UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended
March 31, 2024

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From
(Not Applicable)

Commission File Number 001-36636



(Exact name of the registrant as specified in its charter)

Delaware	**05-0412693**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**

One Citizens Plaza, Providence, RI 02903
(Address of principal executive offices, including zip code)

(203) 900-6715
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value per share	CFG	New York Stock Exchange
Depositary Shares, each representing a 1/40th interest in a share of 6.350% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series D	CFG PrD	New York Stock Exchange
Depositary Shares, each representing a 1/40th interest in a share of 5.000% Fixed-Rate Non-Cumulative Perpetual Preferred Stock, Series E	CFG PrE	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

There were 455,019,971 shares of the registrant's common stock ($0.01 par value) outstanding on April 26, 2024.

Citizens Financial Group, Inc.™

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GLOSSARY OF ACRONYMS AND TERMS

The following is a list of common acronyms and terms used regularly in our financial reporting:

2023 Form 10-K	Annual Report on Form 10-K for the year ended December 31, 2023
AACL	Adjusted Allowance for Credit Losses
ACL	Allowance for Credit Losses: Allowance for Loan and Lease Losses plus Allowance for Unfunded Lending Commitments
AFS	Available for Sale
ALM	Asset and Liability Management
AOCI	Accumulated Other Comprehensive Income (Loss)
ASU	Accounting Standards Update
ATM	Automated Teller Machine
Board or Board of Directors	The Board of Directors of Citizens Financial Group, Inc.
bps	Basis Points
CBNA	Citizens Bank, National Association
CCAR	Comprehensive Capital Analysis and Review
CCB	Capital Conservation Buffer
CECL	Current Expected Credit Losses (ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*)
CET1	Common Equity Tier 1
CET1 capital ratio	Common Equity Tier 1 capital divided by total risk-weighted assets as defined under the U.S. Basel III Standardized approach
Citizens, CFG, the Company, we, us, or our	Citizens Financial Group, Inc. and its Subsidiaries
CLTV	Combined Loan-to-Value
COVID	Coronavirus Disease
CRE	Commercial Real Estate
EPS	Earnings Per Share
EVE	Economic Value of Equity
Exchange Act	The Securities Exchange Act of 1934, as amended
Fannie Mae (FNMA)	Federal National Mortgage Association
FDIC	Federal Deposit Insurance Corporation
FDM	Financially Distressed Modification
FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank
FICO	Fair Isaac Corporation (credit rating)
FRB or Federal Reserve	Board of Governors of the Federal Reserve System and, as applicable, Federal Reserve Bank(s)
Freddie Mac (FHLMC)	Federal Home Loan Mortgage Corporation
FTE	Fully Taxable Equivalent
FTP	Funds Transfer Pricing
GAAP	Accounting Principles Generally Accepted in the United States of America
GDP	Gross Domestic Product
Ginnie Mae (GNMA)	Government National Mortgage Association
GSE	Government Sponsored Entity
HTM	Held To Maturity
Investors	Investors Bancorp, Inc. and its subsidiaries
JMP	JMP Group LLC
LHFS	Loans Held for Sale
LIHTC	Low Income Housing Tax Credit
M&A	Merger and Acquisition

MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Mid-Atlantic	District of Columbia, Delaware, Maryland, New Jersey, New York, Pennsylvania, Virginia, and West Virginia
Midwest	Illinois, Indiana, Michigan, and Ohio
Modified AACL transition	The Day-1 CECL adoption entry booked to ACL plus 25% of subsequent CECL ACL reserve build
Modified CECL transition	The Day-1 CECL adoption entry booked to retained earnings plus 25% of subsequent CECL ACL reserve build
MSRs	Mortgage Servicing Rights
New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
NMTC	New Markets Tax Credit
OCC	Office of the Comptroller of the Currency
OCI	Other Comprehensive Income (Loss)
Operating Leverage	Period-over-period percent change in total revenue, less the period-over-period percent change in noninterest expense
Parent Company	Citizens Financial Group, Inc. (the Parent Company of Citizens Bank, National Association and other subsidiaries)
PCD	Purchased Credit Deteriorated
ROTCE	Return on Average Tangible Common Equity
RPA	Risk Participation Agreement
RWA	Risk-Weighted Assets
SBA	United States Small Business Administration
SCB	Stress Capital Buffer
SEC	United States Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
SVaR	Stressed Value at Risk
TBAs	To-Be-Announced Mortgage Securities
Tier 1 capital ratio	Tier 1 capital, which includes Common Equity Tier 1 capital plus non-cumulative perpetual preferred equity that qualifies as additional tier 1 capital, divided by total risk-weighted assets as defined under the U.S. Basel III Standardized approach
Tier 1 leverage ratio	Tier 1 capital, which includes Common Equity Tier 1 capital plus non-cumulative perpetual preferred equity that qualifies as additional tier 1 capital, divided by quarterly adjusted average assets as defined under the U.S. Basel III Standardized approach
TOP	Tapping Our Potential
Total capital ratio	Total capital, which includes Common Equity Tier 1 capital, tier 1 capital, and allowance for credit losses and qualifying subordinated debt that qualifies as tier 2 capital, divided by total risk-weighted assets as defined under the U.S. Basel III Standardized approach
USDA	United States Department of Agriculture
VA	United States Department of Veterans Affairs
VaR	Value at Risk
VIE	Variable Interest Entity

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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,” “guidance” 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. Our statements speak as of the date hereof, and we do 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. We caution you, 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 that could cause actual results to differ materially from those in the forward-looking statements include the following, without limitation:

- Negative economic, business and political conditions, including as a result of the interest rate environment, supply chain disruptions, inflationary pressures and labor shortages, that adversely affect the general economy, housing prices, the job market, consumer confidence and spending habits;
- The general state of the economy and employment, as well as general business and economic conditions, and changes in the competitive environment;
- Our capital and liquidity requirements under regulatory standards and our ability to generate capital and liquidity on favorable terms;
- The effect of changes in our credit ratings on our cost of funding, access to capital markets, ability to market our securities, and overall liquidity position;
- The effect of changes in the level of commercial and consumer deposits on our funding costs and net interest margin;
- Our ability to execute on our strategic business initiatives and achieve our financial performance goals across our Consumer, Commercial and Private Bank businesses;
- The effects of geopolitical instability, including the wars in Ukraine and the Middle East, on economic and market conditions, inflationary pressures and the interest rate environment, commodity price and foreign exchange rate volatility, and heightened cybersecurity risks;
- Our ability to comply with heightened supervisory requirements and expectations;
- Liabilities and business restrictions resulting from litigation and regulatory investigations;
- The effect of changes in interest rates on our net interest income, net interest margin and our mortgage originations, mortgage servicing rights and mortgages held for sale;
- Changes in interest rates and market liquidity, as well as the magnitude of such changes, which may reduce interest margins, impact funding sources and affect the ability to originate and distribute financial products in the primary and secondary markets;
- Financial services reform and other current, pending or future legislation or regulation that could have a negative effect on our revenue and businesses;
- Environmental risks, such as physical or transition risks associated with climate change, and social and governance risks, that could adversely affect our reputation, operations, business, and customers;
- A failure in or breach of our compliance with laws, as well as operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber-attacks; and
- Management’s ability to identify and manage these and other risks.

In addition to the above factors, we also caution that the actual amounts and timing of any future common stock dividends or share repurchases will be subject to various factors, including our capital position, financial performance, capital impacts of strategic initiatives, market conditions, and regulatory considerations, as well as any other factors that our Board of Directors deems relevant in making such a determination. Therefore, there can be no assurance that we will repurchase shares from or pay any dividends to holders of our common stock, or as to the amount of any such repurchases or dividends.

More information about factors that could cause actual results to differ materially from those described in the forward-looking statements can be found in the "Risk Factors" section in Part I, Item 1A of our 2023 Form 10-K.

INTRODUCTION

Citizens Financial Group, Inc. is one of the nation's oldest and largest financial institutions, with $220.4 billion in assets as of March 31, 2024. Headquartered in Providence, Rhode Island, we offer a broad range of retail and commercial banking products and services to individuals, small businesses, middle-market companies, large corporations and institutions. We help our 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, we provide an integrated experience that includes mobile and online banking, a full-service customer contact center and the convenience of approximately 3,300 ATMs and more than 1,000 branches in 14 states and the District of Columbia. Consumer Banking products and services include a full range of banking, lending, savings, wealth management and small business offerings. In Commercial Banking, we offer 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 loan syndication, corporate finance, merger and acquisition, and debt and equity capital markets capabilities. More information is available at www.citizensbank.com.

The following MD&A is intended to assist readers in their analysis of the accompanying unaudited interim Consolidated Financial Statements and supplemental financial information. It should be read in conjunction with the unaudited interim Consolidated Financial Statements and Notes to Consolidated Financial Statements in Part I, Item 1, as well as other information contained in this document and our 2023 Form 10-K.

Non-GAAP Financial Measures

This document contains non-GAAP financial measures denoted as "Underlying" results and "including AOCI impact." Underlying results for any given reporting period exclude certain items that may occur in that period which management does not consider indicative of our on-going financial performance. We believe these non-GAAP financial measures provide useful information to investors because they are used by 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.

Other companies may use similarly titled non-GAAP financial measures that may be 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 measures are denoted throughout our MD&A by the use of the term "Underlying." Where there is a reference to these metrics in that paragraph, all measures that follow are on the same basis when applicable. For more information on the computation of non-GAAP financial measures, see "Non-GAAP Financial Measures and Reconciliations."

FINANCIAL PERFORMANCE

Key Highlights

Net income decreased $177 million for the three months ended March 31, 2024, with earnings per diluted common share down $0.35 to $0.65 compared to the same period in 2023.

Results reflect notable items of $61 million or $0.14 per diluted common share, net of tax benefit, for the three months ended March 31, 2024, compared to $49 million or $0.10 per diluted common share, net of tax benefit, for the same period in 2023.

Table 1: Notable Items

	Three Months Ended March 31, 2024				
		Less: notable items			
(dollars in millions)	Reported results (GAAP)	Integration related costs[1]	TOP and other[2]	FDIC special assessment[3]	Underlying results (non-GAAP)
Noninterest income	$517	$—	$3	$—	$514
Noninterest expense	1,358	3	47	35	1,273
Income tax expense	96	(1)	(11)	(9)	117

	Three Months Ended March 31, 2023				
		Less: notable items			
(dollars in millions)	Reported results (GAAP)	Integration related costs[1]	TOP and other[2]	FDIC special assessment	Underlying results (non-GAAP)
Noninterest income	$485	$—	$—	$—	$485
Noninterest expense	1,296	52	14	—	1,230
Income tax expense	153	(13)	(4)	—	170

[1] Includes integration related costs associated with acquisitions.
[2] Includes our TOP transformational and revenue and efficiency initiatives for the three months ended March 31, 2024 and 2023, and net fee-related components associated with a credit card processor arrangement for the three months ended March 31, 2024.
[3] Represents an industry-wide FDIC special assessment. For more information, see “Regulation and Supervision - Deposit Insurance” in our 2023 Form 10-K.

