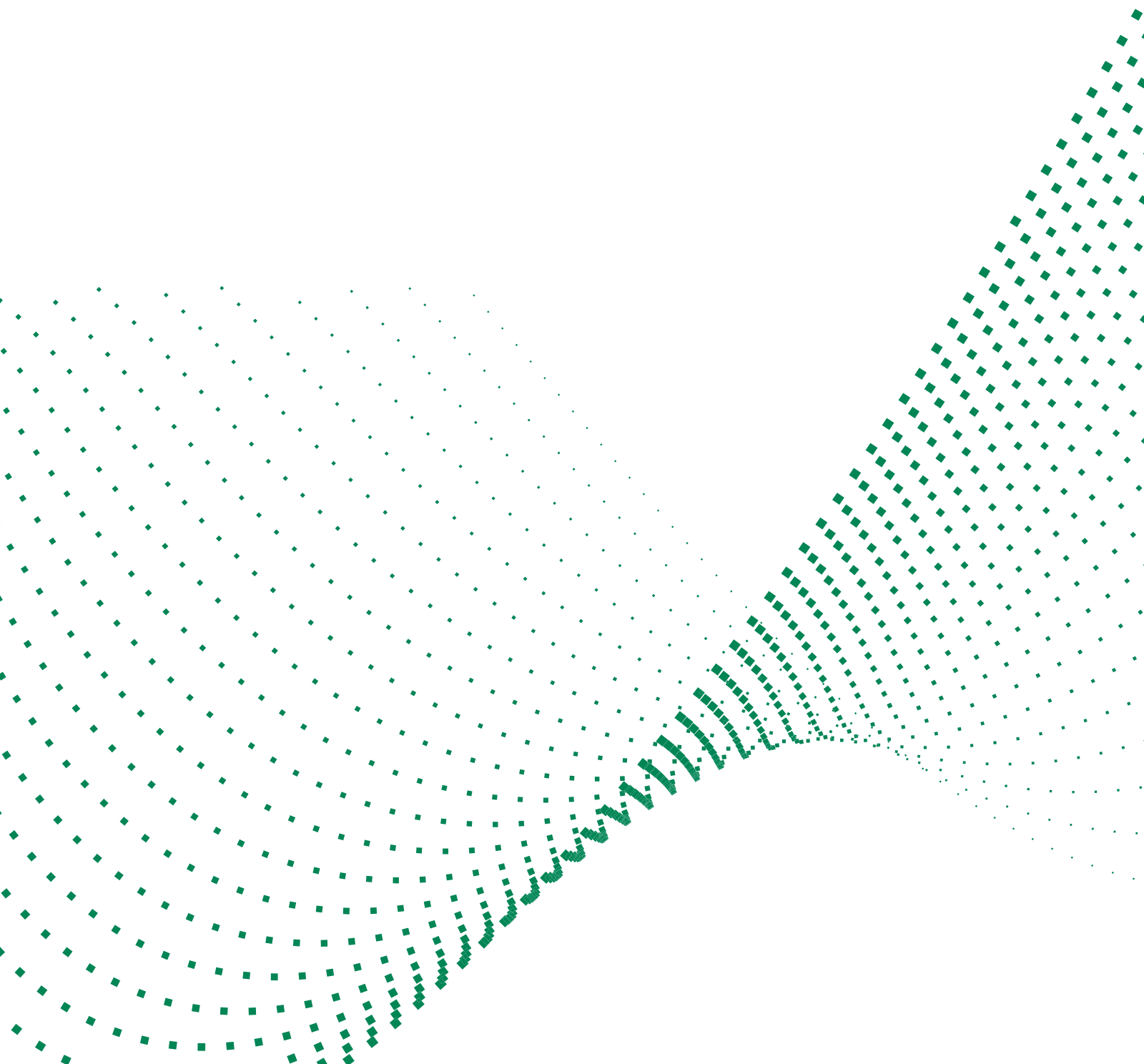
Citizens
Financial Group, Inc.™

RISING TO THE OCCASION

Annual Review 2020



Resilience, adaptability and strength

2020 Highlights*

$183.3 billion
assets

$123.1 billion
loans and leases

$147.2 billion
deposits

10.0%
CET1 ratio

+24%
noninterest income

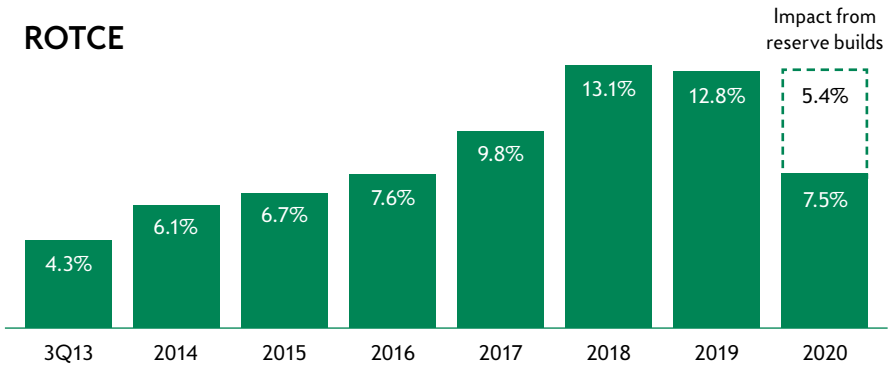
+12%
pre-provision net revenue

4%
positive operating leverage

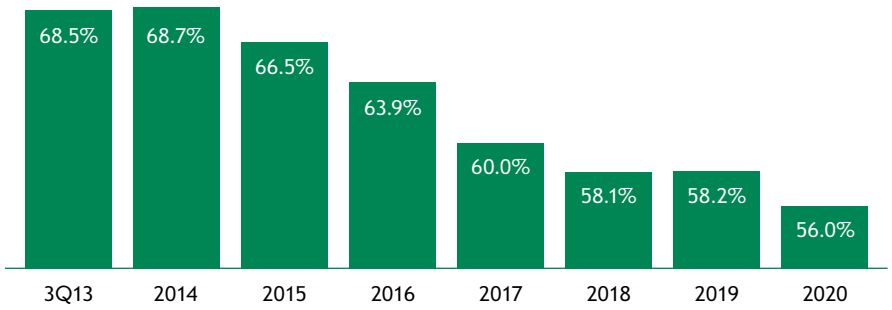
+2%
tangible book value

$942 million returned
total common dividends and share repurchases

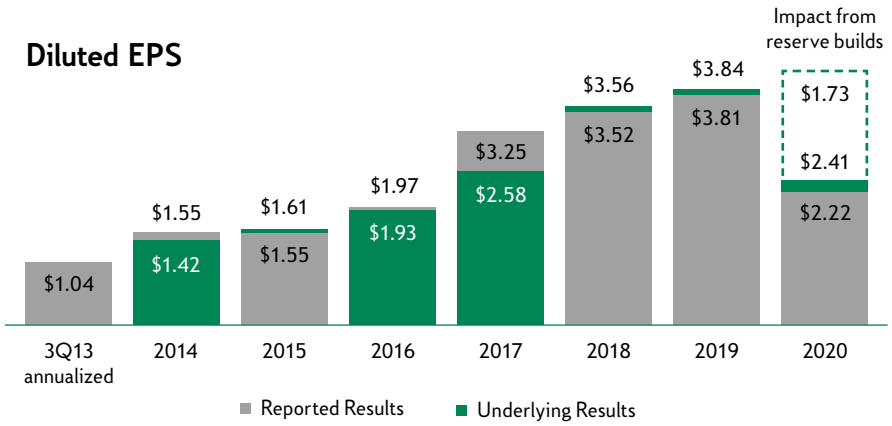
ROTCE



Efficiency Ratio



Diluted EPS



* Throughout this Annual Review, results presented on an Underlying basis exclude the impact of notable items. Please see important information Non-GAAP Financial Measures at the end of this review for an explanation of our use of non-GAAP financial measures and their reconciliation to GAAP financial measures. References to average loans and leases exclude loans held for sale unless otherwise noted. 3Q13 represents reported results. Annualized calculation based on reported results for 3Q13 multiplied by four. CAGR is compound annual growth rate. ROTCE is return on average tangible common equity. Unless otherwise noted, percentage increases are on a year-over-year basis versus 2019.

To my fellow shareholders:



Bruce Van Saun
Chairman and Chief Executive Officer
Citizens Financial Group, Inc.

At Citizens, we are guided by a Credo that calls for us to perform our best every day so that we can help our customers, colleagues and communities reach their potential — a commitment to service that we have maintained for more than 190 years. Few could have predicted the challenges that our nation and the world have had to face over the past year. However, challenging times often bring out the best in companies and people alike, and Citizens rose to the occasion time and again, living our Credo, making a difference, and fulfilling our purpose to support all those we serve.

The coronavirus pandemic drove changes to daily life that were unique and remarkable. Safety protocols, lockdowns, and government measures to shore up the economy touched every aspect of life and business. We also saw greater awareness and concern over racial equity and social justice, driven in part by the pandemic's disparate impacts. Although a full return to life as we knew it will take some time, our adaptability and resilience have enabled us to continue to perform well for all of our stakeholders, and we remain optimistic about the future.

Since our IPO in 2014, Citizens has maintained a deliberate focus on transforming the bank to build a stronger, more diversified business that would fortify us against economic volatility and position the company for long-term success. This strategy met the test in 2020 and has proven successful. Well-timed strategic acquisitions, along with investments and enhancements in our fee-based capabilities have helped offset the challenges presented by the pandemic, including a difficult rate and yield curve environment.

