan and first annual submission of its Title I Plan. The prior two years, CFG was a wholly owned subsidiary of RBS Group, plc (**RBS Group)** and CFG, CBNA and Citizens Bank of Pennsylvania (**CBPA**) were included as material entities in RBS Group's U.S. Title I Plan.

The Citizens Resolution Plan demonstrates how the material entities, core business lines (**CBLs**) and critical operations of CFG can be reorganized, liquidated or otherwise resolved under applicable insolvency law in a reasonable period of time, without any extraordinary support from the U.S. government and in an organized manner in the event of material financial distress or failure in a way that substantially minimizes the risk that the failure of these entities, businesses or operations would have a serious adverse effect on financial stability in the United States.

This document constitutes the public section (Chapter 1) of both the Title I Plan, filed by CFG pursuant to the Title I Rule, and the IDI Plan, filed by CBNA pursuant to the IDI Rule.

Forward-Looking Statements

This document contains "forward-looking statements" as the Private Securities Litigation Reform Act of 1995 defines that phrase. Any statement that does not describe historical or current facts is a forward-looking statement. These statements often include the words "believes," "expects," "anticipates,""estimates," "intends," "plans," "goals," "targets," "initiatives," "potentially," "probably," "projects," "outlook" or similar expressions or future conditional verbs such as "may," "will," "should," "would," and "could." Forward-looking statements are based upon the current beliefs and expectations of management, and on information currently available to management. Citizens statements speak as of the date hereof, and Citizens does not assume any obligation to update these statements or to update the reasons why actual results could differ from those contained in such statements in light of new information or future events. Citizens cautions, therefore, against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. While there is no assurance that any list of risks and uncertainties or risk factors is complete, important factors could cause actual results to differ materially from those in the forward-looking statements.

The Citizens Resolution Plan, which this document summarizes, is not binding on the FDIC, the FRB or any other resolution authority, and the failure scenarios and associated assumptions presented herein are hypothetical and do not necessarily reflect an event or events to which Citizens is or may become subject. An actual resolution scenario may result in material losses to depositors, the FDIC Deposit Insurance Fund (**DIF**) and others.

For more information about factors that could cause actual results to differ materially from Citizens' expectations, refer to Citizens' reports filed with the U.S. Securities and Exchange Commission (the **SEC**), including the discussion of “Risk Factors” in Citizens' Form 10-K Annual Report for the year ended December 31, 2014, as filed with the SEC and available on the SEC website at www.sec.gov.

1.II Citizens Title I Plan and Citizens Bank, N.A., IDI Plan

Overview of CFG

CFG is a commercial bank holding company headquartered in Providence, Rhode Island, with $137.2 billion in assets and $19.6 billion in stockholders' equity as of June 30, 2015. Its two main banking subsidiaries are CBNA and CBPA**,** with $106.9 billion and $34.9 billion in assets respectively.

By way of these subsidiaries, Citizens currently provides a broad range of consumer and commercial banking products through approximately 1,200 branches, including over 345 in-store locations, 3,200 Automated Teller Machines (**ATMs**) and more than 17,700 colleagues. Citizens operates its branch network in an 11-state footprint across the New England, Mid-Atlantic and Midwest regions and has nonbranch retail and commercial offices in more than 30 states.

Citizens’ history dates back to High Street Bank, founded in 1828, which established Citizens Savings Bank in 1871. Citizens Savings Bank acquired a controlling interest in High Street Bank by the 1940s, renaming the entity Citizens Trust Company. By 1981, Citizens had grown to 29 branches in Rhode Island with approximately $1.0 billion in assets. Citizens became a wholly owned subsidiary of RBS Group, a financial institution based in the United Kingdom (**U.K.**) in 1988. Over the following two decades, Citizens grew substantially through a series of over 25 strategic bank acquisitions. These acquisitions greatly expanded Citizens' footprint throughout New England and into the Mid-Atlantic and Midwest, transforming Citizens from a local retail bank to one of the largest U.S. bank holding companies. Citizens had always remained distinct from, and independent of, RBS Group’s other businesses, having its own board of directors and executive management team. In February 2013, RBS Group announced its intent to execute a public offering of CFG shares in late 2014, followed by a full exit by the end of 2016, resulting in Citizens being a standalone U.S. regional bank owned by public shareholders.

In September 2014, CFG (CFG: NYSE) became a publicly traded company in the largest traditional bank Initial Public Offering (**IPO**) in U.S. history, reducing RBS Group ownership interest to 72.0%. The IPO represented an important first step in Citizens separation from RBS Group. Subsequent to that IPO, a secondary offering was sold to the public in March 2015, reducing RBS Group ownership interest to 40.8%. A third public offering was held in August 2015, reducing RBS Group ownership to 20.9%, and in November 2015, in connection with a fourth public offering, RBS Group exited its remaining ownership position.

Competitive Strengths

Citizens' long operating history, through a range of challenging economic cycles, forms the basis for its competitive strengths. From community bank roots, Citizens brings a commitment to strong customer relationships, local service and an active involvement in the communities Citizens serves. Citizens' acquisitions enabled it to develop significant scale in highly desirable markets and broad product capabilities. The actions taken since the global financial crisis of 2008 and 2009 have resulted in a business model with solid asset quality, a stable core deposit mix and a superior capital position. In particular, the following strengths differentiate Citizens from its competitors and provide a strong foundation from which to execute Citizens' strategy to deliver enhanced growth, profitability and returns.