- Net income available to common stockholders decreased $184 million for the three months ended March 31, 2024, compared to the same period in 2023.
    - On an Underlying basis, which excludes notable items, net income available to common stockholders of $365 million for the three months ended March 31, 2024, compared with $537 million for the same period in 2023.
    - On an Underlying basis, earnings per diluted common share of $0.79 for the three months ended March 31, 2024, compared to $1.10 for the same period in 2023.
- Total revenue decreased $169 million for the three months ended March 31, 2024, compared to the same period in 2023, driven by a decrease of 12% in net interest income.
- The efficiency ratio of 69.3% for the three months ended March 31, 2024, compared to 60.9% for the same period in 2023.
    - On an Underlying basis, the efficiency ratio of 65.1% for the three months ended March 31, 2024, compared to 57.8% for the same period in 2023.
- ROTCE of 8.9% for the three months ended March 31, 2024, compared to 14.4% for the same period in 2023.
    - On an Underlying basis, ROTCE of 10.6% for the three months ended March 31, 2024, compared to 15.8% for the same period in 2023.
- Tangible book value per common share of $30.19 decreased 2% from December 31, 2023.

For additional information regarding our financial performance, see “Results of Operations.”

RESULTS OF OPERATIONS

Net Interest Income

Net interest income is our largest source of revenue and is the difference between the interest earned on interest-earning assets (generally loans and investment securities) and the interest expense incurred in connection with interest-bearing liabilities (generally deposits and borrowed funds). The level of net interest income is primarily a function of the difference between the effective yield on our average interest-earning assets and the effective cost of our interest-bearing liabilities. These factors are influenced by the pricing and mix of interest-earning assets and interest-bearing liabilities which, in turn, are impacted by external factors such as economic conditions, competition for loans and deposits, the monetary policy of the FRB and market interest rates. For further discussion, refer to the “Market Risk” and “Risk Governance” sections of our 2023 Form 10-K.

Table 2: Major Components of Net Interest Income

	Three Months Ended March 31,						Change	
	2024			2023				
(dollars in millions)	Average Balances	Income/ Expense	Yields/ Rates	Average Balances	Income/ Expense	Yields/ Rates	Average Balances	Yields/ Rates (bps)
Assets								
Interest-bearing cash and due from banks and deposits in banks	$10,268	$140	5.39 %	$5,899	$69	4.65 %	$4,369	74 bps
Taxable investment securities	43,904	399	3.63	38,953	266	2.74	4,951	89
Non-taxable investment securities	1	—	2.60	2	—	2.68	(1)	(8)
Total investment securities	43,905	399	3.63	38,955	266	2.74	4,950	89
Commercial and industrial	44,577	635	5.64	53,429	747	5.60	(8,852)	4
Commercial real estate	29,265	468	6.32	28,892	416	5.75	373	57
Total commercial	73,842	1,103	5.91	82,321	1,163	5.65	(8,479)	26
Residential mortgages	31,384	283	3.60	30,075	250	3.33	1,309	27
Home equity	15,080	298	7.94	14,073	240	6.92	1,007	102
Automobile	7,758	82	4.25	11,937	119	4.04	(4,179)	21
Education	11,816	156	5.31	12,796	154	4.88	(980)	43
Other retail	4,942	129	10.54	5,290	121	9.25	(348)	129
Total retail	70,980	948	5.36	74,171	884	4.81	(3,191)	55
Total loans and leases	144,822	2,051	5.64	156,492	2,047	5.25	(11,670)	39
Loans held for sale, at fair value	850	14	6.37	1,009	15	5.87	(159)	50
Other loans held for sale	223	6	10.72	197	5	9.98	26	74
Interest-earning assets	200,068	2,610	5.20	202,552	2,402	4.76	(2,484)	44
Noninterest-earning assets	20,702			20,159			543	
Total assets	$220,770			$222,711			($1,941)	
Liabilities and Stockholders’ Equity								
Checking with interest	$32,302	$109	1.35 %	$35,974	$97	1.09 %	($3,672)	26
Money market	52,926	445	3.38	49,942	287	2.33	2,984	105
Savings	27,745	121	1.76	29,460	79	1.09	(1,715)	67
Term	26,447	312	4.74	12,839	87	2.72	13,608	202
Total interest-bearing deposits	139,420	987	2.85	128,215	550	1.74	11,205	111
Short-term borrowed funds	498	7	5.53	542	6	4.97	(44)	56
Long-term borrowed funds	13,664	174	5.08	17,780	203	4.55	(4,116)	53
Total borrowed funds	14,162	181	5.09	18,322	209	4.57	(4,160)	52
Total interest-bearing liabilities	153,582	1,168	3.05	146,537	759	2.09	7,045	96
Demand deposits	36,684			46,135			(9,451)	
Other noninterest-bearing liabilities	6,791			6,323			468	
Total liabilities	197,057			198,995			(1,938)	
Stockholders’ equity	23,713			23,716			(3)	
Total liabilities and stockholders’ equity	$220,770			$222,711			($1,941)	
Interest rate spread			2.15 %			2.67 %		(52)
Net interest income and net interest margin		$1,442	2.90 %		$1,643	3.29 %		(39)
Net interest income and net interest margin, FTE[(1)]		$1,446	2.91 %		$1,647	3.30 %		(39)
Memo: Total deposits (interest-bearing and demand)	$176,104	$987	2.25 %	$174,350	$550	1.28 %	$1,754	97 bps

[(1)] Net interest income and net interest margin is presented on a FTE basis using the federal statutory tax rate of 21%. The FTE impact is predominantly attributable to commercial and industrial loans for the periods presented.

Net interest income decreased $201 million, or 12%, for the three months ended March 31, 2024, compared to the same period in 2023, reflecting lower net interest margin and a 1% decline in average interest-earning assets.

Net interest margin on a FTE basis decreased 39 basis points for the three months ended March 31, 2024, compared to the same period in 2023, reflecting higher funding costs, swap impacts and the impact of building liquidity, partially offset by higher interest-earning-asset yields and the benefit of Non-Core portfolio runoff.

Average interest-earning assets decreased $2.5 billion, or 1%, for the three months ended March 31, 2024, compared to the same period in 2023, driven by a decline in total loans and leases, partially offset by an increase in investment securities and cash held in interest-bearing deposits.

Average deposits increased $1.8 billion, or 1%, for the three months ended March 31, 2024, compared to the same period in 2023, reflecting growth in retail and Private Bank deposits.

Average total borrowed funds decreased $4.2 billion for the three months ended March 31, 2024, compared to the same period in 2023, reflecting a decline in FHLB advances driven by Non-Core portfolio runoff, partially offset by an increase in secured borrowings collateralized by auto loans.

Noninterest Income

Table 3: Noninterest Income

	Three Months Ended March 31,			
(dollars in millions)	2024	2023	Change	Percent
Service charges and fees	$96	$100	($4)	(4 %)
Capital markets fees	118	83	35	42
Card fees	86	72	14	19
Trust and investment services fees	68	63	5	8
Mortgage banking fees	49	57	(8)	(14)
Foreign exchange and derivative products	36	48	(12)	(25)
Letter of credit and loan fees	42	40	2	5
Securities gains, net	5	5	—	—
Other income[(1)]	17	17	—	—
Noninterest income	$517	$485	$32	7 %

[(1)] Includes bank-owned life insurance income and other income for all periods presented.

The primary drivers for the change in noninterest income for the three months ended March 31, 2024, compared to the same period in 2023, are highlighted below.

- Capital markets fees increased reflecting higher bond and equity underwriting fees, and M&A advisory fees.
- Card fees increased primarily reflecting higher credit card fees, including favorable vendor contract negotiations.
- Trust and investment services fees reflect increased sales activity and asset management fees.
- Foreign exchange and derivative products revenue decreased given reduced client activity related to interest rate and commodities hedging.
- Mortgage banking fees declined reflecting lower servicing and production fees.

Noninterest Expense

Table 4: Noninterest Expense

(dollars in millions)	Three Months Ended March 31, 2024	2023	Change	Percent
Salaries and employee benefits	$691	$658	$33	5 %
Equipment and software	192	169	23	14
Outside services	158	176	(18)	(10)
Occupancy	114	124	(10)	(8)
Other operating expense	203	169	34	20
Noninterest expense	$1,358	$1,296	$62	5 %

The increase in noninterest expense for the three months ended March 31, 2024, compared to the same period in 2023, was driven by salaries and employee benefits reflecting our Private Bank start-up investment, partially offset by lower headcount, equipment and software reflecting technology investments, and other operating expense largely associated with FDIC deposit insurance, reflecting an estimate of CBNA's incremental special assessment of $35 million recognized in the first quarter of 2024. For more information regarding CBNA's special assessment, see "Regulation and Supervision - Deposit Insurance" in our 2023 Form 10-K.

Provision for Credit Losses

The provision for credit losses is the result of a detailed analysis performed to estimate our ACL. The total provision for credit losses includes the provision for loan and lease losses and the provision for unfunded commitments. Refer to "Analysis of Financial Condition — Credit Quality" for more information.

Provision expense of $171 million for the three months ended March 31, 2024, compared to $168 million for the same period in 2023. The provision expense for the three months ended March 31, 2024 reflects higher reserves against the CRE Office portfolio primarily driven by elevated interest rates and return-to-office dynamics.

Income Tax Expense

Income tax expense of $96 million decreased $57 million for the three months ended March 31, 2024, compared to the same period in 2023. The effective income tax rate of 22.3% for the three months ended March 31, 2024 decreased from 23.0% compared to the same period in 2023. These decreases were driven by lower pre-tax income, partially offset by higher tax expense associated with stock compensation. Provision for income taxes is calculated by applying the estimated annual effective tax rate to year-to-date pre-tax income, adjusting for discrete items that occurred during the period.

Business Operating Segments

We have three business operating segments: Consumer Banking, Commercial Banking, and Non-Core. See Note 1 for a description of segment changes made during the third quarter of 2023 and Note 16 for more information regarding our business operating segments.

The following tables present certain financial data of our business operating segments. Total business operating segment financial results differ from total consolidated financial results. These differences are reflected in Other non-segment operations. See Note 16 for additional information.