As we worked to ensure our stakeholders had the support they needed, we also continued to invest in serving customers even better with simple, seamless experiences across all of the ways they choose to bank. While the pandemic has sharply accelerated the adoption of digital banking tools, we had already been leveraging our financial strength to pursue a digital-first, data-driven strategy that has enabled us to stay on our front foot during this time of rapid change.

In short, the discipline, creativity and foresight that Citizens demonstrated before the pandemic is enabling us to successfully navigate the current environment, while setting us up well for the coming recovery and beyond.

Looking ahead, we will continue to balance the need to deliver strong short term results and execution with the required strategic moves that will enable us to serve our stakeholders well over the longer term as their needs continue to evolve. This ongoing focus on helping all those we serve is a responsibility — and a privilege — that drives our efforts each and every day.

A New Level of Resilience and Adaptability

Over the course of the pandemic we stepped up in numerous ways, bringing this commitment to life. I'm proud of the ways Citizens has risen to the challenges for our customers, colleagues and communities.

~$5 billion
in PPP funds

Throughout the year, we've adapted and found new ways to make a difference. In addition to making a $5 million commitment to support communities and small businesses across our service area, we quickly implemented the U.S. Small Business Administration's Paycheck Protection Program (PPP), doing our part to get much-needed funds into the hands of businesses that are the lifeblood of local economies. The entire bank pulled together to deliver about $5 billion in PPP funds, saving around 540,000 jobs.

In the midst of the pandemic and resulting lockdowns, Consumer Banking provided vital branch services safely and with minimal disruption, offered loan forbearance and other forms of relief for those facing financial hardship. At the same time, the Commercial Banking team worked with clients on payment flexibility and securing additional liquidity.

$10 million
commitment to social equity

Over the course of the year it became clear that we are not yet where we want to be as a country with regard to issues of racism and equality. Recognizing that we all have a responsibility to pursue a society where everyone is respected and has an equal opportunity to reach their potential, we announced a $10 million commitment to help drive social equity and economic advancement in underserved communities across our footprint. In addition, we committed more than $500 million in incremental financing and capital for small businesses, housing and other developments in predominately minority communities.

For our colleagues, we acted quickly and effectively to maintain a safe work environment for both branch and office colleagues so that they could continue providing vital banking services. This included alternate work arrangements, supplemental time off for situations related to the coronavirus, and additional pay for those who could not operate remotely. We also successfully deployed colleagues into new roles across the bank to meet pandemic-driven demands both permanently and on a temporary basis — a testament to the capabilities and adaptability of our workforce.