- **Significant Scale with Strong Market Penetration in Attractive Geographic Markets**: Citizens' market share and scale in its footprint is central to its success and growth. Citizens serves more than five million individuals, institutions and companies and ranks second by deposit market share in the New England region and in the top five in nine of its key metropolitan statistical areas, including Boston, Providence, Philadelphia, Pittsburgh and Cleveland. This strong market share in core regions, which have relatively diverse economies and affluent demographics, will help Citizens achieve its long-term growth objectives.
- **Strong Customer Relationships:** Citizens focuses on building strong customer relationships by delivering a consistent, high-quality level of service supported by a wide range of products and services. Citizens provides a distinctive customer experience characterized by offering the personal touch of a local bank with the product selection of a larger financial institution.
- **Stable, Low-Cost Core Deposit Base**: Citizens has a strong funding profile, with $100.6 billion of total deposits as of June 30, 2015, consisting of 27% in noninterest-bearing deposits and 73% in interest-bearing deposits. Noninterest-bearing deposits provide a lower-cost funding base.
- **Superior Capital Position:** Citizens is among the best-capitalized large regional banks in the United States, with a tier 1 capital ratio of 12.1% as of June 30, 2015. The fully phased-in pro forma Basel III common equity tier 1 (**CET1**) ratio at June 30, 2015 was 11.8%. This strong capital

position provides Citizens the financial flexibility to continue to invest in businesses and execute strategic growth initiatives.

- **Solid Asset Quality Throughout a Range of Credit Cycles**: Citizens' experienced credit risk professionals and conservative credit culture, combined with centralized processes and consistent underwriting standards across all business lines, have allowed Citizens to maintain strong asset quality through a variety of business cycles. As a result, Citizens weathered the global financial crisis better than peers: for the two-year period ending December 31, 2009, net charge-offs averaged 1.63% of average loans. More recently, the loan portfolio credit quality has continued to improve with nonperforming assets as a percentage of total assets of 0.79% at June 30, 2015, compared to 1.20% and 1.55% as of December 31, 2013 and 2012, respectively.
- **Experienced Management Team Supported by a High-Performing, Talented Workforce**: The Citizens leadership team of seasoned industry professionals is supported by a highly motivated, diverse set of managers and employees committed to delivering a strong customer value proposition. The highly experienced and talented executive management team, whose members have more than 20 years of banking experience on average, provide strong leadership to deliver on overall business objectives.
- **Commitment to Communities**: Community involvement is one of Citizens' principal values. Citizens strives to contribute to a better quality of life by serving the communities across the footprint through employee volunteer efforts, a foundation that funds a range of nonprofit organizations and executives that provide board leadership to community organizations. A strong commitment to communities provides a competitive advantage by strengthening customer relationships and increasing loyalty.

Business Strategy

Citizens' objective is to become a top-performing bank that delivers well for each of its stakeholders by offering the best possible banking experience for customers. Citizens plans to achieve this by leveraging its strong customer relationships, leading market share rankings in attractive markets, customer-centric colleagues and high-quality balance sheet.

The strategy is designed to maximize the full potential of its businesses and drive sustainable growth and enhanced profitability. Citizens intends to deliver on this goal by adhering to the following strategic principles:

- **Offer customers a differentiated experience** through the quality of colleagues, products and services, and foster a customer-centric culture, commitment to excellence, leadership, teamwork and integrity.
- **Build a great brand** that invokes trust from customers and reinforces the value proposition of being "Simple. Clear. Personal." for Consumer Banking customers and providing solutions-oriented "Thought Leadership" to Commercial Banking clients.

- **Deliver attractive risk-adjusted returns** by making good capital and resource allocation decisions, being good stewards of resources and rigorously evaluating execution.
- **Operate with a strong balance sheet** with regards to capital, liquidity and funding, coupled with a well-defined and prudent risk appetite.
- **Maintain a balanced business mix** between Commercial Banking and Consumer Banking.
- **Position the bank as a "community leader"** that makes a positive impact on the communities and local economies it serves.

For the most complete, updated public information regarding Citizens, please review the 2015 Form 10-Q filed with the Securities and Exchange Commission on November 6, 2015.

Resolution Planning and Resolvability

Since the financial crisis of 2008 and 2009 and in preparation for becoming a publicly owned company in 2014, Citizens has taken a variety of steps to build its financial strength and risk management capabilities and taken actions to improve its resolvability.

Reduced Liquidity Risk

Citizens has significantly reduced its dependence on unsecured wholesale funding. Given the severe recession following the financial crisis of 2008 and 2009, this reduction was facilitated by declining asset balances, which Citizens attributes to weak loan demand for, and heavy prepayments of, home-equity and residential-mortgage loans. As of June 30, 2015, Citizens' loan-to-deposit ratio was 96.6% (i.e., Citizens had more deposits than loans), total unsecured wholesale funding was $350 million and unencumbered securities were $15.5 billion. Following the September 2014 joint issuance by the FRB, FDIC and Office of the Comptroller of the Currency (**OCC**) of the U.S. Liquidity Coverage Ratio (**LCR**) Rules, Citizens has been improving its liquidity-management capabilities and expects to be in full compliance with the new rules in 2016.

Optimized the Capital Base and Improved Capital Management

Citizens has worked to ensure an efficient mix of capital that can meet the needs and expectations of all major stakeholders, including shareholders, CFG’s board of directors, primary regulators and supervisors, rating agencies, debt holders, depositors and customers. To this end Citizens remains focused on continuing to exceed all risk-based regulatory capital requirements, as defined for CFG, CBNA and CBPA. Citizens continues to target a long-term debt rating of “A” from Standard and Poor's (**S&P**) and similar ratings from other agencies.

As of June 30, 2015, CFG's tier 1 capital ratio of 11.8% continued to rank at the top of its peer group and was well in excess of the regulatory Basel III minimum, and its fully phased-in capital conservation buffer was 8.5%. CFG’s tier 1 risk-based capital, total risk-based capital and tier 1 leverage ratios were 12.1%, 15.3% and 10.4%, respectively, under Basel III Transitional rules.

Improved the Credit Risk Profile

Since 2008 Citizens has reduced credit risk through a focus on collections, tightening of underwriting criteria, revising credit policies and the building of a conservative allowance for loan and lease losses (**ALLL**). Total nonperforming loans as a percentage of total loans was 1.09% as of June 30, 2015, compared to its peak at 2.89% as of December 31, 2010, which was a result of the financial crisis of 2008 and 2009.