Table 5: Selected Financial Data for Business Operating Segments

	Three Months Ended March 31,					
	Consumer Banking		Commercial Banking		Non-Core	
(dollars in millions)	2024	2023	2024	2023	2024	2023
Net interest income	$1,093	$1,011	$514	$597	($37)	($15)
Noninterest income	258	256	227	201	—	—
Total revenue	1,351	1,267	741	798	(37)	(15)
Noninterest expense	903	857	317	331	25	32
Profit (loss) before credit losses	448	410	424	467	(62)	(47)
Net charge-offs	81	63	81	47	19	21
Income (loss) before income tax expense (benefit)	367	347	343	420	(81)	(68)
Income tax expense (benefit)	95	90	84	101	(21)	(18)
Net income (loss)	$272	$257	$259	$319	($60)	($50)
Average Balances:						
Total assets	$73,833	$71,872	$70,100	$78,891	$10,554	$15,686
Total loans and leases[(1)]	67,448	65,570	67,187	75,734	10,507	15,620
Deposits	120,019	115,578	45,912	48,966	—	—
Interest-earning assets	68,050	66,251	67,536	76,130	10,507	15,620

[(1)] Includes LHFS.

Consumer Banking

Net interest income increased $82 million for the three months ended March 31, 2024, compared to the same period in 2023, driven by higher net interest margin reflecting higher interest-earning asset yields and growth in average interest-earning assets. This increase was partially offset by higher funding costs.

Noninterest income increased $2 million for the three months ended March 31, 2024, compared to the same period in 2023, driven by trust and investment services fees reflecting increased sales activity and asset management fees, and higher credit card fees. This increase was partially offset by mortgage banking fees reflecting lower servicing and production fees and service charges and fees given seasonality and lower overdraft fees.

Noninterest expense increased $46 million for the three months ended March 31, 2024, compared to the same period in 2023, driven by salaries and benefits reflecting our Private Bank start-up investment and equipment and software driven by technology investments. This increase was partially offset by reductions in other operating expense associated with lower fraud and travel.

Net charge-offs increased $18 million for the three months ended March 31, 2024, compared to the same period in 2023, driven primarily by other retail and education.

Commercial Banking

Net interest income decreased $83 million for the three months ended March 31, 2024, compared to the same period in 2023, driven by lower net interest margin, a decline in average interest-earning assets and higher funding costs, partially offset by higher interest-earning asset yields.

Noninterest income increased $26 million for the three months ended March 31, 2024, compared to the same period in 2023, driven by capital markets fees reflecting higher bond and equity underwriting fees, and M&A advisory fees. This increase was partially offset by foreign exchange and derivative products revenue given reduced client activity related to interest rate and commodities hedging.

Noninterest expense decreased $14 million for the three months ended March 31, 2024, compared to the same period in 2023, driven primarily by salaries and employee benefits reflecting lower headcount.

Net charge-offs increased $34 million for the three months ended March 31, 2024, compared to the same period in 2023, driven by the general office segment of CRE.

Non-Core

Net interest income decreased $22 million for the three months ended March 31, 2024, compared to the same period in 2023, driven by the highest-cost implied marginal funding sources during 2024, including secured borrowings collateralized by auto loans and FHLB advances.

Average loans and leases decreased $5.1 billion for the three months ended March 31, 2024, compared to the same period in 2023, driven by planned Non-Core portfolio runoff.

ANALYSIS OF FINANCIAL CONDITION

Securities

Table 6: Amortized Cost and Fair Value of Securities

	March 31, 2024		December 31, 2023	
(dollars in millions)	Amortized Cost[1]	Fair Value	Amortized Cost[1]	Fair Value
U.S. Treasury and other	$4,944	$4,770	$4,493	$4,380
State and political subdivisions	1	1	1	1
Mortgage-backed securities:				
Federal agencies and U.S. government sponsored entities	27,989	25,865	26,289	24,477
Other/non-agency	278	257	279	255
Total mortgage-backed securities	28,267	26,122	26,568	24,732
Collateralized loan obligations	293	294	667	664
Total debt securities available for sale	$33,505	$31,187	$31,729	$29,777
Mortgage-backed securities:				
Federal agencies and U.S. government sponsored entities	$8,587	$7,682	$8,696	$7,887
Total mortgage-backed securities	8,587	7,682	8,696	7,887
Asset-backed securities	467	450	488	463
Total debt securities held to maturity	$9,054	$8,132	$9,184	$8,350
Total debt securities available for sale and held to maturity	$42,559	$39,319	$40,913	$38,127
Equity securities, at cost[2]	$791	$791	$869	$869
Equity securities, at fair value[2]	178	178	173	173

[1] Excludes portfolio level basis adjustments of $(74) million and $60 million, respectively, for securities designated in active fair value hedge relationships at March 31, 2024 and December 31, 2023.
[2] Included in other assets in the Consolidated Balance Sheets.

The primary objective of the securities portfolio is to provide a readily available source of liquidity. The portfolio primarily includes high quality, highly liquid investments reflecting our ongoing commitment to maintain strong contingent liquidity levels and pledging capacity.

As of March 31, 2024, U.S. Treasuries and mortgage-backed securities issued by GNMA and GSEs represented 97% of the fair value of our debt securities portfolio, with approximately $31.5 billion of unencumbered high-quality liquid securities serving as potential collateral for borrowings from the FHLB, FRB discount window, and the Fixed Income Clearing Corporation bilateral repurchase agreement market.

For further discussion of the use of our securities as liquidity collateral see the “Liquidity Risk Management and Governance” section in this document. For further discussion of liquidity requirements, see “Regulation and Supervision — Liquidity Requirements” in our 2023 Form 10-K.

We manage our securities portfolio duration and convexity risk through asset selection and securities structure, and maintain duration levels within our risk appetite in the context of the broader interest rate risk framework and limits. As of March 31, 2024, the portfolio’s average effective duration, including recent hedging actions to reduce duration, was 3.8 years compared with 3.9 years as of December 31, 2023.

Loans and Leases

Table 7: Composition of Loans and Leases, Excluding LHFS

(dollars in millions)	March 31, 2024	December 31, 2023	Change	Percent
Commercial and industrial	$43,951	$44,974	($1,023)	(2)%
Commercial real estate	28,872	29,471	(599)	(2)
Total commercial	72,823	74,445	(1,622)	(2)
Residential mortgages	31,512	31,332	180	1
Home equity	15,113	15,040	73	—
Automobile	7,277	8,258	(981)	(12)
Education	11,646	11,834	(188)	(2)
Other retail	4,817	5,050	(233)	(5)
Total retail	70,365	71,514	(1,149)	(2)
Total loans and leases	$143,188	$145,959	($2,771)	(2)%

See Note 1 for a description of changes made to the Company's loans and leases presentation during the first quarter of 2024.

The decrease in total loans and leases as of March 31, 2024 compared to December 31, 2023 reflects a $1.6 billion decrease in commercial given balance sheet optimization actions, paydowns and market conditions driving lower client demand. Retail decreased $1.1 billion, primarily driven by planned Non-Core portfolio runoff.

Credit Quality

See Note 1 for a description of changes made to the Company's loans and leases presentation during the first quarter of 2024.

The ACL is a reserve to absorb estimated future credit losses in accordance with GAAP. For additional information regarding the ACL, see "Critical Accounting Estimates — Allowance for Credit Losses" and Note 4, and Note 6 in our 2023 Form 10-K.

The ACL as of March 31, 2024 compared to December 31, 2023 reflects a reserve decrease of $10 million. For further information see Note 4.

Table 8: ACL and Related Coverage Ratios by Portfolio

	March 31, 2024			December 31, 2023		
(dollars in millions)	Loans and Leases	Allowance	Coverage	Loans and Leases	Allowance	Coverage
Allowance for Loan and Lease Losses						
Commercial and industrial	$43,951	$592	1.35 %	$44,974	$587	1.31 %
Commercial real estate	28,872	642	2.22	29,471	663	2.25
Total commercial	72,823	1,234	1.69	74,445	1,250	1.68
Residential mortgages	31,512	171	0.54	31,332	181	0.58
Home equity	15,113	98	0.65	15,040	100	0.66
Automobile	7,277	42	0.57	8,258	57	0.69
Education	11,646	267	2.29	11,834	259	2.18
Other retail	4,817	274	5.70	5,050	251	4.98
Total retail	70,365	852	1.21	71,514	848	1.19
Total loans and leases	$143,188	$2,086	1.46 %	$145,959	$2,098	1.44 %
Allowance for Unfunded Lending Commitments						
Commercial[1]		$191	1.96 %		$175	1.91 %
Retail[2]		31	1.25		45	1.25
Total allowance for unfunded lending commitments		222			220	
Allowance for credit losses	$143,188	$2,308	1.61 %	$145,959	$2,318	1.59 %

[1] Coverage ratio includes total commercial allowance for unfunded lending commitments and total commercial allowance for loan and lease losses in the numerator and total commercial loans and leases in the denominator.
[2] Coverage ratio includes total retail allowance for unfunded lending commitments and total retail allowance for loan losses in the numerator and total retail loans in the denominator.

Table 9: Nonaccrual Loans and Leases

(dollars in millions)	March 31, 2024	December 31, 2023	Change	Percent
Commercial and industrial	$294	$297	($3)	(1 %)
Commercial real estate	597	477	120	25
Total commercial	891	774	117	15
Residential mortgages	174	177	(3)	(2)
Home equity	288	285	3	1
Automobile	47	61	(14)	(23)
Education	29	28	1	4
Other retail	40	39	1	3
Total retail	578	590	(12)	(2)
Nonaccrual loans and leases	$1,469	$1,364	$105	8 %
Nonaccrual loans and leases to total loans and leases	1.02 %	0.93 %	9 bps	
Allowance for loan and lease losses to nonaccrual loans and leases	142	154	(12 %)	
Allowance for credit losses to nonaccrual loans and leases	157	170	(13 %)	

Table 10: Ratio of Net Charge-Offs to Average Loans and Leases

	Three Months Ended March 31,					
	2024			2023		
(dollars in millions)	Net Charge-Offs	Average Balance	Ratio	Net Charge-Offs	Average Balance	Ratio
Commercial and industrial	($3)	$44,577	(0.03)%	$49	$53,429	0.37 %
Commercial real estate	88	29,265	1.22	3	28,892	0.05
Total commercial	85	73,842	0.47	52	82,321	0.26
Residential mortgages	1	31,384	0.01	1	30,075	0.01
Home equity	(2)	15,080	(0.06)	(3)	14,073	(0.07)
Automobile	14	7,758	0.73	15	11,937	0.51
Education	27	11,816	0.92	18	12,796	0.57
Other retail	56	4,942	4.56	50	5,290	3.81
Total retail	96	70,980	0.54	81	74,171	0.44
Total loans and leases	$181	$144,822	0.50 %	$133	$156,492	0.34 %

For the three months ended March 31, 2024, net charge-offs increased $48 million and the net charge-off ratio increased 16 basis points compared to the same period in 2023. The increase in net charge-offs reflects a $15 million increase in retail, primarily unsecured, and a $33 million increase in commercial, primarily driven by the general office segment of CRE.