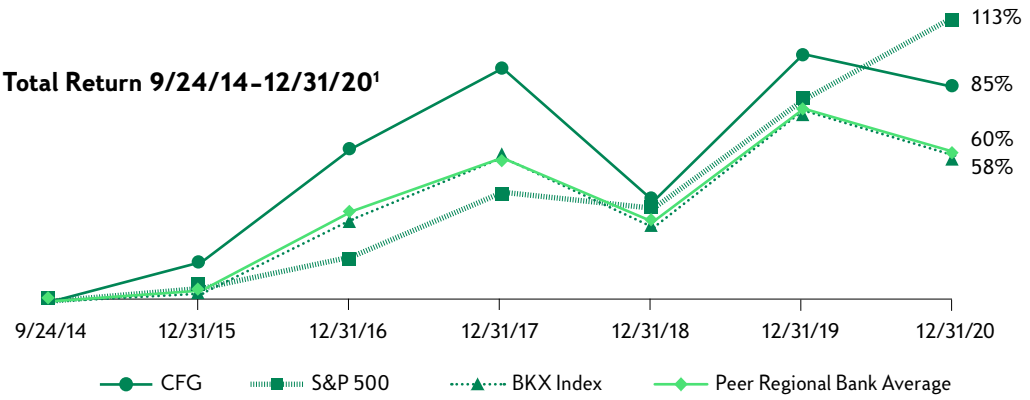
Banking is a noble profession, and it feels good to see Citizens helping so many companies, individuals and communities.

Strong Execution in 2020

Disciplined execution has been a Citizens hallmark, and despite the disruption that we and every bank experienced in 2020, we were still able to deliver solid financial results. On an Underlying basis,* we reported net income of $1.1 billion, earnings per share of $2.41, and ROTCE of 7.5%. The new CECL accounting framework required that we build credit reserves tied to the pandemic, which cost us $1.73 in EPS and 5.4 percentage points in ROTCE. Our fee revenues were up 24%, which combined with tight expense discipline led to positive operating leverage of 4%, pre-provision profit growth of 12%, and an efficiency ratio of 56%. We finished the year with a strong CET1 ratio of 10% and increased our common dividend to $1.56 on an annualized basis, up 8% from 2019. While the Fed had paused share repurchases for most of 2020, in the first quarter 2021 we announced a $750 million share repurchase program.

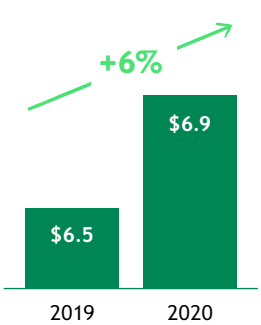
↑25%
vs. peer average

Total Return 9/24/14–12/31/20[1]

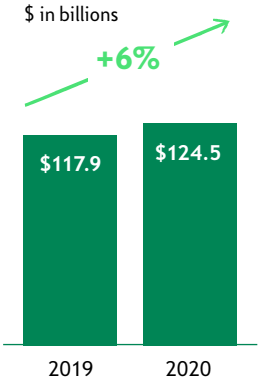


We continued our commitment to expense discipline and self-funding of investments. We achieved the ambitious TOP 6 goal to deliver approximately $225 million of pre-tax run-rate expense savings, including approximately $140 million of in-year benefits, which helped drive positive operating leverage while supporting ongoing investments in strategic initiatives. Our objective is to invest in areas and initiatives that will drive expansion of our customer base and revenues, positioning us to come out of the pandemic with solid momentum.

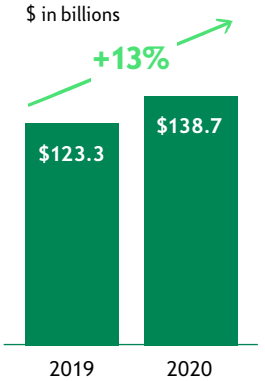
Record Revenue
$ in billions



Average Loans
$ in billions



Average Deposits
$ in billions



1. The graph compares the cumulative total stockholder returns for our performance since September 24, 2014 (date our shares first began to trade on the NYSE) relative to the performance of the Standard & Poor's 500® index, the KBW Nasdaq Bank Index (BKX), and the market-capitalization weighted average of our peer regional banks (CMA, FITB, HBAN, KEY, MTB, PNC, RF, TFC and USB). The graph assumes all dividends were reinvested on the date paid for CFG common stock, the S&P 500 index, the BKX and our peer regional banks.

Building and Innovating a More Diversified Business Model

Citizens' solid performance in 2020 reflects the benefit of smart acquisitions, consistent investing and deliberate focus on innovation over the past six years to build a stronger and more diversified business model.

↑ 3x mortgage banking fees

In Consumer Banking, the 2018 acquisitions of Franklin American and Clarfeld Financial Advisors gave us scale in mortgage and expanded our wealth management capabilities. This broadening of our fee-based capabilities contributed to record revenues, up 14%, driven by mortgage banking fees that more than tripled in 2020. Growth in our national consumer lending businesses, education and Citizen Pay,™ our point-of-sale finance offering, along with our successful efforts on the PPP lending program contributed to solid loan growth of 6%. Meanwhile, our continued progress in growing households in targeted segments and increasing capabilities helped to increase deposits by 8%.

↑ 16% record capital markets fees

Commercial Banking continued its growth through mid-corporate and industry vertical expansions while investing in fee income capabilities. Our recent acquisitions contributed to generating record capital markets fees in 2020, up 16%, driven by M&A advisory as well as bond and equity underwriting. Additionally, Commercial led their first high yield bond offering. Commercial clients' overall satisfaction remained strong at 95% according to the 2020 Barlow Voice of the Client survey, while satisfaction with our relationship managers improved to 98%.

Our goal in both the Consumer and Commercial business is to be our customers' trusted advisor. We will continue the investments in talent, technology and capabilities that ensure Citizens is well-equipped to serve its customers and clients throughout their personal or business lifecycle.

Citizenship with Responsibility

We continue to work diligently to ensure that our environmental, social and governance practices reflect our core values and have made additional meaningful progress in this area. This includes establishing a formal corporate responsibility governance framework and completing our first materiality assessment to more specifically define ESG priorities. The outcome of the materiality assessment will be reported in the bank's 2020 Corporate Responsibility Report, which will be aligned to both the GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) reporting frameworks.