Enhanced Controls

Citizens has focused on enhancing controls over the past several years with the implementation of a comprehensive enterprise risk management program. The critical objectives of the program are to have fully developed and embedded policies, risk appetite frameworks and standards with clearly articulated roles and responsibilities across all lines of defense. A "Three Lines of Defense" model is in place, ensuring independent oversight of risk management and control effectiveness throughout the organization. "First Line of Defense" risk teams have been reorganized to align with the Commercial and Consumer lines of business. Each business is required to identify its risks, track risk issues, and evaluate and certify its control effectiveness on a biannual basis. Citizens has significantly upgraded its technology infrastructure and continues to invest in automation, data protection and cyber security in order to strengthen Citizens' control environment while improving the customer experience and gaining efficiencies.

Became a Standalone U.S. Regional Bank

In separating from RBS Group, Citizens is no longer affiliated with a foreign, global systemically important bank (**GSIB**). The small amount of remaining interconnectivity between Citizens and RBS Group is governed through arms-length transitional or commercial services contracts. This separation addresses many of the significant obstacles to rapid and orderly resolution identified in "Guidance for 2013 section 165(d) Annual Resolution Plan Submissions by Covered Companies that submitted Initial Resolution Plans in 2012," published by the FRB and FDIC in April 2013. Those obstacles are multiple competing insolvencies, global cooperation, operations and interconnectedness, counterparty actions, and funding and liquidity. Citizens' separation and disaffiliation from RBS Group significantly reduces obstacles that multiple competing insolvencies, counterparty actions and the challenges inherent in global cooperation can present.

As a standalone U.S. regional bank, Citizens' business operating model and legal-entity organization structure is simpler and more conducive to resolvability.

- Citizens has only two material operating companies, CBNA and CBPA, its two IDIs, which both engage in traditional banking activities. Nearly all of CFG's revenues and profits are generated by CBNA and CBPA. There is immaterial activity in nonbank affiliates.
- All of Citizens' operations and employees are located in the United States and substantially all of its revenues, profits, assets and liabilities are related to domestic operations.

- Key support functions and technology almost exclusively reside in CBNA or CBPA, thereby limiting interconnectivity between those entities and CFG, its nonbank affiliate, and protecting them from the activities of its nonbank affiliates.
- Citizens' derivative activities are predominantly customer-driven, or used to hedge Citizens' balance sheet interest rate risk. They are well-accepted and well-understood financial instruments, primarily derived from interest and foreign exchange rates. They are all booked in CBNA and CBPA, the two IDIs. Following Citizens' separation from RBS Group, derivative activity is almost exclusively executed through unaffiliated, U.S. based financial institutions as counterparties and cleared to the extent required by applicable law. The law that governs legacy derivative contracts still in place with RBS Group has been changed from being governed from English law to New York law.

The following Citizens' actions, which Citizens needed to perform to become a standalone U.S. regional bank, provided direct experience in developing resolution strategies required by the FDIC for the 2015 IDI Plan.

- Planning and executing the separation from RBS Group and establishing the transition services agreements to maintain continuation of services through a separation period.
- Planning and executing the Citizens September 2014 IPO and subsequent offerings in March, August and November of 2015, to successfully initiate public ownership of a large bank.

Taken Additional Actions to Enhance Resolvability

Citizens is committed to improving resolvability by identifying and mitigating risks to in order to ensure a rapid and orderly resolution. Projects completed to enhance resolvability include:

- Citizens' resolution planning has created detailed analysis of shared services, including technology, personnel, vendor relationships and real estate, to assure that the vast majority of these services are conducted through CBNA, which would support operational continuity in an FDIA resolution.
- Citizens has strengthened its intercompany service agreements to ensure that the terms and conditions of services between entities are clearly documented and inventoried. These agreements allow for the continuation of services between material entities during a resolution and would facilitate the ability to document the relevant transition service agreements needed in connection with the divestitures under a multi-acquirer strategy.
- Citizens has relatively few legal entities and has an ongoing process that eliminates inactive or redundant legal entities.

Citizens will continue to work with the Federal Reserve and FDIC to better understand key drivers and concerns related to resolution and to integrate resolution planning into its business-as-usual activities, including identifying new impediments as they may arise and addressing and mitigating them.

1.II.A Material Entities

Citizens used specific criteria to confirm which of its entities are material entities (**MEs)**, in accordance with the definitions provided by the FDIC and Federal Reserve. Applying these criteria, CBNA (for the IDI Plan) and CFG (for the Title I Plan) designated three MEs of Citizens: CFG and its two IDI subsidiaries, CBNA and CBPA. CBNA is a “covered insured depository institution” under the IDI Rule because it holds over $50 billion of assets. Two additional Citizens legal entities were identified as MEs for purposes of the IDI Plan and the Citizens Resolution Plan because of their relationship with CBNA: its parent bank holding company, CFG, and its sister IDI, CBPA. The Citizens Resolution Plan includes an analysis of each ME and the resolution regime and strategy that apply to each ME. The MEs in the Citizens Resolution Plan are further described below.

Citizens Financial Group, Inc.: CFG is a Delaware corporation headquartered in Providence, Rhode Island that holds all of the shares of CBNA and CBPA. CFG is a registered U.S. bank holding company and financial holding company subject to supervision by the Federal Reserve. CFG does not directly perform any line of business or operation.

Citizens Bank, N.A.: CBNA is a national bank and an IDI regulated by the OCC. CBNA offers personal, small business and commercial banking services, such as checking accounts, savings and money market accounts, certificates of deposit (**CDs)**, card products, mortgages, home loans, auto loans, student loans, online/mobile banking, cash management, borrowing options, and personal and business investment services. CBNA has retail banking branches in Connecticut, Delaware, Massachusetts, Michigan, New Hampshire, New York, Ohio, Rhode Island and Vermont.

Citizens Bank of Pennsylvania: CBPA is a Pennsylvania-chartered savings bank and IDI that offers services that are similar to those listed for CBNA above. The primary regulators of CBPA are the FDIC and the Pennsylvania Department of Banking. CBPA has retail banking branches in Pennsylvania and New Jersey. Although CBPA is not required to submit an IDI Plan, it is included as an ME in the Title I Plan, and because of its affiliate relationship with CBNA as the covered insured depository institution under the IDI Rule, in CBNA's IDI Plan.