Commercial Loan Asset Quality

Our commercial portfolio consists of traditional commercial and industrial loans, commercial leases, and commercial real estate loans. As discussed in our 2023 Form 10-K, we utilize internal risk ratings to monitor credit quality for commercial loans and leases.

Total commercial criticized balances of $8.7 billion at March 31, 2024 increased $231 million compared to December 31, 2023.

Commercial and industrial criticized balances of $3.3 billion at March 31, 2024 decreased from $3.5 billion at December 31, 2023, primarily driven by declines in the healthcare and wholesale trade sectors.

Commercial real estate criticized balances of $5.4 billion at March 31, 2024 increased from $5.0 billion at December 31, 2023, attributable to the continued impacts of interest rates and return-to-office dynamics on the Office sector and the continued impacts of interest rates on the Multi-family sector. Approximately 97% of commercial real estate loans remain current on payments as of March 31, 2024.

For more information on the distribution of commercial loans by vintage date and regulatory classification rating, see Note 4.

Table 11: Commercial and Industrial Loans by Industry Sector

(dollars in millions)	March 31, 2024 Balance	March 31, 2024 % of Total Loans and Leases	December 31, 2023 Balance	December 31, 2023 % of Total Loans and Leases
Industry sector				
Finance and insurance				
Capital call facilities	$5,090	4 %	$5,780	4 %
Other finance and insurance	5,831	4	6,021	4
Other manufacturing	3,807	2	3,748	2
Technology	3,283	2	3,351	2
Accommodation and food services	2,777	2	2,948	2
Health, pharma, and social assistance	2,478	2	2,598	2
Wholesale trade	2,396	2	2,467	2
Retail trade	2,115	1	2,379	2
Professional, scientific, and technical services	2,390	2	2,339	2
Other services	2,408	2	2,168	1
Energy and related	2,044	1	2,034	1
Arts, entertainment, and recreation	1,597	1	1,602	1
Administrative and waste management	1,516	1	1,599	1
Rental and leasing	936	1	1,073	1
Consumer products manufacturing	918	1	984	1
Automotive	907	1	898	1
Other	3,458	2	2,985	2
Total commercial and industrial	$43,951	31 %	$44,974	31 %

Table 12: Commercial Real Estate by Property Type and State

(dollars in millions)	March 31, 2024 Balance	March 31, 2024 % of Total Loans and Leases	December 31, 2023 Balance	December 31, 2023 % of Total Loans and Leases
Property type				
Multi-family	$9,491	7 %	$9,367	6 %
Office				
Credit tenant lease and life sciences[1]	2,265	2	2,268	2
Other general office	3,443	2	3,648	3
Retail	3,376	2	3,407	2
Industrial	4,079	3	3,981	3
Co-op	1,816	1	1,796	1
Data center	722	1	841	1
Hospitality	552	—	608	—
Other	3,128	2	3,555	2
Total commercial real estate	$28,872	20 %	$29,471	20 %
State				
New York	$6,749	5 %	$7,035	5 %
New Jersey	3,792	3	3,829	3
Pennsylvania	2,574	2	2,613	2
California	2,151	1	2,314	1
Texas	1,859	1	2,163	1
Massachusetts	1,873	1	1,897	1
Florida	1,078	1	1,087	1
Other Southeast[2]	3,169	2	3,056	2
Other	5,627	4	5,477	4
Total commercial real estate	$28,872	20 %	$29,471	20 %

[1] Credit tenant lease includes loans to nationally recognized tenants with high credit ratings and life sciences includes loans to provide lab and office space for tenants involved in the study and development of scientific discoveries.

[2] Includes Georgia, Maryland, North Carolina, South Carolina and Virginia.

Retail Loan Asset Quality

We utilize credit scores provided by FICO, which are generally refreshed on a quarterly basis, and payment and delinquency status, among other data points, to monitor credit quality for retail loans. FICO credit scores represent current and historical national industry-wide consumer level credit performance data, which management believes are the strongest indicator of potential credit losses over the contractual life of the loan and a good predictor of a borrower's future payment performance.

Table 13: Retail Loan Portfolio Analysis

	March 31, 2024					December 31, 2023				
		Days Past Due and Accruing					Days Past Due and Accruing			
	Current	30-59	60-89	90+	Nonaccrual	Current	30-59	60-89	90+	Nonaccrual
Residential mortgages	97.56 %	0.86 %	0.37 %	0.66 %	0.55 %	97.34 %	0.90 %	0.38 %	0.82 %	0.56 %
Home equity	97.40	0.52	0.17	—	1.91	97.34	0.55	0.22	—	1.89
Automobile	97.36	1.58	0.41	—	0.65	96.94	1.74	0.58	—	0.74
Education	99.23	0.34	0.16	0.02	0.25	99.14	0.41	0.19	0.02	0.24
Other retail	97.10	0.89	0.62	0.56	0.83	97.02	0.97	0.67	0.57	0.77
Total retail	97.75 %	0.78 %	0.31 %	0.34 %	0.82 %	97.56 %	0.85 %	0.36 %	0.40 %	0.83 %

Table 14: Retail Asset Quality Metrics

	March 31, 2024	December 31, 2023
Average refreshed FICO for total portfolio	773	772
CLTV ratio for secured real estate[1]	50 %	50 %

[1] The real estate secured portfolio CLTV is calculated as the mortgage and second lien loan balance divided by the most recently available value of the property.

For more information on the aging of accruing and nonaccrual retail loans, and the distribution of retail loans by vintage date and FICO score, see Note 4.

Deposits

Table 15: Composition of Deposits

(dollars in millions)	March 31, 2024	% of Total Deposits	December 31, 2023	% of Total Deposits
Demand	$36,593	21 %	$37,107	21 %
Money market	52,182	30	53,812	30
Checking with interest	34,487	19	31,876	18
Savings	27,912	16	27,983	16
Term	25,254	14	26,564	15
Total deposits	$176,428	100 %	$177,342	100 %

Total deposits as of March 31, 2024 decreased compared to December 31, 2023, reflecting growth in retail and Private Bank deposits, which were more than offset by seasonal declines in commercial.

Table 16: Uninsured and Insured/Secured Deposits

(dollars in millions)	March 31, 2024	December 31, 2023
Total deposits	$176,428	$177,342
Estimated uninsured deposits[1]	69,658	73,584
Less: Uninsured affiliate deposits eliminated in consolidation	10,457	14,650
Less: Preferred deposits[1][2]	6,769	7,486
CFG adjusted estimated uninsured deposits, excluding preferred deposits	52,432	51,448
Total estimated insured/secured deposits	$123,996	$125,894
Insured/secured deposits to total deposits	70 %	71 %

[1] As reported on CBNA's Call Report.
[2] Represents uninsured deposits of states and political subdivisions that are secured or collateralized as required under state law.

Borrowed Funds

Total borrowed funds of $13.8 billion as of March 31, 2024 decreased $159 million compared to December 31, 2023, driven by a decline in FHLB advances, partially offset by the issuance of senior debt and secured borrowings collateralized by auto loans. For more information regarding our borrowed funds, see "Liquidity" and Note 7.

CAPITAL AND REGULATORY MATTERS

As a bank and financial holding company, we are subject to regulation and supervision by the FRB. Our banking subsidiary, CBNA, is a national banking association primarily regulated by the OCC. Our regulation and supervision continues to evolve as the legal and regulatory frameworks governing our operations continue to change. See "Regulation and Supervision" in our 2023 Form 10-K for more information.

Capital Adequacy Process

Our assessment of capital adequacy begins with our Board-approved risk appetite and risk management framework. This framework provides for the identification, measurement and management of material risks. There have been no significant changes to our capital adequacy risk appetite and risk management framework as described in “Capital and Regulatory Matters” in our 2023 Form 10-K.

The FRB regularly supervises and evaluates our capital adequacy and capital planning processes, including the submission of an annual capital plan approved by our Board of Directors or one of its committees. Under the FRB’s capital requirements we must maintain capital ratios above the sum of the regulatory minimum and SCB requirement to avoid restrictions on capital distributions and discretionary bonus payments. The FRB utilizes the supervisory stress test to determine our SCB, which is re-calibrated with each biennial supervisory stress test and updated annually to reflect our planned common stock dividends. As an institution subject to Category IV standards, we are subject to biennial supervisory stress testing in even-numbered years; however, the FRB required us to participate in the 2023 CCAR supervisory stress test to incorporate the effects of the Investors acquisition. Our SCB associated with the 2023 CCAR supervisory stress test is 4.0%, effective until September 30, 2024. We submitted our 2024 Capital Plan to the FRB on April 3, 2024 and expect the FRB to provide us with our preliminary SCB requirement in June and our final SCB requirement by August 31, 2024, which will become effective as of October 1, 2024.

Regulations relating to capital planning, regulatory reporting, stress testing and capital buffer requirements applicable to firms like us are presently subject to rule-making and potential further guidance and interpretation by the applicable federal regulators. We will continue to evaluate the impact of these and any other prudential regulatory changes, including their potential resultant changes in our regulatory and compliance costs and expenses.

For more information on our capital adequacy process, see “Capital and Regulatory Matters” in our 2023 Form 10-K.

Regulatory Capital Ratios and Capital Composition

Under the current U.S. Basel III capital framework, we and our banking subsidiary, CBNA, must meet the following specific minimum requirements: CET1 capital ratio of 4.5%, tier 1 capital ratio of 6.0%, total capital ratio of 8.0% and tier 1 leverage ratio of 4.0%. As a bank holding company, our SCB of 4.0% is imposed on top of the three minimum risk-based capital ratios listed above and a CCB of 2.5% is imposed on top of the three minimum risk-based capital ratios listed above for CBNA.

For additional discussion of the U.S. Basel III capital framework and its related application, see “Regulation and Supervision” in our 2023 Form 10-K. The table below presents the regulatory capital ratios for CFG and CBNA under the U.S. Basel III Standardized rules:

Table 17: Regulatory Capital Ratios Under the U.S. Basel III Standardized Rules

	March 31, 2024		December 31, 2023		
(dollars in millions)	Amount	Ratio	Amount	Ratio	Required Minimum Capital Ratio[1]
CET1 capital					
CFG	$18,090	10.6 %	$18,358	10.6 %	8.5 %
CBNA	19,407	11.4	19,411	11.3	7.0
Tier 1 capital					
CFG	20,104	11.8	20,372	11.8	10.0
CBNA	19,407	11.4	19,411	11.3	8.5
Total capital					
CFG	23,466	13.8	23,608	13.7	12.0
CBNA	22,573	13.3	22,453	13.0	10.5
Tier 1 leverage					
CFG	20,104	9.3	20,372	9.3	4.0
CBNA	19,407	9.0	19,411	8.9	4.0
Risk-weighted assets					
CFG	170,125		172,601		
CBNA	169,589		172,094		
Quarterly adjusted average assets[2]					
CFG	216,001		219,591		
CBNA	215,374		218,974		

[1] Represents minimum requirement under the current capital framework plus the SCB of 4.0% and CCB of 2.5% for CFG and CBNA, respectively. The SCB and CCB are not applicable to the Tier 1 leverage ratio.
[2] Represents total average assets less certain amounts deducted from Tier 1 capital.