Our efforts to bring great talent into the bank and create a diverse and inclusive environment where colleagues feel valued and want to build their careers is an important aspect of our ESG efforts and here too we have made meaningful progress. Fostering a diverse and inclusive culture where all stakeholders feel respected, valued, and heard and have a sense of belonging helps fuel our overall growth strategy. We have taken significant steps to enhance awareness and build capabilities and opportunities within the bank for all colleagues. This includes promoting diverse recruiting efforts within the bank and at the board level, continuing to build inclusive programming and having an independent third party regularly assess pay equity.

Recognizing that great talent and a great culture contribute to the creation of long-term shareholder value, we have continued to promote colleague wellness — a central focus during the COVID-19 crisis — as well as growth and development. We had already deployed resources such as fitness and wellness centers and a range of educational resources, and our commitment in this area has remained strong through the pandemic. In addition to ensuring that our colleagues had the necessary tools and resources to continue to serve our customers safely, we shifted approximately 10,000 of our colleagues to a work from home environment and implemented several programs to support their wellness and their ability to maintain work-life balance.

We are in the midst of executing on an ambitious transformation agenda and are working to ensure that colleagues keep pace with marketplace changes. Our commitment includes investment of significant resources to strengthen key workforce capabilities and build critical skills such as leadership, agility and innovation, along with strength in digital and data analytic capabilities. One example of this is learning academies, which are enabled by our learning experience platform to offer a collection of instructional experiences and content for particular areas of expertise, such as engineering.

These ongoing efforts to make Citizens a great place to work, grow and build a career continued to bear fruit during 2020. In spite of a difficult environment for much of the year, we improved our enterprise-wide Organizational Health Index (OHI)[1] score by 2 points from 2019, a 15-point improvement since 2014 that places us in the top quartile for the first time in this important measure.

Strengthening the communities we serve has always been integral to our Credo, and here too we demonstrated our commitment throughout 2020. We had more than 4,000 colleagues log more than 122,000 volunteer hours during 2020, supporting 1,685 organizations. This is especially impressive given that a majority of volunteering had to be performed virtually. During 2020, we provided significant support for programs across our service area from the bank and Citizens Charitable Foundation. And as part of our ongoing work to promote social equity, we built partnerships with and donated to additional national and local social equity organizations focused on driving sustained economic advancement and social equity in underserved communities.



Citizens named Military Friendly® Employer status that is "Better for Veterans"



Citizens ranked among top 100 companies for adoption benefits



Citizens named a best place to work for LGBTQ equality by the Human Rights Campaign



2nd year in a row DiversityInc included Citizens in the list of Noteworthy companies

1. The Organizational Health Index is a McKinsey™ survey.

Closing Comments

In closing, I would like to thank my fellow shareholders, our customers and our nearly 18,000 colleagues for your support over the course of an extraordinary year. I would also like to thank our board of directors for their ongoing guidance and valuable contributions. I would especially like to thank Hoddy Hanna, who will be retiring from the board in April after 12 years of dedicated service, and welcome Chris Swift and Lee Alexander, who recently joined our board.

Citizens performed well and maintained a strong financial position in 2020 even as we navigated a highly uncertain time. While we will continue to face challenges over the next several years that require continued focus, discipline and strong execution, I believe we are well positioned to benefit from the expected economic recovery in 2021. And we have the right team and the right plan to serve our customers over the longer-term as we continue our journey towards becoming a top-performing bank.

Kind regards,

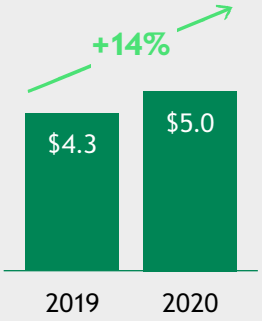


Bruce Van Saun
Chairman and Chief Executive Officer
Citizens Financial Group, Inc.

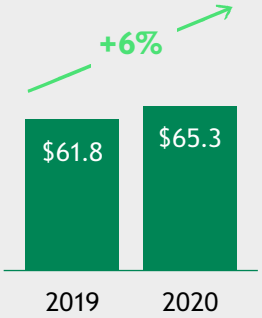
Consumer Banking

Delivering a simple, reliable experience for customers

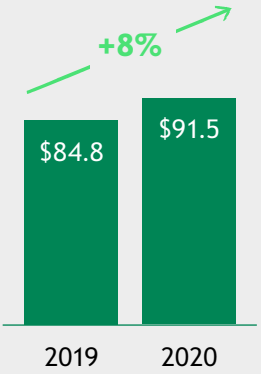
Total Revenue
$ in billions



Average Loans
$ in billions



Average Deposits
$ in billions



Today, customers demand simple, personalized, powerful experiences. Citizens delivers with tailored advice, products and services, and the tools customers need to be made ready for every step of their journey. From advancing our digital and mobile capabilities to evolving faster ways of getting products to market, we are bold and innovative as we work to exceed their expectations.

2020 Key Highlights

Record mortgage banking results

- Mortgage banking fees **up 203%**
- Mortgage originations **up 54%**
- Gain on sale increased **149 bps** from 1.18% in 2019

Strong deposit franchise

- Increased average DDA balances **29%**
- Total deposits **up 8%**

Increasing digital & mobile capabilities

- Digitally engaged households **up 11%**
- Transactions through self-service channels **up 13%**
- Citizens Access® **$5.9 billion** in deposits

Key Products and Services

National reach of 5 million retail lending customers and Citizens Access® deposits across all 50 states

- Retail Deposit Services
- Mobile/Online Banking
- Mortgage
- Home Equity
- Business Banking
- Card
- Citizens Access®
- Point-of-sale Citizens Pay™
- Auto Finance
- Wealth Management

Citizens Wealth Management®

- Ranked #28 among America's Top Wealth Advisors in *Forbes*
- Barron's named Citizens to its top 100 registered investment advisory firms in the country
- *Financial Advisor* magazine named Citizens among top Registered Investment Advisors