1.II.B Core Business Lines

Citizens’ CBLs consist of Commercial Banking and Consumer Banking, which are CBNA's and CBPA's two customer-facing businesses and include associated operations, services, functions and support that, upon failure, would result in a material loss of revenue, profit or franchise value. Both Citizens’ CBLs are housed entirely within Citizens’ two IDI MEs: CBNA and CBPA.

Commercial Banking: The Commercial Banking business primarily targets companies and institutions with annual revenues of $25 million to $2.5 billion and tries to be the lead bank for its clients. It offers a broad complement of financial products and solutions, including lending and leasing, trade financing, deposit and treasury management, foreign exchange and interest rate risk management products, and corporate finance and debt and equity capital market capabilities. Commercial Banking provides thought leadership by leveraging an in depth understanding of clients' and prospects' businesses to proactively deliver compelling financial solutions. While activity is concentrated within Citizens' 11-state footprint, Commercial Banking pursues business opportunities nationally on a targeted basis in a way that reinforces its core footprint business.

Commercial Banking is structured along lines of business as well as product groups. Middle Market targets companies with annual revenues of $25 million to $500 million, including a Not-for-Profit industry vertical, throughout the Citizens footprint. MidCorporate and Industry Verticals, targeting mid-sized companies with annual revenues of $500 million to $2+ billion, have dedicated teams with industry expertise in government banking, healthcare, technology, franchise finance, asset-based lending, oil and gas, and technology lending. Asset Finance offers leases and equipment-financing term loans. Commercial Real Estate provides customized debt capital solutions and construction financing, term debt and lines of credit. Corporate Finance & Capital Markets delivers solutions to customers through four key product groups, including debt capital markets, corporate finance, global markets and strategic client acquisition. Treasury Solutions supports all lines of business with treasury management solutions, including domestic and international cash management, commercial cards and trade finance.

Consumer Banking: The Consumer Banking business serves retail customers and small businesses with annual revenues up to $25 million through a network that includes approximately 1,200 branches operated in an 11-state footprint across the New England, Mid-Atlantic and Midwest regions as well as through online, telephone- and mobile-banking platforms. Consumer Banking products and services include deposit products, mortgage and home equity lending, student loans, auto financing, credit cards, business loans, wealth management and investment services. Consumer Banking's value proposition is based on providing simple, easy-to-understand product offerings and a convenient experience with a more personalized approach.

Consumer Banking is organized around customer products and services. Everyday Banking provides customers with deposit and payments products and services. Home Lending Solutions offers home equity loans, home equity lines of credit and residential mortgages. Indirect Auto Finance provides financing for the purchase of new and used vehicles through a network of automotive dealerships. Student Lending offers a variety of student loan products directly to consumers and through partnering with higher education schools. Business Banking services small and medium enterprise businesses with annual revenues up to $25 million. Wealth Management provides a full range of advisory services to clients with an array of banking, investment and insurance products and services. Distribution provides a multi-channel network of branches, ATMs, online- and mobile-banking capabilities supported by a customer-contact center that provides customers with extended access to services.

1.II.C Summary of Financial Information, Capital and Major Funding Sources

Financial Overview

Exhibit 1 summarizes the assets, liabilities, and capital for CFG as of June 30, 2015. For the most complete and updated information regarding assets, liabilities, capital and major funding sources, CFG's Form 10-K and 10-Q reports filed with the SEC should be read in their entirety.

Exhibit 1: Consolidated Citizens Financial Group, Inc. Balance Sheet	
As of June 30, 2015 ($ in millions)	
Assets:	
Cash and due from banks	$3,055
Securities available-for-sale, at fair value	18,662
Securities held to maturity at amortized costs	5,567
Other investment securities	866
Loans held for sale	397
Other loans held for sale	300
Loans and leases	96,538
Less: Allowance for possible loan and lease losses	1,201
Net loans and leases	95,337
Trading account assets	665
Premises and equipment	580
Bank-owned life insurance	1,543
Goodwill	6,876
Due from broker	939
Other assets	2,464
Total Assets	**$137,251**
Liabilities and Stockholder's Equity:	
Liabilities:	
Total Deposits	100,615
Federal funds purchased	3,784
Other short-term borrowed funds	6,762
Derivative liabilities	556
Deferred taxes, net	558
Long-term borrowed funds	3,890
Other liabilities (related third-party balances of $29 and $30 owed to CBNA and CBPA respectively)	1,500
Total Liabilities	**$117,665**
Stockholders' Equity:	
Perpetual preferred stock and related surplus	247
Common stock	6
Surplus	18,714
Retained earnings	1,585
Accumulated other comprehensive income	(359)
Treasury stock	(607)
Total Stockholders' Equity:	**$19,586**
Total Liabilities and Stockholders' Equity	**$137,251**

Exhibit 2 summarizes the assets, liabilities, and capital for CBNA as of June 30, 2015, as required by the FDIC's IDI Rule. For the most complete and updated information regarding assets, liabilities, capital and major funding sources, CBNA's call reports filed with the FDIC should be read in their entirety.

Exhibit 2: Consolidated Citizens Bank, N.A., Balance Sheet*

As of June 30, 2015 ($ millions)	
Assets	
Cash and due from banks	$996
Interest-bearing deposits in banks	1,499
Securities available-for-sale at fair value	13,572
Securities held to maturity at amortized cost	1,761
Loans held for sale	590
Loans and leases	77,614
Less: Allowance for loan and lease losses	978
Net loans and leases	76,636
Trading assets	510
Premises and equipment	490
Other real estate owned	29
Goodwill	5,681
Other intangibles	166
Other assets	5,018
Total Assets	**$106,948**
Liabilities and Stockholder's Equity:	
Liabilities:	
Total deposits	74,343
Securities sold under agreements to repurchase, and short-term borrowings	3,657
Trading liabilities	391
Borrowed funds	9,691
Subordinated notes and debentures	1,170
Other liabilities	1,749
Total Liabilities	$91,002
Stockholder's Equity:	
Perpetual preferred stock and related surplus ($75,000)	0
Common stock ($1,000)	0
Surplus	15,608
Retained earnings	618
Accumulated other comprehensive income	(280)
Total Equity Capital	**$15,946**
Total Liabilities and Equity Capital	**$106,948**

*Prepared in accordance with Federal Financial Institutions Examination Council Call Report instructions.