At March 31, 2024, CFG’s CET1 and tier 1 capital ratios were stable compared to December 31, 2023. Net income and a $2.5 billion decrease in RWA was offset by common share repurchases, dividends, and a decrease in the modified CECL transition amount as we entered the third year of the CECL three-year transition period. Lower commercial and auto loans were the key drivers for the decline in RWA.

At March 31, 2024, CBNA’s CET1 and tier 1 capital ratios increased slightly compared to December 31, 2023. Net income and a $2.5 billion decrease in RWA, primarily driven by lower commercial and auto loans, was partially offset by dividend payments to the Parent Company and a decrease in the modified CECL transition amount as we entered the third year of the CECL three-year transition period.

At March 31, 2024, CFG’s and CBNA’s total capital ratios increased driven by their respective changes in CET1 and tier 1 capital described above and a reduction in the modified AACL transition amount.

At March 31, 2024, CFG’s tier 1 leverage ratio was stable compared to December 31, 2023, whereas CBNA’s tier 1 leverage ratio increased slightly. CBNA’s tier 1 leverage ratio reflects a decline in quarterly adjusted average assets and changes in tier 1 capital described above.

Table 18: Capital Composition Under the U.S. Basel III Capital Framework

(dollars in millions)	March 31, 2024	December 31, 2023
Total common stockholders' equity	$21,747	$22,328
Exclusions:		
Modified CECL transitional amount	96	192
Net unrealized (gains)/losses recorded in AOCI, net of tax:		
Debt securities	2,497	2,338
Derivatives	1,343	1,087
Unamortized net periodic benefit costs	324	333
Deductions:		
Goodwill, net of deferred tax liability	(7,778)	(7,779)
Other intangible assets, net of deferred tax liability	(127)	(134)
Deferred tax assets that arise from tax loss and credit carryforwards	(12)	(7)
Total common equity tier 1 capital	18,090	18,358
Qualifying preferred stock	2,014	2,014
Total tier 1 capital	20,104	20,372
Qualifying subordinated debt[(1)]	1,321	1,319
Allowance for credit losses	2,308	2,318
Exclusions from tier 2 capital:		
Modified AACL transitional amount	(125)	(249)
Allowance on PCD assets	(142)	(152)
Adjusted allowance for credit losses	2,041	1,917
Total capital	$23,466	$23,608

[(1)] As of March 31, 2024 and December 31, 2023, the amount of non-qualifying subordinated debt excluded from regulatory capital was $482 million. See Note 7 for more details on our outstanding subordinated debt.

Capital Transactions

We completed the following capital transactions during the three months ended March 31, 2024:

- Repurchased $300 million of our outstanding common stock;
- Declared quarterly common stock dividends of $0.42 per share, aggregating to $197 million; and
- Declared preferred stock dividends aggregating to $30 million.

For additional detail regarding our common and preferred stock dividends see Note 10.

All future capital distributions are subject to consideration and approval by our Board of Directors prior to execution. The timing and amount of future dividends and share repurchases will depend on various factors, including our capital position, financial performance, capital impacts of strategic initiatives, market conditions, and regulatory considerations.

AOCI Impact on Regulatory Capital

Under the current applicable regulatory capital rules we have made the AOCI opt-out election, which enables us to exclude components of AOCI from regulatory capital. As noted in the “Capital and Stress Testing Requirements” section of “Regulation and Supervision” in our 2023 Form 10-K, the regulatory agencies are considering the inclusion of AOCI components in regulatory capital for Category IV firms like us, notably the AOCI relative to securities and pension.

The following table presents our regulatory capital ratios including the AOCI impact from securities and pension, which we believe provides useful information in light of recent events and the potential for change in the regulatory capital framework.

Table 19: AOCI Impact on Regulatory Capital

	March 31, 2024					
	CFG			CBNA		
(dollars in millions)	CET1	Tier 1	Total	CET1	Tier 1	Total
Regulatory capital, including AOCI impact:						
Regulatory capital (as reported)	$18,090	$20,104	$23,466	$19,407	$19,407	$22,573
Unrealized gains (losses) on securities and pension	(2,821)	(2,821)	(2,821)	(2,804)	(2,804)	(2,804)
Deferred tax assets - securities and pension AOCI	(13)	(13)	(13)	(13)	(13)	(13)
Regulatory capital, including AOCI impact (non-GAAP)	$15,256	$17,270	$20,632	$16,590	$16,590	$19,756
Risk-weighted assets, including AOCI impact:						
Risk-weighted assets (as reported)	$170,125	$170,125	$170,125	$169,589	$169,589	$169,589
Unrealized gains (losses) on securities and pension	(748)	(748)	(748)	(731)	(731)	(731)
Deferred tax assets - securities and pension AOCI	2,354	2,354	2,354	2,337	2,337	2,337
Risk-weighted assets, including AOCI impact (non-GAAP)	$171,731	$171,731	$171,731	$171,195	$171,195	$171,195
Ratio:						
Regulatory capital ratio (as reported)	10.6 %	11.8 %	13.8 %	11.4 %	11.4 %	13.3 %
Regulatory capital ratio, including AOCI impact (non-GAAP)	8.9 %	10.1 %	12.0 %	9.7 %	9.7 %	11.5 %

Recent Regulatory Developments

On March 6, 2024, the SEC adopted a final rule to require registrants to disclose certain climate-related information in their registration statements and annual reports. Subsequent to adoption, a number of businesses and business groups filed petitions seeking a judicial review of the final rule, asserting that the SEC does not have the authority to promulgate it. On April 4, 2024, the SEC issued an order staying its final rule pending completion of the judicial review of certain petitions consolidated in the U.S. Court of Appeals for the Eighth Circuit. We will continue to monitor the outcome of this judicial review.

LIQUIDITY

We consider the effective and prudent management of liquidity fundamental to our safety and soundness. We define liquidity as our ability to meet our obligations when they come due. As a financial institution, we must maintain operating liquidity to meet expected daily and forecasted cash-flow requirements, as well as contingent liquidity to meet unexpected (stress scenario) funding requirements. Reflecting the importance of meeting all unexpected and stress-scenario funding requirements, we identify and manage contingent liquidity, consisting of cash balances at the FRB, unencumbered high-quality liquid securities and unused FHLB borrowing capacity. Separately, we also identify and manage asset liquidity as a subset of contingent liquidity, consisting of cash balances at the FRB and unencumbered high-quality liquid securities. We maintain additional secured borrowing capacity at the FRB discount window, but do not view this as a primary means of funding, but rather a potential source in a stressed environment or during a market disruption. We manage liquidity at the consolidated enterprise level and at each material legal entity.

Parent Company Liquidity

Our Parent Company's primary sources of cash are dividends and interest received from CBNA resulting from investing in bank equity and subordinated debt as well as externally issued preferred stock, senior debt and subordinated debt. Uses of cash include the routine cash flow requirements as a bank holding company, including periodic share repurchases and payments of dividends, interest and expenses; the needs of subsidiaries, including CBNA for additional equity and, as required, its need for debt financing; and the support for extraordinary funding requirements when necessary. To the extent the Parent Company relies on wholesale borrowings, uses also include payments of related principal and interest.

During the three months ended March 31, 2024, the Parent Company issued $1.25 billion of 5.841% fixed-to-floating rate senior notes due 2030.

Our Parent Company's cash and cash equivalents represent a source of liquidity that can be used to meet various needs and totaled $2.6 billion and $2.9 billion as of March 31, 2024 and December 31, 2023, respectively.

During the three months ended March 31, 2024 and 2023, the Parent Company declared dividends on common stock of $197 million and $205 million, respectively, and declared dividends on preferred stock of $30 million and $23 million, respectively.

During the three months ended March 31, 2024, the Parent Company repurchased $300 million of its outstanding common stock.

On April 25, 2024, CFG issued $750 million of 6.645% fixed-to-floating rate senior notes due 2035.

CBNA Liquidity

As CBNA's primary business involves taking deposits and making loans, a key role of liquidity management is to ensure that customers have timely access to funds. Liquidity management also involves maintaining sufficient liquidity to repay wholesale borrowings, pay operating expenses and support extraordinary funding requirements when necessary. In the ordinary course of business, the liquidity of CBNA is managed by matching sources and uses of cash. The primary sources of bank liquidity include deposits from our consumer and commercial customers; payments of principal and interest on loans and investment securities; and wholesale borrowings, as needed, and as described under "Liquidity Risk Management and Governance." The primary uses of bank liquidity include withdrawals and maturities of deposits; payment of interest on deposits; funding of loans and related commitments; and funding of securities purchases. To the extent that CBNA relies on wholesale borrowings, uses also include payments of related principal and interest. For further information on CBNA's outstanding debt see Note 7.

During the three months ended March 31, 2024, CBNA issued $1.5 billion of secured borrowings collateralized by auto loans.

Liquidity Risk

Liquidity risk is the risk arising from the inability to meet our obligations when they come due. We must maintain adequate funding to meet current and future obligations, including customer loan requests, deposit maturities and withdrawals, debt service requirements, equipment and premises leases, and other cash commitments, under both normal operating conditions and periods of company-specific and/or market stress.

We primarily rely on customer deposits to be a relatively stable and low-cost source of funding. In addition to customer deposits, our funding sources also include our ability to securitize loans in secondary markets, raise funds in the debt and equity capital markets, pledge loans and/or securities for borrowing from the FHLB, pledge securities as collateral for borrowing under repurchase agreements, and sell AFS securities.

Credit ratings assigned by agencies such as Moody's, Standard and Poor's, and Fitch impact our access to unsecured wholesale market funds and to large uninsured customer deposits and are presented in the table below.

Table 20: Credit Ratings

	March 31, 2024		
	Moody's	Standard & Poor's	Fitch
Citizens Financial Group, Inc.:			
Long-term issuer	Baa1	BBB+	BBB+
Short-term issuer	NR	A-2	F1
Subordinated debt	Baa1	BBB	BBB
Preferred Stock	Baa3	BB+	BB
Citizens Bank, National Association:			
Long-term issuer	Baa1	A-	BBB+
Short-term issuer	NR	A-2	F1
Long-term deposits	A1	NR	A-
Short-term deposits	P-1	NR	F1

NR = Not rated

We currently have a “stable” outlook at Standard & Poor’s, a “negative” outlook at Moody’s and a “stable” outlook at Fitch. Changes in our public credit ratings could affect both the cost and availability of our wholesale funding.