Citizens Auto Finance

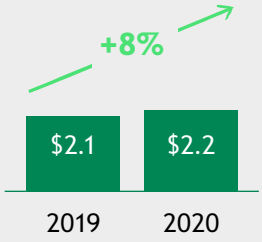
- Ranked #1 for the 3rd year in a row for J.D. Power 2020 U.S. Dealer Financing Satisfaction Study

Commercial Banking

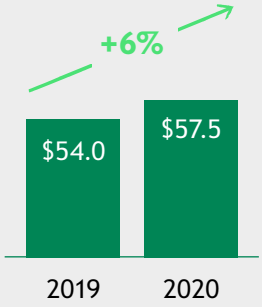
Solutions and expertise to help ensure companies are ready for what's next

We earn our clients' trust by listening, understanding their unique challenges and opportunities, and building strategies to help them thrive. We deliver unbiased advice, deep industry expertise and excellent execution to create the best possible outcomes for the companies we serve.

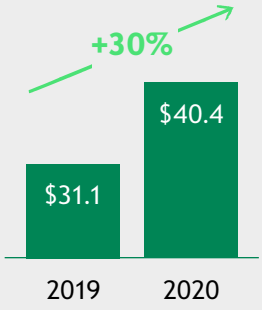
Total Revenue
$ in billions



Average Loans
$ in billions



Average Deposits
$ in billions



2020 Key Highlights

- Total revenue **up 8%**
  - Record Capital Market Fees, **up 16%**
  - Record M&A and advisory fees, **up 68%**
- Continued momentum in bond and equity underwriting fees, **up 39%**
- Acquired Trinity Capital, further strengthening advisory capabilities and coverage model
- Increased liquidity and trade capabilities for accessLiquidity® and accessOPTIMA®
- Serving clients through the COVID-19 crisis with broadened capabilities, insights, strong execution, and excellent service
- First large bank to offer PPP forgiveness portal to its clients
- Provided payment flexibility to nearly **500 clients** while prudently managing risk

Key Products and Services

Coverage

- Commercial and industrial banking
- Commercial real estate
- Industry corporate finance and verticals
- Sponsor coverage

Capabilities

- Loans and deposits
- Capital markets
- M&A advisory
- Global markets — FX and IRP
- Equipment and asset-based lending
- Treasury solutions

Best Treasury & Cash Management Award 2020 Global Finance

3nd year in a row: Best Treasury and Cash Management[2]

Celent Model Bank 2020

2020 Award Winner: Commercial Bank Transformation

Barlow Research

Overall Satisfaction Top-2 box score 95%[1]

1. Barlow Associates Annual Voice of Client Survey for all Corporate Banking, 2020 Top-2 box score.
2. Northeast, Mid-Atlantic and Midwest Regions of U.S.

Mission
To help our customers, colleagues and communities reach their potential

Vision
To be a top-performing bank distinguished by its customer-centric culture, mindset of continuous improvement and excellent capabilities

Credo
We preform our best everyday so we can do more for our:
- Customers
- Colleagues
- Communities
- Shareholders

Values
We strive to always:
- Exceed customer expectations
- Do the right thing
- Think long term
- Work together

COVID-19 Response

We are grateful to our colleagues who are working to bring these initiatives to life. Our communities and customers need us now more than ever and we are proud to be Citizens Helping Citizens.

Customers

We are committed to supporting our customers and took a number of actions to support them. Highlights include:

- Providing payment flexibility and assistance to consumers, going beyond CARES Act
- Two rounds of PPP funding, providing ~$5 billion on over 50,000 loans to small business customers
- Securing additional liquidity and providing payment flexibility to nearly 500 Commercial clients

Colleagues

We took a number of actions to ensure colleague wellness and work-life balance, reward colleagues, and assist them to overcome personal challenges brought on by the crisis. Highlights include:

- Provided enhanced pay programs to colleagues working in the branches or office as well as additional paid time off for all colleagues
- Equipped colleagues with a number of resources focused on well-being, leadership and productivity

Communities

We responded to the needs of our communities and the impacts of the pandemic. Highlights include:

- Committed $5 million overall to help communities and small businesses across our footprint
- Committed $10 million to support minority-owned small businesses and support other initiatives aimed at promoting social equity

For more detail on our response, please visit our proxy materials at citizensbank.com









Commitment to our Colleagues and Communities

Colleagues

Our dedication to our colleagues extends to all aspects of their well-being. We are committed to providing our colleagues with resources and benefits to enable them to thrive across all dimensions of their lives.

- Prepared managers to effectively lead colleagues and successfully service clients in a virtual environment with flexibility and empathy.
- Improved our enterprise-wide OHI[1] score by two points from 2019, placing us in the top quartile.
- Launched Citizens' award winning Virtual Career Assistant "Jamie™" — an innovative tool developed using Paradox's Artificial Intelligence technology. Jamie has interacted with more than 18,000 candidates answering 60,000 inquiries on benefits, company culture, the interview process and more.
- Continued to invest significant resources in colleague development aimed at equipping colleagues with the skills necessary to not only excel in their current roles, but to build competencies to be highly valuable contributors now and in the future.
- Developed and launched leadership coaching and learning journeys for the Executive Committee and their management teams to help leaders drive the evolution of our culture as we adopt new ways of working.
- Launched the Engineering Academy — a program geared toward fostering an engineering mindset and community within Citizens to solve customer problems with innovative technological solutions.

1. The Organizational Health Index is a McKinsey™ survey.

Diversity, Equity & Inclusion

At Citizens, the road to diversity, equity and inclusion began long before 2020. We have always sought to create an environment where all stakeholders feel respected, valued, and heard and have a sense of belonging.

- Accelerated our DEI strategy in response to the social justice movement in 2020, conducting an audit of our practices to identify where biases may exist. Audit results are informing our strategy.
- Continued to engage an independent third-party expert to regularly conduct a pay equity analysis.
- Expanded our diverse hire commitment, requiring managers to interview a slate of at least 50% diverse candidates for senior openings.
- Expanded partnerships with community organizations and historically black colleges to create a diverse pipeline of candidates.
- Launched a series of of listening tours to understand the sentiment of our diverse colleagues.
- Continued to enhance impact of our six business resource groups with participation from over 17% of colleagues, sponsored by senior leaders and serving as cultural ambassadors within the business.