Capital Management

Assessment of capital adequacy begins with Citizens' risk appetite and risk management framework, which provides for the identification, measurement and management of material risks. Required capital is determined for actual and forecasted risk portfolios using applicable regulatory capital methodologies including estimated impacts of approved and proposed regulatory changes that will or may apply in future periods. Key analytical frameworks, which enable the comprehensive assessment of capital adequacy versus unexpected loss, supplement the base case forecast. A robust governance framework supports the capital management process. This process includes capital management policies and procedures that document capital adequacy metrics and limits as well as a comprehensive capital contingency plan and the active engagement of the CFG, CBNA and CBPA boards and senior management in oversight and decision-making. Forward-looking assessments of capital adequacy for CFG, CBNA and CBPA feed development plans.

CFG annually submits a capital plan to the Federal Reserve as required by Section 225.8 of the Federal Reserve's Regulation Y (the **Capital Plan Rule**) adopted in November, 2011. The Capital Plan Rule requires any U.S. bank holding company with $50 billion or more in total consolidated assets, such as CFG, to submit an annual capital plan in which the company sets forth a range of information and capital analysis. Following submission of its annual capital plan, CFG may take only those capital actions, including payment of dividends and repurchase of capital instruments, agreed to by the Federal Reserve. In March, 2015 the Federal Reserve notified Citizens that it did not object to Citizens' capital plan included in Citizens' Comprehensive Capital Planning and Analysis Review (**CCAR**) submission. In addition, CBNA and CBPA each submit an annual capital plan to their respective primary supervisor, as required under the supervisor's implementation of Dodd-Frank Act stress testing requirements.

Regulatory Capital

Under current regulation implementing Basel III, the Federal Reserve requires CFG, the OCC requires CBNA and the FDIC requires CBPA to maintain, in each case, minimum levels with respect to a tier 1 capital ratio, total capital ratio and a tier 1 leverage ratio. The tier 1 capital ratio is the ratio of the company's tier 1 capital to its total risk weighted assets. The total capital ratio is the ratio of the company's total risk-based capital, or the sum of its tier 1 and tier 2 capital, to its total risk-weighted assets. The tier 1 leverage ratio is the ratio of the company's tier 1 capital to total adjusted quarterly average assets, as defined for regulatory purposes.

Exhibit 3 shows that each of Citizens' regulated material entities maintains strong ratios compared to its current regulatory guidelines.

Exhibit 3: Transitional Basel III Capital Ratios*					
As of June 30, 2015					
Capital Ratio	**CBNA**	**CBPA**	**CFG**	**Regulatory - Minimum**	**Regulatory - Well Capitalized**
Tier 1 Capital	11.8%	13.0%	12.1%	6%	8%
Total Capital	14.3%	15.4%	15.3%	8%	10%
Tier 1 Leverage	10.6%	9.0%	10.4%	4%	5%

* Actual regulatory capital ratios as of June 30, 2015 under Basel III transitional rules.

Funding Sources

CBNA's primary funding source is consumer and commercial customer deposits, which are stable and lessen reliance on wholesale funding markets. As of June 30, 2015, CBNA's assets of $106.9 billion were funded mainly by $74.3 billion of deposits and $15.9 billion of shareholder equity. The loan-to-deposit ratio was 103%, reflecting a slight surplus of loans over deposits. Furthermore, contingent liquidity for CBNA as of June 30, 2015 equivalent to 9.7% of liabilities was available to support contingent secured funding, including repurchase agreements and Federal Home Loan Bank (**FHLB**) advances. CBNA maintains a diversified network of funding sources, which reduces reliance on any one particular source in the event that certain segments of the wholesale funding markets become impaired. Unsecured funding sources available include interbank (**Fed Funds**) markets, term unsecured debt markets, brokered retail deposits, repurchase agreements and institutional CDs. Secured funding sources include high-quality debt securities that can be readily sold or repurchased and high-quality real estate loans that can be pledged against advances from the FHLB. Securities and consumer and commercial loans can be pledged against borrowings from the Federal Reserve's discount window.

CFG's primary funding sources are dividends and interest received from its banking subsidiaries (CBNA and CBPA) and externally issued subordinated debt. CFG's uses of liquidity include routine cash flow requirements for a bank holding company, such as payments of dividends, interest and expenses; needs of subsidiaries for additional equity and debt financing and extraordinary requirements for cash, such as acquisitions.

CFG's liquidity risk is low as it has no material nonbanking subsidiaries and the banking subsidiaries are self funding. There is no outstanding senior debt at the CFG level, and the capital structures of its banking subsidiaries are similar to CFGs capital structure. CFG's operating expenses are relatively small.

Citizens does not engage in other activities that would add material liquidity risk, such as maintaining substantial off-balance-sheet entities requiring funding or depending on significant securitization activities.

Citizens manages liquidity risk at a consolidated enterprise level and for each material entity in accordance with policy guidelines promulgated by CFGs board of directors and its Asset and Liability Management Committee. Comprehensive and regular reporting is used in managing liquidity risk. These reports include information regarding current levels of liquidity and a comparison of those levels with threshold limits for a broad set of liquidity metrics, explanatory commentary relating to emerging risk trends and, as appropriate, recommended remedial strategies. Certain metrics are monitored for each material entity on a daily basis including net overnight position, free securities, internal liquidity, available FHLB borrowing capacity and total contingent liquidity. In order to identify emerging trends and risks and inform funding decisions, specific metrics are also forecasted over a one year horizon.