Existing and evolving regulatory liquidity requirements represent another key driver of systemic liquidity conditions and liquidity management practices. The FRB and OCC regularly evaluate our liquidity as part of the overall supervisory process. In addition, we are subject to existing and evolving regulatory liquidity requirements, some of which are subject to further rulemaking, guidance and interpretation by the applicable federal regulators. For further discussion, see the “Liquidity Requirements” section under “Regulation and Supervision” in our 2023 Form 10-K.

Liquidity Risk Management and Governance

Liquidity risk is measured and managed by the Funding and Liquidity unit within our Treasury group in accordance with policy guidelines promulgated by our Board and the Asset Liability Committee. The Funding and Liquidity unit is responsible for maintaining a liquidity management framework that effectively manages liquidity risk. Processes within this framework include, but are not limited to, regular and comprehensive reporting, including current levels versus threshold limits for a broad set of liquidity metrics and early warning indicators, explanatory commentary relating to emerging risk trends and, as appropriate, recommended remedial strategies, liquidity stress testing, contingency funding plans, and collateral management.

Our Funding and Liquidity unit’s primary goals are to deliver and maintain prudent levels of operating liquidity to support expected and projected funding requirements, contingent liquidity to support unexpected funding requirements resulting from idiosyncratic, systemic, and combination stress events, and regulatory liquidity requirements in a timely manner from stable and cost-efficient funding sources. We seek to accomplish these goals by funding loans with stable deposits, by prudently controlling dependence on wholesale funding, particularly short-term unsecured funding, and by maintaining ample available liquidity, including a contingent liquidity buffer of unencumbered high-quality loans and securities.

We maintain a contingency funding plan designed to ensure that liquidity sources are sufficient to meet ongoing obligations and commitments, particularly in a stressed environment or during a market disruption. The plan identifies members of the liquidity contingency team and provides a framework for management to follow, including notification and escalation of potential liquidity stress events.

As of March 31, 2024:

- Organically generated deposits continue to be our primary source of funding, resulting in a consolidated period-end loans-to-deposits ratio, excluding LHFS, of 81.2%;
    - Estimated insured/secured deposits comprise 70% of our consolidated deposit base of $176.4 billion.
- Our total available liquidity, comprised of contingent liquidity and available discount window capacity, was approximately $81.0 billion;
    - Contingent liquidity was $60.6 billion, consisting of unencumbered high-quality liquid securities of $31.5 billion, unused FHLB capacity of $18.7 billion, and our cash balances at the FRB of $10.4 billion; and
    - Available discount window capacity was $20.4 billion, defined as available total borrowing capacity from the FRB based on identified collateral, which is primarily secured by non-mortgage commercial and retail loans.

For a summary of our sources and uses of cash by type of activity for the three months ended March 31, 2024 and 2023, see the Consolidated Statements of Cash Flows in Item 1.

The Funding and Liquidity unit monitors a variety of liquidity and funding metrics and early warning indicators and metrics, including specific risk thresholds limits. These monitoring tools are broadly classified as follows:

- Current liquidity sources and capacities, including cash balances at the FRB, free and liquid securities, and secured borrowing capacity at the FHLB and FRB discount window;
- Liquidity stress sources, including idiosyncratic, systemic and combined stresses, in addition to evolving regulatory requirements; and
- Current and prospective exposures, including secured and unsecured wholesale funding, and spot and cumulative cash-flow gaps across a variety of horizons.

Further, certain of these metrics are monitored individually for CBNA and for our consolidated enterprise on a daily basis, including cash position, unencumbered securities, asset liquidity and available FHLB borrowing capacity. In order to identify emerging trends and risks and inform funding decisions, specific metrics are also forecasted over a one-year horizon.

Off-Balance Sheet Arrangements

We engage in a variety of activities that are not reflected in our Consolidated Balance Sheets that are generally referred to as "off-balance sheet arrangements." For more information on these types of activities, see Note 11.

CRITICAL ACCOUNTING ESTIMATES

Our Consolidated Financial Statements included in this Report are prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires us to establish accounting policies and make estimates that affect amounts reported in our Consolidated Financial Statements.

An accounting estimate requires assumptions and judgments about uncertain matters that could have a material effect on our Consolidated Financial Statements. Estimates are made using facts and circumstances known at a point in time. Changes in those facts and circumstances could produce results substantially different from those estimates. Our significant accounting policies and estimates include the ACL, fair value measurements and the evaluation and measurement of goodwill impairment. For additional information regarding fair value measurements, see "Critical Accounting Estimates" in our 2023 Form 10-K.

Allowance for Credit Losses

The ACL of $2.3 billion at March 31, 2024 remained stable compared to December 31, 2023.

As of March 31, 2024, the ACL accounts for an economic forecast over a two-year reasonable and supportable period with peak unemployment of approximately 4.9% and start-to-trough real GDP decline of approximately 0.3%. This forecast reflects a mild recession over the two-year reasonable and supportable period. This compares to our December 31, 2023 forecast which reflected peak unemployment of approximately 5% with a start-to-trough real GDP decline of approximately 0.4%.

Our determination of the ACL is sensitive to changes in forecasted macroeconomic conditions during the reasonable and supportable forecast period. To illustrate the sensitivity, we applied a more pessimistic scenario than that described above which reflects deeper real GDP contraction across our two-year reasonable and supportable forecast period with peak unemployment of approximately 5.4% and start-to-trough real GDP decline of approximately 1.8%. Excluding consideration of qualitative adjustments, this scenario would result in a quantitative lifetime loss estimate of approximately 1.2x our modeled period-end ACL, or an increase of approximately $370 million. This analysis relates only to the modeled credit loss estimate and not to the overall period-end ACL, which includes qualitative adjustments.

Because several quantitative and qualitative factors are considered in determining the ACL, this sensitivity analysis does not necessarily reflect the nature and extent of future changes in the ACL or even what the ACL would be under these economic circumstances. The sensitivity analysis is intended to provide insights into the impact of adverse changes in the macroeconomic environment and the corresponding impact to modeled loss estimates. The hypothetical determination does not incorporate the impact of management judgment or other qualitative factors that could be applied in the actual estimation of the ACL and does not imply any expectation of future deterioration in our loss rates.

It remains difficult to estimate how changes in economic forecasts might affect our ACL because such forecasts consider a wide variety of variables and inputs, and changes in the variables and inputs may not occur at the same time or in the same direction, and such changes may have differing impacts by product type. The variables and inputs may be idiosyncratically affected by risks to the economy, including changing monetary and fiscal policies, impacts from the recent stress on the banking industry, and their impact on inflationary trends. Changes in one or multiple of the key macroeconomic variables may have a material impact on our estimation of expected credit losses.

For additional information regarding the ACL, see Note 4 and “Critical Accounting Estimates - Allowance for Credit Losses” and Note 6 in our 2023 Form 10-K.

Goodwill

We review the goodwill of each reporting unit for impairment on an annual basis as of October 31st or more frequently if events or circumstances change that indicate an impairment may exist. When assessing goodwill for impairment, a qualitative assessment may be made to determine whether it is more-likely-than-not that the fair value of a reporting unit is below its carrying value. For the quarter ended March 31, 2024, Citizens elected to perform a qualitative analysis to determine whether it was more-likely-than-not that the fair value of its reporting units was less than the respective reporting unit’s carrying value. As a result of this qualitative assessment, the Company concluded that it was not more-likely-than-not that the fair value of its reporting units was below their respective carrying amount and, therefore, there was no impairment to the carrying value of the Company's goodwill as of March 31, 2024.

The process of evaluating the fair value of a reporting unit is subjective, involving management assumptions, estimates and forecasts, and the use of external or internal valuations. Future potential changes in assumptions, estimates or forecasts may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Additionally, a reporting unit’s fair value could change based on market conditions or other factors, which could impact whether the fair value of a reporting unit is less than its carrying value.

For additional information regarding Goodwill, see “Critical Accounting Estimates - Goodwill” and Note 10 in our 2023 Form 10-K.

ACCOUNTING AND REPORTING DEVELOPMENTS

Accounting standards issued but not adopted as of March 31, 2024

Pronouncement	Summary of Guidance	Effects on Financial Statements
Improvements to Reportable Segment Disclosures *Issued November 2023*	• Requires disclosure of significant segment expenses regularly provided to the chief operating decision maker ("CODM") • Requires disclosure of an amount for *other segment items* by reportable segment and a description of its composition • Requires disclosure of the title and position of the CODM	• Required effective date: Annual financial statements for the year ending December 31, 2024 and subsequent interim periods beginning in 2025. Early adoption is permitted. • Adoption is expected to have a meaningful impact on our required segment disclosures in the Consolidated Financial Statements.
Improvements to Income Tax Disclosures *Issued December 2023*	• Requires an annual income tax rate reconciliation table that includes specific categories and other significant categories, disaggregated by nature, that exceed 5% of income tax expense at the statutory tax rate • Requires a qualitative description of the states and local jurisdictions that make up more than 50% of the effect of the state and local income tax category • Requires description of the nature, effect and underlying causes of the reconciling items and the judgment used in categorizing these items • Requires annual disclosure of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign taxes, and further disaggregated by individual jurisdictions that exceed 5% of total income taxes paid, net of refunds received • Requires disclosure of 1) income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, and 2) income tax expense (or benefit) from continuing operations disaggregated by federal, state and foreign • Eliminates the requirement to disclose the nature and estimate of the change in unrecognized tax benefits expected in the next twelve months • Eliminates the requirement to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures	• Required effective date: Annual financial statements for the year ending December 31, 2025. Early adoption is permitted. • Adoption is expected to have a meaningful impact on our required income tax disclosures in the Consolidated Financial Statements.
Accounting for and Disclosure of Crypto Assets *Issued December 2023*	• Applies to assets that meet the definition of intangible assets, do not provide the asset holder with enforceable rights to goods, services or other assets, reside on a distributed ledger, are secured through cryptography, are fungible, and are not created or issued by the reporting entity or its related parties • Required to subsequently measure these assets at fair value • Required to present crypto assets measured at fair value separately from other intangible assets and changes from the remeasurement of crypto assets separately from changes in the carrying amounts of other intangible assets	• Required effective date: January 1, 2025, with early adoption permitted. • Adoption is not expected to have a material impact on our Consolidated Financial Statements.

RISK GOVERNANCE

We are committed to maintaining a strong, integrated and proactive approach to the management of all risks to which we are exposed in pursuit of our business objectives. A key aspect of our Board's responsibility as the main decision-making body is setting our risk appetite to ensure that the levels of risk that we are willing to accept in the attainment of our strategic business and financial objectives are clearly understood.