Communities

Citizenship is at the heart of who we are, rooted in the belief that when people and communities reach their potential, we all thrive. Through our Citizens Helping Citizens initiative, we invest our time, resources and energy to support the communities in which we live and work.

~$1.2 million matching gifts donated

~15 million meals provided

- More than 650 of our colleagues serve as Community Ambassadors, helping to deliver Financial Empowerment education in our communities. In 2020, we adapted to design learning content for virtual delivery and our Community Ambassadors delivered 526 financial empowerment sessions, reaching more than 9,500 participants.
- Donated nearly $1.2 million through our colleague Matching Gifts Program through the Citizens Charitable Foundation.
- Nearly 15 million meals provided through our contributions to Feeding America and local hunger organizations.
- Provided $806 million in total equity and loan commitments to Community Development initiatives, which helped provide more than 5,600 units of affordable housing and more than 45,000 sq. ft. of commercial space in our communities.
- Provided more than 19,900 loans totaling $4.1 billion for home purchases or home refinances for low- to moderate-income borrowers or for residences in low- to moderate-income census tracts.

Citizens Financial Group, Inc.

Citizens Financial Group, Inc. is one of the nation's oldest and largest financial institutions, with $183.3 billion in assets as of December 31, 2020.

Headquartered in Providence, Rhode Island, Citizens offers a broad range of retail and commercial banking products and services to individuals, small businesses, middle-market companies, large corporations and institutions. Citizens helps its customers reach their potential by listening to them and by understanding their needs in order to offer tailored advice, ideas and solutions.

In Consumer Banking, Citizens provides an integrated experience that includes mobile and online banking, a 24/7 customer contact center and the convenience of approximately 2,700 ATMs and approximately 1,000 branches in 11 states in the New England, Mid-Atlantic and Midwest regions. Consumer Banking products and services include a full range of banking, lending, savings, wealth management and small business offerings.

In Commercial Banking, Citizens offers a broad complement of financial products and solutions, including lending and leasing, deposit and treasury management services, foreign exchange, interest rate and commodity risk management solutions, as well as syndicated loans, corporate finance, merger and acquisition, and debt and equity capital markets capabilities.

More information is available at **citizensbank.com** or visit us on **Twitter, LinkedIn** or **Facebook.**

Form 10-K
We will send Citizens Financial Group, Inc.'s 2020 Annual Report on Form 10-K (including the financial statements filed with the Securities and Exchange Commission) free of charge to any stockholder who asks for a copy in writing. Stockholders also can ask for copies of any exhibit to the Form 10-K.

Please send requests to:
Corporate Secretary
Citizens Financial Group, Inc.
600 Washington Blvd.
Stamford, CT 06901

Headquarters
Citizens Financial Group, Inc.
One Citizens Plaza
Providence, RI 02903
401.456.7000

Contact Citizens for Your Banking Needs
Call 800.922.9999 or visit us online at
citizensbank.com

Investor Relations
Additional information about the company, including annual and quarterly financial information, is available at investor.citizensbank.com.
Inquiries may also be directed to:
CFGInvestorRelations@citizensbank.com

Common Stock
Citizens Financial Group, Inc. is listed on the New York Stock Exchange under the symbol "CFG".

Independent Registered Public Accounting Firm
Deloitte & Touche LLP
Boston, MA
617.437.2000

Transfer Agent
For questions regarding change of address, lost or stolen certificates, transferring ownership or dividend checks, please contact the transfer agent.

Computershare Trust Company, N.A.
P.O. Box 505000
Louisville, KY 40233
877.373.6374 (U.S., Canada, Puerto Rico)
781.575.2879 (non-U.S.)
computershare.com/investor

Executive Committee

Bruce Van Saun
Chairman and
Chief Executive Officer

Mary Ellen Baker
Head of Business Services

Brendan Coughlin
Head of Consumer Banking

Stephen T. Gannon
General Counsel and
Chief Legal Officer

Malcolm Griggs
Chief Risk Officer

Beth Johnson
Chief Experience Officer

Susan LaMonica
Chief Human
Resources Officer

Donald H. McCree
Vice Chairman and
Head of Commercial Banking

Michael Ruttledge
Chief Information Officer

Ted Swimmer
Head of Corporate Finance
and Capital Markets

John F. Woods
Vice Chairman
Chief Financial Officer

Board of Directors

Bruce Van Saun
Chairman and CEO
Citizens Financial Group, Inc.

Lee Alexander
Executive Vice President
and Chief Information Officer
The Clearing House

Christine M. Cumming
Retired First Vice President
and COO, Federal Reserve
Bank of New York

William P. Hankowsky
Former Chairman,
President and CEO
Liberty Property Trust

Howard W. Hanna III[1]
Chairman and CEO
Hanna Holdings, Inc.

Leo I. Higdon
Past President
Connecticut College

Edward J. Kelly III
Former Chairman, Institutional
Clients Group, Citigroup, Inc.

Charles J. Koch
Retired Chairman, President
and CEO, Charter One Financial

Robert G. Leary
Former CEO
The Olayan Group

Terrance J. Lillis
Retired Chief Financial Officer
Principal Financial Group, Inc.

Shivan S. Subramaniam
Retired Chairman and CEO
FM Global

Christopher J. Swift
Chairman and CEO, The Hartford
Financial Services Group, Inc.