1.II.D Derivative and Hedging Activities

Derivatives Activities

CFG does not enter into any derivatives transactions. In the normal course of business, CBNA enters into a variety of derivative transactions both to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. CBNA sells interest rate swaps and foreign exchange transactions to commercial customers, offsetting those transactions with unaffiliated financial institutions and clearing houses. CBNA also uses interest rate swaps to manage its exposure to its interest rate risk, typically executing these transactions with unaffiliated financial institutions (which may also be cleared). CBNA also buys and sells interest rate forwards to manage the interest rate risk of the residential loan rate locks it commits to customers. CBNA does not use derivatives for speculative purposes. The derivative instruments are recognized on the consolidated balance sheet at fair value.

For financial reporting purposes, all of CBNA derivatives used to manage its structural interest rate exposure qualify for hedge accounting. CBNA formally documents at inception all hedging relationships, as well as risk management objectives and strategies for undertaking various accounting hedges. Hedge accounting is discontinued when it is determined that a derivative is not expected to be, or has ceased to be, effective as a hedge, and then reflects changes in fair value in earnings after termination of the hedge relationship.

CBNA’s customer and residential loan derivatives do not qualify for hedge accounting. Mark-to-market (**MTM**) adjustments to the fair value of customer-related derivatives are included in income. MTM gains and losses associated with customer derivatives are mitigated by the MTM gains and losses on the offsetting derivative contracts entered into with other financial institutions.

Exhibit 4 identifies derivative instruments included on Citizens' consolidated balance sheets in derivative assets and liabilities.

Exhibit 4: Consolidated Citizens Financial Group, Inc. Derivative Assets and Liabilities						
($ in millions)						
	June 30, 2015			December 31, 2014		
	Notional Amount[(a)]	Derivative Assets	Derivative Liabilities	Notional Amount[(a)]	Derivative Assets	Derivative Liabilities
Derivatives designated as hedging instruments:						
Interest rate swaps	$9,500	$95	$81	$5,750	$24	$99
Derivatives not designated as hedging instruments:						
Interest rate swaps	33,052	544	459	31,848	589	501
Foreign exchange contracts	7,820	172	167	8,359	170	164
Other contracts	1,310	11	6	730	7	9
Total derivatives not designated as hedging instruments	—	727	632	—	766	674
Gross derivative fair values	—	822	713	—	790	773
Less: Gross amounts offset in the Consolidated Balance Sheets [(b)]	—	(157)	(157)	—	(161)	(161)
Total net derivative fair values presented in the Consolidated Balance Sheets [(c)]	**—**	**$665**	**$556**	**—**	**$629**	**$612**

(a) The notional or contractual amount of interest rate derivatives and foreign exchange contracts is the amount upon which interest and other payments under the contract are based. For interest rate derivatives, the notional amount is typically not exchanged. Therefore, notional amounts should not be taken as the measure of credit or market risk, as they tend to greatly overstate the true economic risk of these contracts.
(b) Amounts represent the impact of legally enforceable master netting agreements that allow Citizens to settle positive and negative positions.
(c) Citizens also offsets assets and liabilities associated with repurchase agreements on the Consolidated Balance Sheets.

1.II.E Membership in Material Payment, Clearing and Settlement Systems

CFG is not a direct member of any payment, clearing and settlement systems, also known as Financial Market Utilities (**FMUs**). However, the Citizens IDIs participate in a variety of FMUs, to facilitate the clearing and settlement of securities and cash transactions. “Membership” means that the relevant Citizens ME has direct access to certain payment, clearing and settlement systems. CBNA and CBPA also have indirect access to other payment, clearing and settlement systems through other financial institutions. Some of the material payment, clearing and settlement systems that CBNA and CBPA are members of are listed below.

Exhibit 5: FMU Memberships		
Citizens Entity Holding Membership	**System Type**	**FMU Membership and Description**
CBNA and CBPA	Settlement and Clearing	**Fixed Income Clearing Corporation - Government Securities Division** (**FICC - GSD**) is a central clearing party (**CCP**) and provides real-time trade-matching, -netting and -clearing services for trades in U.S. government debt issues, including repurchase agreements, and securities transactions including Treasury bills bonds, notes and government-agency securities.
CBNA and CBPA	Payment	**FedACH Services** consist of an electronic payment system providing Automated Clearing House (**ACH**) services. It is owned and operated by the Federal Reserve Banks. The ACH system exchanges batched debit and credit payments among business, consumer and government accounts.
CBNA and CBPA	Payment	**Fedwire Funds Service** is a wire-transfer service owned and operated by the Federal Reserve Banks. It processes the purchase and sales of federal funds; the purchase sale and financing of securities transactions, the settlement of cross-border U.S. dollar commercial transactions, and other high-value time critical payments.
CBNA and CBPA	Payment	**Fedwire Securities Service** is a national book-entry system owned and operated by the Federal Reserve Banks. It conducts real-time transfers of securities and related funds and conducts issuance, transfer and settlement of Treasury and other government securities.
CBNA	Payment	**Small Value Payments Company, LLC (SVPCO**) is a check image exchange business owned and operated by The Clearing House, providing check imaging and related services to financial institutions.
CBNA	Payment	**The Society for Worldwide Interbank Financial Telecommunication (SWIFT)** is a member-cooperative. It provides a telecommunication platform for the exchange of standardized financial messages between financial institutions and corporations.
CBNA	Payment	**Visa, Inc.** is a global payments technology company that enables consumers, businesses, banks and governments to use digital currency.
CBNA	Payment	**MasterCard, Inc.** is a technology company in the global payments industry that connects consumers, financial institutions, merchants, governments and businesses worldwide, enabling them to use electronic forms of payment instead of cash and checks.

1.II.F Foreign Operations

CFG and CBNA have no material operations outside of the U.S.