To enable our Board to carry out its objectives, it has delegated authority for risk management activities, as well as governance and oversight of those activities, to a number of Board and executive management level risk committees. The Executive Risk Committee, chaired by the Chief Risk Officer, is responsible for oversight of risk across the enterprise and actively considers our inherent material risks, analyzes our overall risk profile and seeks confirmation that the risks are being appropriately identified, assessed and mitigated. Reporting to the Executive Risk Committee are the following committees covering specific areas of risk: Compliance and Operational Risk, Model Risk, Credit Policy, Asset Liability, Business Initiatives Review, and Conduct and Ethics.

There have been no significant changes in our risk governance practices, risk framework, risk appetite, or credit risk as described in "Risk Governance" in our 2023 Form 10-K.

MARKET RISK

Market risk refers to potential losses arising from changes in interest rates, foreign exchange rates, equity prices, commodity prices and/or other relevant market rates or prices. Modest market risk arises from trading activities that serve customer needs, including the hedging of interest rate and foreign exchange risk. As described below, the market risk arising from our non-trading banking activities, such as the origination of loans and deposit-gathering, is more significant. We have established enterprise-wide policies and methodologies to identify, measure, monitor and report market risk. We actively manage market risk for both non-trading and trading activities.

Non-Trading Risk

Our non-trading banking activities expose us to market risk. This market risk is composed of interest rate risk, as we have no commodity risk and de minimis direct currency and equity risk. We also have market risk related to capital markets loan originations, as well as the valuation of our MSRs. There have been no significant changes in our sources of interest rate risk, interest rate risk practices, risk framework, metrics or assumptions as described in "Market Risk — Non-Trading Risk" in our 2023 Form 10-K.

The table below presents the sensitivity of net interest income to various parallel yield curve shifts from the market implied forward yield curve. Our policies involve measuring exposures as a percentage change in net interest income over the next year due to either instantaneous or gradual parallel changes in rates relative to the market implied forward yield curve. As the following table illustrates, our balance sheet is marginally asset-sensitive; net interest income would benefit from an increase in interest rates, while exposure to a decline in interest rates is within limits established and monitored by senior management. While an instantaneous and severe shift in interest rates is included in this analysis, we believe that any actual shift in interest rates would be more gradual and, therefore, have a more modest impact.

Table 21: Sensitivity of Net Interest Income

	Estimated % Change in Net Interest Income over 12 Months	
Basis points	**March 31, 2024**	**December 31, 2023**
Instantaneous Change in Interest Rates		
+200	0.4 %	— %
+100	0.6	0.5
-100	(1.5)	(1.5)
-200	(3.3)	(3.0)
Gradual Change in Interest Rates		
+200	0.5 %	0.4 %
+100	0.4	0.5
-100	(1.0)	(1.0)
-200	(2.2)	(1.9)

We continue to manage asset sensitivity within the scope of our policy, changing market conditions and changes in our balance sheet. The Company's base case net interest income assumes the forward-rate path implied by the yield curve is realized, which reflects a Fed Funds rate of 5.00% at the end of 2024, reflecting two 25 basis point reductions beginning in the second half of 2024. The rate risk exposure is then measured based on assumed changes from that base case rate path.

Our asset sensitivity remains broadly neutral as of March 31, 2024, consistent with December 31, 2023. This reflects the impacts of changes in our balance sheet mix, including securities, loans, deposits, borrowed funds and hedge activity, which is primarily comprised of received fixed swaps that offset our naturally asset-sensitive balance sheet. Our sensitivity profile exhibits asymmetry for up and down rate scenarios as we expect to see incremental deposit migration to higher rate products in response to rising rate scenarios compared to declining rate scenarios.

We use a valuation measure of exposure to structural interest rate risk, EVE, as a supplement to net interest income simulations. EVE complements net interest income simulation analysis as it estimates risk exposure over a long-term horizon. EVE measures the extent to which the economic value of assets, liabilities and off-balance sheet instruments may change in response to fluctuations in interest rates. This analysis is highly dependent upon assumptions applied to assets and liabilities with non-contractual maturities. We employ sophisticated models for prepayments and deposit pricing and attrition, which provide a granular view of cash flows based on the unique characteristics of the underlying products and customer segments. The change in value is expressed as a percentage of regulatory capital.

We use interest rate contracts as part of our ALM strategy to manage exposure to the variability in the interest cash flows on our floating-rate assets and wholesale funding, the variability in the fair value of AFS securities, and to hedge market risk on fixed-rate capital markets debt issuances.

The following table presents interest rate derivative contracts that we have entered into as of March 31, 2024 and December 31, 2023.

Table 22: Interest Rate Hedges Used to Manage Non-Trading Interest Rate Exposure

	March 31, 2024				December 31, 2023			
		Weighted Average				Weighted Average		
(dollars in millions)	Notional Amount	Maturity (Years)	Fixed Rate	Reset Rate	Notional Amount	Maturity (Years)	Fixed Rate	Reset Rate
Fair value hedges:								
Asset conversion swaps:								
AFS securities:								
Pay fixed/receive SOFR	$6,999	5.8	3.8 %	5.3 %	$5,365	6.2	3.8 %	5.4 %
Pay fixed/receive SOFR - forward-starting	50	6.7	3.9	5.4	—	—	—	—
Liability conversion swaps:								
Long-term borrowed funds:								
Receive fixed/pay SOFR	500	1.6	2.6	5.6	500	1.9	2.6	5.6
Total fair value hedges	7,549				5,865			
Cash flow hedges:								
Asset conversion swaps:								
Loans:								
Swaps								
Receive fixed/pay SOFR	19,780	1.4	3.5	5.3	17,780	0.8	4.0	5.4
Receive fixed/pay SOFR - forward-starting	23,250	2.8	3.4	4.7	31,250	2.9	3.3	4.6
Basis swaps								
Receive SOFR/pay 1-month term SOFR	11,500	1.5	—	5.3/5.3	5,000	1.0	—	5.3/5.3
Receive SOFR/pay 1-month term SOFR - forward-starting	7,500	2.8	—	4.5/4.8	14,000	2.7	—	5.2/5.1
			Floor Rate	Cap Rate			Floor Rate	Cap Rate
Options								
Interest rate collars[1]	1,000	1.3	2.5	3.7	1,000	1.5	2.5	3.7
Interest rate collars - forward-starting[1]	500	2.2	2.7	4.4	500	2.5	2.7	4.4
Floor spreads[2]	500	1.9	3.0/4.1	—	—	—	—	—
Floor spreads - forward-starting[2]	2,000	2.7	2.0/3.0	—	2,500	2.8	2.2/3.2	—
Total cash flow hedges	66,030				72,030			
Total hedges	$73,579				$77,895			

[1] Weighted average floor and cap rates represents strike rates through which CFG will receive interest if the SOFR rate falls below the floor strike rate and pay interest if the SOFR rate exceeds the cap strike rate.

[2] Weighted average floor rate represents strike rates for the short and long interest rate floors, respectively. CFG will receive interest if the SOFR rate falls below the upper strike rate and pay interest if the SOFR rate falls below the lower strike rate, effectively hedging the corridor between the two strike rates. The structure also includes a short cap and a long floor which are utilized to neutralize the initial premium.

The following table presents the average active notional amounts for our interest rate derivatives, based on contract effective date, during the remainder of 2024 and for the next five years:

Table 23: Average Active Notional for Interest Rate Derivative Contracts

	Year Ended					
(dollars in millions)	2024	2025	2026	2027	2028	2029
Fair value hedges						
Pay fixed/receive SOFR[1]	$6,816	$7,043	$6,815	$5,401	$5,104	$3,815
Receive fixed/pay SOFR[2]	500	441	—	—	—	—
Cash flow hedges						
Receive fixed/pay SOFR[2]	24,914	30,094	21,900	7,589	210	—
Receive SOFR/pay 1-month term SOFR	12,186	13,052	8,847	1,952	—	—
Interest rate collars	1,260	1,001	240	—	—	—
Floor spreads	1,488	2,500	1,467	460	—	—
Total	$47,164	$54,131	$39,269	$15,402	$5,314	$3,815
Weighted average receive fixed rate	3.1 %	3.2 %	3.5 %	3.7 %	2.6 %	— %
Weighted average pay fixed rate	3.8	3.8	3.8	3.7	3.7	3.7

[1] Pay fixed rate leg of the interest rate derivative contract is included in the computation of the weighted average pay fixed rate.
[2] Receive fixed rate leg of the interest rate derivative contract is included in the computation of the weighted average receive fixed rate.

Table 24: Pre-Tax Gains (Losses) Recorded in the Consolidated Statements of Operations and the Consolidated Statements of Comprehensive Income on Cash Flow Hedges

	Three Months Ended March 31,	
(dollars in millions)	2024	2023
Amount of pre-tax net gains (losses) recognized in OCI	($550)	$233
Amount of pre-tax net gains (losses) reclassified from AOCI into interest income	(203)	(127)
Amount of pre-tax net gains (losses) reclassified from AOCI into interest expense	—	—

Using the interest rate curve at March 31, 2024, we estimate that approximately $938 million in pre-tax net losses related to cash flow hedge strategies will be reclassified from AOCI to net interest income over the next 12 months, including $456 million from terminated swaps. This amount could differ from amounts actually recognized due to changes in interest rates, hedge de-designations and the addition of other hedges subsequent to March 31, 2024.

Capital Markets

A key component of our capital markets activities is the underwriting and distribution of corporate credit facilities to finance merger and acquisition transactions for our clients. We have a rigorous risk management process around these activities, including a limit structure capping our underwriting risk, potential loss, and sub-limits for specific asset classes. Further, the ability to approve underwriting exposure is delegated only to senior level individuals in the credit risk management and capital markets organizations with each transaction adjudicated in the Loan Underwriting Approval Committee.

Mortgage Servicing Rights

We have market risk associated with the value of residential MSRs, which are impacted by various types of inherent risks, including duration, basis, convexity, volatility and yield curve.

As part of our overall risk management strategy we enter into various free-standing derivatives, such as interest rate swaps, interest rate swaptions, interest rate futures and forward contracts to purchase mortgage-backed securities to economically hedge the changes in fair value of our MSRs. As of March 31, 2024 and December 31, 2023, the fair value of our MSRs was $1.6 billion, and the total notional amount of related derivative contracts was $11.6 billion and $15.1 billion, respectively. Gains and losses on MSRs and the related derivatives used for hedging are included in mortgage banking fees in the Consolidated Statements of Operations.

As with our traded market risk-based activities, earnings at risk excludes the impact of MSRs. MSRs are captured under our single price risk management framework that is used for calculating a management value at risk consistent with the definition used by banking regulators.