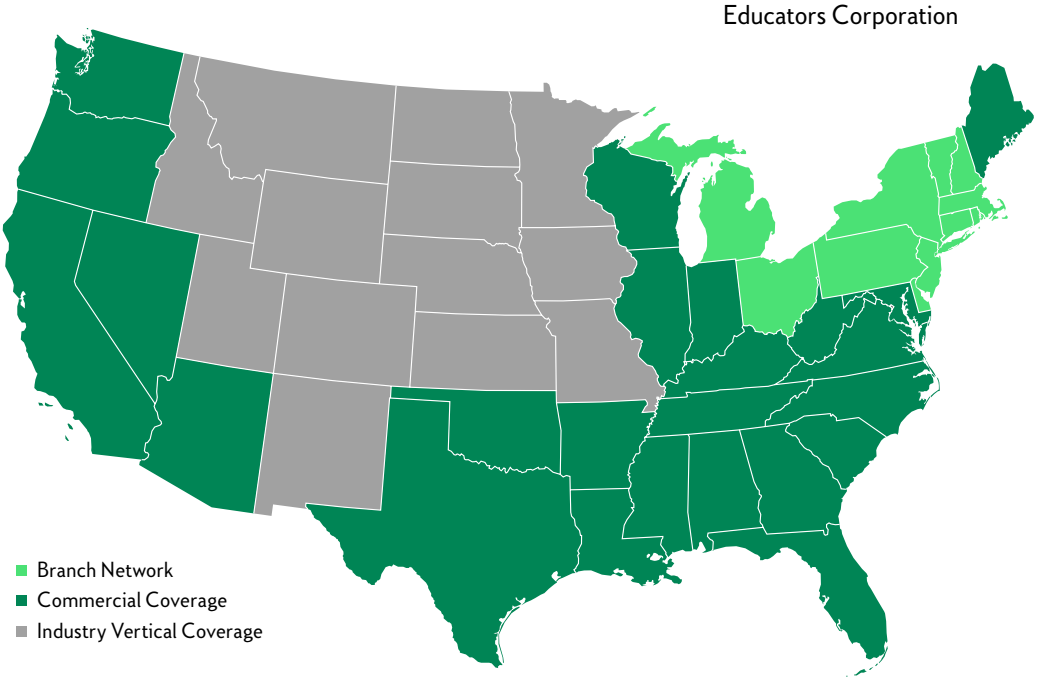
Wendy A. Watson
Retired Executive Vice President,
Global Services, State Street
Bank & Trust Company

Marita Zuraitis
Director, President and CEO,
Horace Mann
Educators Corporation

National Reach

Deposits in all 50 states with Citizens Access®

5 million retail lending customers across all 50 states



1. Howard W. Hanna III will retire from the Board after his current term expires, effective as of the conclusion of the April 2021 Annual Meeting.

Use of Non-GAAP Financial Measures

This document contains non-GAAP financial measures denoted as Underlying results. Underlying results for any given reporting period exclude certain items that may occur in that period which Management does not consider indicative of the Company's on-going financial performance. We believe these non-GAAP financial measures provide useful information to investors because they are used by our Management to evaluate our operating performance and make day-to-day operating decisions. In addition, we believe our Underlying results in any given reporting period reflect our on-going financial performance in that period and, accordingly, are useful to consider in addition to our GAAP financial results. We further believe the presentation of Underlying results increases comparability of period-to-period results.

The following tables present reconciliations of our non-GAAP measures to the most directly comparable GAAP financial measures.

Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar measures used by such companies. We caution investors not to place undue reliance on such non-GAAP financial measures, but to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for our results reported under GAAP.

Non-GAAP financial measures and reconciliations: Full year 2020–2014

$s in millions, except share, per share and ratio data

		FULL YEAR						
		2020	2019	2018	2017	2016	2015	2014
Total revenue, Underlying:								
Total revenue (GAAP)	A	$6,905	$6,491	$6,128	$5,707	$5,255	$4,824	$4,979
Less: Special items		—	—	—	—	—	—	288
Less: Notable items		—	—	(5)	6	67	—	—
Total revenue, Underlying (non-GAAP)	B	$6,905	$6,491	$6,133	$5,701	$5,188	$4,824	$4,691
Noninterest expense, Underlying:								
Noninterest expense (GAAP)	C	$3,991	$3,847	$3,619	$3,474	$3,352	$3,259	$3,392
Less: Restructuring charges		—	—	—	—	—	26	114
Less: Special items		—	—	—	—	—	24	55
Less: Notable items		125	68	54	55	36	—	—
Noninterest expense, Underlying (non-GAAP)	D	$3,866	$3,779	$3,565	$3,419	$3,316	$3,209	$3,223
Net income available to common stockholders, Underlying:								
Net income available to common stockholders (GAAP)	E	$950	$1,718	$1,692	$1,638	$1,031	$833	$865
Add: Restructuring charges, net of income tax expense (benefit)		—	—	—	—	—	16	72
Add: Special items, net of income tax expense (benefit)		—	—	—	—	—	15	(147)
Add: Notable items, net of income tax expense (benefit)		83	17	16	(340)	(19)	—	—
Net income available to common stockholders, Underlying (non-GAAP)	F	$1,033	$1,735	$1,708	$1,298	$1,012	$864	$790
Efficiency ratio and efficiency ratio, Underlying:								
Efficiency ratio	C/A	57.80 %	59.28 %	59.06 %	60.87 %	63.80 %	67.56 %	68.12 %
Efficiency ratio, Underlying (non-GAAP)	D/B	55.99	58.23	58.13	59.96	63.92	66.52	68.70
Return on average tangible common equity and return on average tangible common equity, Underlying:								
Average common equity (GAAP)	G	$20,438	$20,325	$19,645	$19,618	$19,698	$19,354	$19,399
Less: Average goodwill (GAAP)		7,049	7,036	6,912	6,883	6,876	6,876	6,876
Less: Average other intangibles (GAAP)		64	71	14	2	2	4	7
Add: Average deferred tax liabilities related to goodwill (GAAP)		376	371	359	534	502	445	377
Average tangible common equity	H	$13,701	$13,589	$13,078	$13,267	$13,322	$12,919	$12,893
Return on average tangible common equity	E/H	6.93 %	12.64 %	12.94 %	12.35 %	7.74 %	6.45 %	6.71 %
Return on average tangible common equity, Underlying (non-GAAP)	F/H	7.53	12.76	13.06	9.79	7.60	6.69	6.13
Net income per average common share - basic and diluted, Underlying:								
Average common shares outstanding - basic (GAAP)	I	427,062,537	449,731,453	478,822,072	502,157,440	522,093,545	535,599,731	556,674,146
Average common shares outstanding - diluted (GAAP)	J	428,157,780	451,213,701	480,430,741	503,685,091	523,930,718	538,220,898	557,724,936
Net income per average common share - basic (GAAP)	E/I	$2.22	$3.82	$3.54	$3.26	$1.97	$1.55	$1.55
Net income per average common share - diluted (GAAP)	E/J	2.22	3.81	3.52	3.25	1.97	1.55	1.55
Net income per average common share - basic, Underlying (non-GAAP)	F/I	2.42	3.86	3.57	2.59	1.94	1.61	1.42
Net income per average common share - diluted, Underlying (non-GAAP)	F/J	2.41	3.84	3.56	2.58	1.93	1.61	1.42