1.II.G Material Supervisory Authorities

CBNA is supervised by the OCC under the National Bank Act. As the provider of federal deposit insurance, the FDIC has supervisory authority over CBNA as the provider of federal deposit insurance. CBPA's primary regulators are the FDIC and the Pennsylvania Department of Banking. Both CBNA and CBPA are also subject to oversight by the Federal Reserve, which is the supervisor for CFG as a bank holding company.

In addition, the Consumer Financial Protection Bureau (**CFPB**) has rule-making and primary supervision and enforcement authority over CBNA with respect to certain federal consumer protection regulations.

1.II.H Principal Officers of Citizens Financial Group, Inc., and Citizens Bank, N.A.

The principal officers of CFG and CBNA and their current titles are set forth below.

Exhibit 6: Principal Officers of Citizens Financial Group, Inc. and Citizens Bank, N.A.	
As of September 30, 2015	
Executive	**Title**
Bruce Van Saun	Chairman and Chief Executive Officer
Eric Aboaf	Chief Financial Officer
David Bowerman	Vice Chairman and Head of Business Services
Brad Conner	Vice Chairman and Head of Consumer Banking
Stephen Gannon	General Counsel and Chief Legal Officer
Beth Johnson	Chief Marketing Officer and Head of Consumer Strategy
Susan LaMonica	Chief Human Resources Officer
Donald McCree	Vice Chairman and Head of Commercial Banking
Robert Nelson	Chief Compliance Officer
Brian O'Connell	Head of Technology Services
Nancy Shanik	Chief Risk Officer

1.II.I Resolution Planning Corporate Governance, Structure and Processes

Citizens' Chief Financial Officer (**CFO)** is directly responsible for the preparation, submission and ongoing maintenance of the Citizens Resolution Plan. A comprehensive governance and management process has been established to oversee the creation and maintenance of the Title I and IDI Plans. The process relies on a combination of existing corporate governance and executive management structures as well as committees and permanent functions established to provide oversight, control and ongoing management of the plans.

The Citizens Resolution Planning Office (**Citizens RPO**) was formed in July 2013 as a dedicated group to manage the ongoing oversight, development, maintenance, implementation and filing of resolution plans for Citizens. All processes related to the development and management of the Citizens Resolution Plan are coordinated by the Citizens RPO. In early 2015, the Citizens RPO was moved into Citizens' Capital Management department to more closely align its activities with capital adequacy, contingency and recovery planning. The Citizens Resolution Plan Working Group (**Citizens RPWG**) was established in 2012 to help prepare the Citizens Resolution Plan and IDI Plan, with oversight from the Citizens RPO. The Citizens RPWG consists of subject matter experts from each of the Citizens' business lines and control and support functions. All content developed for the IDI Plan and Title I Plan was sourced through this group.

The Citizens RPWG and Citizens RPO prepared the Title I and IDI Plans for the Citizens Executive Risk Committee for review, approval and submission to the boards of directors.

The boards received progress updates on the IDI Plan's and Title I Plan's preparation. The Title I Plan and IDI Plan were reviewed and approved by the CFG and CBNA boards of directors, respectively, on December 17, 2015.

1.II.J Material Management Information Systems

Citizens' Management Information Systems (**MIS**) consist of the information and technology used by Citizens, including CBNA, to effectively manage its business line and support function activities. These activities include loan and deposit origination, account opening, portfolio management, trading and investment management, customer analytics, risk management, accounting, finance, operations and regulatory reporting.

Citizens' MIS reporting is generated from systems that are aligned to a business line, support function or the enterprise. Software applications used include those that are internally developed and proprietary, as well as those acquired from third-party vendors. Citizens adheres to corporate policies that ensure the systems are reliable and provide the information needed to manage the business. Citizens' data management activities have evolved over the past few years with the enhancement of data management policies and the designation of a Chief Data Officer for Citizens.

Citizens has recently made, and continues to make, significant investments in information technology systems for its banking, lending and cash management activities. Additional investments that are in process include creating an enterprise data warehouse to capture and manage data to better understand its customers, identify capital requirements and support regulatory reporting. These recent and planned investments will improve MIS and reporting in both the normal course of business and a resolution situation.

Key MIS reports that Citizens uses to manage its business can be broadly grouped into six categories, as further described below.

- **Management executive reporting:** Includes executive-level summaries and dashboards used to communicate performance against strategic priorities and inform key decision making.
- **Monitoring and exception reporting:** Provides information to monitor daily activities for business-as-usual purposes and raise exceptions, if any, to senior management.
- **Risk reporting:** Provides information primarily used to monitor credit, interest rate, market, and operational risk and highlights risk limit breaches, if any, to senior management.
- **Operational reporting:** Provides business-as-usual information to manage and monitor operational metrics across the core businesses.
- **Financial Reporting:** Provides accounting, financial planning and analysis reporting by legal entity, business line and geography, as well as supporting ad hoc analyses needed for management decision making.
- **Regulatory reporting:** Provides key information, as set forth by requirements of the regulatory authorities governing the business or legal entity.

Citizens maintains business continuity and systems disaster recovery plans for each of its businesses and technology applications, including application specific recovery time objectives, and plans to continue business operations in events where key applications are unavailable. The Citizens' Policy Framework governs policies and procedures that provide oversight and assist management of all aspects of the business resilience program.

1.II.K High Level Description of Citizens' Resolution Strategy

As required by the Title I Rule and IDI Rule, the Citizens Resolution Plan considers strategies for a hypothetical resolution of CFG under bankruptcy law and CBNA under the FDIA. Citizens has developed strategies under the assumption that sudden, unexpected catastrophic losses cause the failure of CBNA, CBPA and CFG. The Citizens Resolution Plan is based on Citizens' balance sheet as of June 30, 2015 and assumes that the company is completely separated and disaffiliated from RBS Group as of that date and operating under usual business conditions with the economic environment consistent with the severely adverse, adverse and baseline scenarios developed by the FRB and used in Citizens' 2015 CCAR submission.