Non-GAAP financial measures and reconciliations: 3Q13 and full year 2020 vs. 2019 comparison

$s in millions, except share, per share and ratio data

		QUARTERLY	FULL YEAR			
					2020 Change	
		3Q13	2020	2019	2019	
					$/bps	%
Total revenue, Underlying:						
Total revenue (GAAP)	A	$1,153	$6,905	$6,491	$414	6%
Less: Notable items		—	—	—	—	—
Total revenue, Underlying (non-GAAP)	B	$1,153	$6,905	$6,491	$414	6%
Noninterest expense, Underlying:						
Noninterest expense (GAAP)	C	$788	$3,991	$3,847	$144	4%
Less: Notable items		—	125	68	57	84
Noninterest expense, Underlying (non-GAAP)	D	788	3,866	3,779	87	2
Pre-provision profit:						
Total revenue (GAAP)	A	$1,153	$6,905	$6,491	$414	6%
Less: Noninterest expense (GAAP)	C	788	3,991	3,847	144	4
Pre-provision profit (GAAP)		$365	$2,914	$2,644	$270	10%
Pre-provision profit, Underlying:						
Total revenue, Underlying (non-GAAP)	B	$1,153	$6,905	$6,491	$414	6%
Less: Noninterest expense, Underlying (non-GAAP)	D	788	3,866	3,779	87	2
Pre-provision profit, Underlying (non-GAAP)		$365	$3,039	$2,712	$327	12%
Net income, Underlying:						
Net income (GAAP)	E	$144	$1,057	$1,791	($734)	(41%)
Add: Notable items, net of income tax benefit		—	83	17	66	NM
Net income, Underlying (non-GAAP)	F	$144	$1,140	$1,808	($668)	(37%)
Net income available to common stockholders, Underlying:						
Net income available to common stockholders (GAAP)	G	$144	$950	$1,718	($768)	(45%)
Add: Notable items, net of income tax benefit		—	83	17	66	NM
Net income available to common stockholders, Underlying (non-GAAP)	H	$144	$1,033	$1,735	($702)	(40%)
Operating leverage:						
Total revenue (GAAP)	A		$6,905	$6,491	$414	6.38%
Less: Noninterest expense (GAAP)	C		3,991	3,847	144	3.73
Operating leverage						2.65%
Operating leverage, Underlying:						
Total revenue, Underlying (non-GAAP)	B		$6,905	$6,491	$414	6.39%
Less: Noninterest expense, Underlying (non-GAAP)	D		3,866	3,779	87	2.30
Operating leverage, Underlying (non-GAAP)						4.09%
Efficiency ratio and efficiency ratio, Underlying:						
Efficiency ratio	C/A	68.49 %	57.80 %	59.28 %	(148) bps	
Efficiency ratio, Underlying (non-GAAP)	D/B	68.49	55.99	58.23	(224) bps	
Return on average tangible common equity and return on average tangible common equity, Underlying:						
Average common equity (GAAP)	I	$19,627	$20,438	$20,325	$113	1%
Less: Average goodwill (GAAP)		6,876	7,049	7,036	13	—
Less: Average other intangibles (GAAP)		9	64	71	(7)	(10)
Add: Average deferred tax liabilities related to goodwill (GAAP)		325	376	371	5	1
Average tangible common equity	J	$13,067	$13,701	$13,589	$112	1%
Return on average tangible common equity	G/J	4.34 %	6.93 %	12.64 %	(571) bps	
Return on average tangible common equity, Underlying (non-GAAP)	H/L	4.34	7.53	12.76	(523) bps	

Non-GAAP financial measures and reconciliations: 3Q13 and full year 2020 vs. 2019 comparison

$s in millions, except share, per share and ratio data

		QUARTERLY	FULL YEAR			
					2020 Change	
		3Q13	2020	2019	2019	
					$	%
Tangible book value per common share:						
Common shares - at period-end (GAAP)	K		427,209,831	433,121,083	(5,911,252)	(1%)
Common stockholders' equity (GAAP)			$20,708	$20,631	$77	—
Less: Goodwill (GAAP)			7,050	7,044	6	—
Less: Other intangible assets (GAAP)			58	68	(10)	(15)
Add: Deferred tax liabilities related to goodwill (GAAP)			379	374	5	1
Tangible common equity	L		$13,979	$13,893	$86	1%
Tangible book value per common share	L/K		$32.72	$32.08	$0.64	2%
Net income per average common share - basic and diluted and net income per average common share - basic and diluted, Underlying:						
Average common shares outstanding - basic (GAAP)	M	559,998,324	427,062,537	449,731,453	(22,668,916)	(5%)
Average common shares outstanding - diluted (GAAP)	N	559,998,324	428,157,780	451,213,701	(23,055,921)	(5)
Net income per average common share - basic (GAAP)[(1)]	G/M	$1.04	$2.22	$3.82	($1.60)	(42)
Net income per average common share - diluted (GAAP)[(1)]	G/N	1.04	2.22	3.81	(1.59)	(42)
Net income per average common share - basic, Underlying (non-GAAP)[(1)]	H/M	1.04	2.42	3.86	(1.44)	(37)
Net income per average common share - diluted, Underlying (non-GAAP)[(1)]	H/N	1.04	2.41	3.84	(1.43)	(37)

[(1)] Earnings per share for 3Q13 is the annualized calculation of earnings per share of $0.26 multiplied by 4.



One Citizens Plaza, Providence, RI 02903