The failure scenario, assumptions and resolution strategies described in the Citizens Resolution Plan are hypothetical and do not reflect events to which Citizens is or may become subject. None of the resolution strategies described in the Citizens Resolution Plan is binding on the FDIC, bankruptcy court or any other resolution authority. In the event of a resolution of Citizens, the strategies implemented by Citizens, the FDIC or any other resolution authority could differ materially from the strategies described in the Citizens Resolution Plan.

CFG

Upon a failure, CFG would be resolved under Chapter 11 of the U.S. Bankruptcy Code **(Chapter 11**). Because CFG has no operations or CBLs other than those conducted by its CBNA and CBPA subsidiaries, CFG would liquidate by selling its remaining assets and arranging for payments to creditors pursuant to priorities set forth in the U.S. Bankruptcy Code. Once the liquidation was complete, CFG would cease to exist. A Chapter 11 proceeding is preferred to an immediate liquidation under Chapter 7 of the U.S. Bankruptcy Code because it would give CFG more time to execute its plan. The potential Chapter 11 proceedings would likely be completed before the completion of the CBNA and CBPA receiverships.

CBNA and CBPA

The rules and supervisory guidance require the Citizens Resolution Plan to assume that CBNA is placed into receivership under the FDIC at a point in time when CBNA is insolvent owing to a financial loss or material impairment in one or more CBLs. It is further assumed that macroeconomic and financial market conditions are as specified under economic conditions consistent with the supervisory stress scenarios provided by the Federal Reserve.

Citizens’ CBLs, Consumer Banking and Commercial Banking, are entirely housed within CBNA and CBPA. As a result, the Citizens Resolution Plan addresses how they would be maintained without disruption through the FDIC receivership, bridge bank and sale process. The Citizens Resolution Plan also includes strategies to continue access to critical services from affiliates and suppliers including MIS, operations, technology, employees, facilities and intellectual property.

The IDI and Citizens Resolution Plans consider a primary resolution strategy in which CBNA and CBPA, under a hypothetical scenario, would first attempt a joint private stock sale in the period before failure. If this sale does not succeed, CBNA and CBPA would fail and be placed into FDIC receiverships. A joint sale of assets and liabilities out of the receiverships would be attempted over the weekend after failure. If that sale does not succeed, then substantially all the Citizens IDIs' assets and liabilities would be transferred to a bridge bank to be managed for an interim period of time. The assets and liabilities would then be sold out of the bridge bank by the FDIC in a Purchase of Assets and Assumption of Liabilities (**P&A)** transaction to a third party.

Sale transactions with a third party buyer could be executed rapidly over the course of a weekend, or on a delayed basis, out of the bridge bank. Citizens believes that the Citizens IDIs would be attractive acquisition candidates to an adequate population of potential acquirers. Potential buyers of the Citizens IDIs would include national banks, regional banks, international banks, other financial institutions or private equity funds. In support of this strategy, Citizens consulted with third parties with expertise to conduct an analysis to identify potential acquirers based on the criteria of financial strength, strategic fit, regulatory acceptability and execution capabilities. With each of the identified most-likely acquirers, valuations of the Citizens IDIs and pro forma balance sheets were created to assess the feasibility of these parties acquiring the Citizens IDIs. Following the successful execution of this strategy the bridge bank would cease to exist, with the assets and liabilities being purchased and assumed by the acquirer.

As required by the FDIC's December 2014 guidance for covered IDIs, Citizens also considered a Multiple Acquirer Strategy (**MAS**) pursuant to which the bridge bank would be separated and certain assets and liabilities sold off to reduce the size of the bridge bank. Citizens considered potential divestitures based on attractiveness as an acquisition candidate, operational separability and financial benefits to the bridge bank from the sale, including the ability of the bridge bank to operate and maintain sufficient capital. Based on these criteria, the divestiture of a Mid-Atlantic area Consumer and Commercial Banking franchise was identified. Using the same approach for the primary strategy, Citizens consulted with third parties with expertise to conduct an analysis to identify potential acquirers based on the criteria of financial strength, strategic fit, regulatory acceptability and execution capabilities. With each of the identified most likely acquirers, valuations of the Mid-Atlantic franchise and pro forma balance sheets were created to assess their feasibility of the purchase. After the sale the Mid-Atlantic franchise would be integrated into the acquirer's operating platform in a manner determined by the acquirer, with the bridge bank continuing to provide critical services for a transitional period. The customers associated with the Mid-Atlantic franchise would become customers of the acquirer. Following the sale of the Mid-Atlantic franchise, the bridge bank would be approximately 60% of the combined size of the Citizens IDIs before resolution.

As required by the Covered Insured Depository Institution (**CIDI**) Guidance, the IDI Plan also considers a strategy pursuant to which the bridge bank is transferred to a new bank holding company that would conduct a IPO offering of its common stock, followed by additional public offerings, over time, to complete the return of the bridge bank to private ownership.

Citizens also considered an FDIC-required, hypothetical liquidation strategy, pursuant to which the FDIC would establish a bridge bank and transfer into it substantially all the Citizens IDIs assets and certain liabilities. The IDI Plan assumes that portfolios of assets would be sold as asset sales, with the bridge bank maintaining operations until the liquidation strategy is completed. Under this strategy, the majority of the assets of the bridge bank would be liquidated, depositors would be paid out and there would be no surviving entity.

As required by the December 2014 guidance for covered IDIs, Citizens performed a least-cost analysis, which demonstrated that, of the three strategies, the primary strategy would yield the most value, followed by the MAS and then the liquidation strategy.

The IDI and Citizens Resolution Plans do not rely on the provision of extraordinary support by the U.S. or any other government to Citizens or its affiliates to prevent failure. The plans illustrate how CBNA can be resolved in the event of material financial distress or failure in a manner that ensures that depositors have access to insured deposits within one business day of CBNA's failure; maximizes the net present value return from the sale or disposition of CBNA's assets and minimizes the amount of loss realized by creditors in the resolution in accordance with Sections 11 and 13 of the FDIA; is the least costly to the DIF of all possible methods for resolving CBNA; and ensures the continuation and funding of any critical services of the Citizens IDIs despite the failure of the Citizens IDIs.