Trading Risk

We are exposed to market risk primarily through client facilitation activities including derivatives and foreign exchange products as well as underwriting and market making activities. Exposure is created as a result of changes in interest rates and related basis spreads and volatility, foreign exchange rates, equity prices, and credit spreads on a select range of interest rates, foreign exchange, commodities, equity securities, corporate bonds and secondary loan instruments. These securities underwriting and trading activities are conducted through CBNA and Citizens JMP Securities, LLC. There have been no significant changes in our market risk governance, market risk measurement, or market risk practices including VaR, stressed VaR, sensitivity analysis, stress testing, or VaR model review and validation as described in "Market Risk — Trading Risk" in our 2023 Form 10-K.

Market Risk Regulatory Capital

The U.S. banking regulators' "Market Risk Rule" covers the calculation of market risk capital. Under this rule, all of our client facing trades and associated hedges maintain a net low risk and qualify as "covered positions." The internal management VaR measure is calculated based on the same population of trades that is utilized for regulatory VaR.

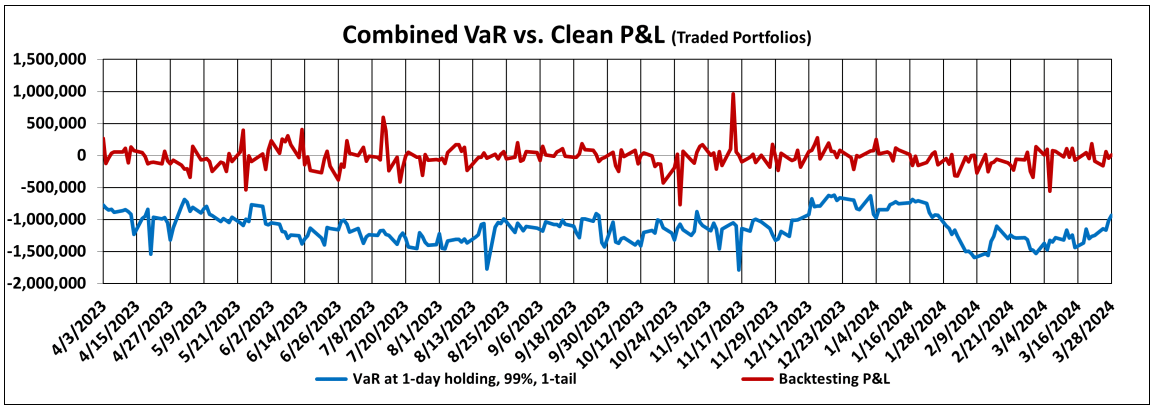
Table 25: Results of Modeled and Non-Modeled Measures for Regulatory Capital Calculations

(dollars in millions)	For the Three Months Ended March 31, 2024				For the Three Months Ended March 31, 2023			
Market Risk Category	**Period End**	**Average**	**High**	**Low**	**Period End**	**Average**	**High**	**Low**
Interest Rate	$4	$3	$5	$2	$2	$3	$4	$2
Foreign Exchange Currency Rate	—	—	—	—	—	—	—	—
Credit Spread	1	2	3	1	1	1	2	1
Commodity	—	—	—	—	—	—	—	—
General VaR	5	4	6	2	2	3	5	2
Specific Risk VaR	—	—	—	—	—	—	—	—
Total VaR	$5	$4	$6	$2	$2	$3	$5	$2
Stressed General VaR	$5	$6	$12	$3	$5	$8	$13	$4
Stressed Specific Risk VaR	—	—	—	—	—	—	—	—
Total Stressed VaR	$5	$6	$12	$3	$5	$8	$13	$4
Market Risk Regulatory Capital	$32				$32			
Specific Risk Not Modeled Add-on	21				20			
de Minimis Exposure Add-on	1				—			
Total Market Risk Regulatory Capital	$54				$52			
Market Risk-Weighted Assets	$675				$654			

VaR Backtesting

Backtesting is one form of validation of the VaR model and is run daily. The Market Risk Rule requires a comparison of our internal VaR measure to the actual net trading revenue (excluding fees, commissions, reserves, intra-day trading and net interest income) for each day over the preceding year (the most recent 250 business days). Any observed loss in excess of the VaR number is taken as an exception. The level of exceptions determines the multiplication factor used to derive the VaR and SVaR-based capital requirement for regulatory reporting purposes, when applicable. We perform sub-portfolio backtesting as required under the Market Risk Rule, using models approved by our banking regulators for interest rate, credit spread and foreign exchange positions.

The following graph shows our daily net trading revenue and total internal, modeled VaR for the twelve months ended March 31, 2024.



NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS

For more information on the computation of our non-GAAP financial measures, see “Introduction — Non-GAAP Financial Measures,” included in this Report. The following table presents computations of non-GAAP financial measures representing our “Underlying” results used in the MD&A:

Table 26: Reconciliations of Non-GAAP Measures

(dollars in millions, except per share data)	Ref.	As of and for the Three Months Ended March 31, 2024	2023
Noninterest income, Underlying:			
Noninterest income (GAAP)	A	$517	$485
Less: Notable items		3	—
Noninterest income, Underlying (non-GAAP)	B	$514	$485
Total revenue, Underlying:			
Total revenue (GAAP)	C	$1,959	$2,128
Less: Notable items		3	—
Total revenue, Underlying (non-GAAP)	D	$1,956	$2,128
Noninterest expense, Underlying:			
Noninterest expense (GAAP)	E	$1,358	$1,296
Less: Notable items		85	66
Noninterest expense, Underlying (non-GAAP)	F	$1,273	$1,230
Pre-provision profit:			
Total revenue (GAAP)	C	$1,959	$2,128
Less: Noninterest expense (GAAP)	E	1,358	1,296
Pre-provision profit (non-GAAP)		$601	$832
Pre-provision profit, Underlying			
Total revenue, Underlying (non-GAAP)	D	$1,956	$2,128
Less: Noninterest expense, Underlying (non-GAAP)	F	1,273	1,230
Pre-provision profit, Underlying (non-GAAP)		$683	$898
Income before income tax expense, Underlying:			
Income before income tax expense (GAAP)	G	$430	$664
Less: Income (expense) before income tax expense (benefit) related to notable items		(82)	(66)
Income before income tax expense, Underlying (non-GAAP)	H	$512	$730
Income tax expense and effective income tax rate, Underlying:			
Income tax expense (GAAP)	I	$96	$153
Less: Income tax expense (benefit) related to notable items		(21)	(17)
Income tax expense, Underlying (non-GAAP)	J	$117	$170
Effective income tax rate (GAAP)	I/G	22.28 %	22.97 %
Effective income tax rate, Underlying (non-GAAP)	J/H	22.84	23.25
Net income, Underlying:			
Net income (GAAP)	K	$334	$511
Add: Notable items, net of income tax benefit		61	49
Net income, Underlying (non-GAAP)	L	$395	$560
Net income available to common stockholders, Underlying:			
Net income available to common stockholders (GAAP)	M	$304	$488
Add: Notable items, net of income tax benefit		61	49
Net income available to common stockholders, Underlying (non-GAAP)	N	$365	$537
Return on average common equity and return on average common equity, Underlying:			
Average common equity (GAAP)	O	$21,700	$21,702
Return on average common equity	M/O	5.63 %	9.11 %
Return on average common equity, Underlying (non-GAAP)	N/O	6.77	10.01

(dollars in millions, except per share data)	Ref.	As of and for the Three Months Ended March 31, 2024	2023
Return on average tangible common equity and return on average tangible common equity, Underlying:			
Average common equity (GAAP)	O	$21,700	$21,702
Less: Average goodwill (GAAP)		8,188	8,177
Less: Average other intangibles (GAAP)		153	192
Add: Average deferred tax liabilities related to goodwill and other intangible assets (GAAP)		433	422
Average tangible common equity	P	$13,792	$13,755
Return on average tangible common equity	M/P	8.86 %	14.38 %
Return on average tangible common equity, Underlying (non-GAAP)	N/P	10.65	15.80
Return on average total assets and return on average total assets, Underlying:			
Average total assets (GAAP)	Q	$220,770	$222,711
Return on average total assets	K/Q	0.61 %	0.93 %
Return on average total assets, Underlying (non-GAAP)	L/Q	0.72	1.02
Return on average total tangible assets and return on average total tangible assets, Underlying:			
Average total assets (GAAP)	Q	$220,770	$222,711
Less: Average goodwill (GAAP)		8,188	8,177
Less: Average other intangibles (GAAP)		153	192
Add: Average deferred tax liabilities related to goodwill and other intangible assets (GAAP)		433	422
Average tangible assets	R	$212,862	$214,764
Return on average total tangible assets	K/R	0.63 %	0.97 %
Return on average total tangible assets, Underlying (non-GAAP)	L/R	0.75	1.06
Efficiency ratio and efficiency ratio, Underlying:			
Efficiency ratio	E/C	69.33 %	60.90 %
Efficiency ratio, Underlying (non-GAAP)	F/D	65.05	57.84
Noninterest income as a % of total revenue, Underlying:			
Noninterest income as a % of total revenue	A/C	26.41 %	22.81 %
Noninterest income as a % of total revenue, Underlying (non-GAAP)	B/D	26.32	22.81
Operating leverage and operating leverage, Underlying:			
(Decrease) increase in total revenue		(7.96)%	29.39 %
Increase in noninterest expense		4.77	17.22
Operating leverage		(12.73)%	12.17 %
(Decrease) increase in total revenue, Underlying (non-GAAP)		(8.09)%	29.39 %
Increase in noninterest expense, Underlying (non-GAAP)		3.38	16.43
Operating leverage, Underlying (non-GAAP)		(11.47)%	12.96 %
Tangible book value per common share:			
Common shares - at period end (GAAP)	S	458,485,032	483,982,264
Common stockholders' equity (GAAP)		$21,747	$22,187
Less: Goodwill (GAAP)		8,188	8,177
Less: Other intangible assets (GAAP)		148	185
Add: Deferred tax liabilities related to goodwill and other intangible assets (GAAP)		433	422
Tangible common equity	T	$13,844	$14,247
Tangible book value per common share	T/S	$30.19	$29.44
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)	U	461,358,681	485,444,313
Average common shares outstanding - diluted (GAAP)	V	463,797,964	487,712,146
Net income per average common share - basic (GAAP)	M/U	$0.66	$1.00
Net income per average common share - diluted (GAAP)	M/V	0.65	1.00
Net income per average common share - basic, Underlying (non-GAAP)	N/U	0.79	1.10
Net income per average common share - diluted, Underlying (non-GAAP)	N/V	0.79	1.10
Dividend payout ratio and dividend payout ratio, Underlying:			
Cash dividends declared and paid per common share	W	$0.42	$0.42
Dividend payout ratio	W/(M/U)	64 %	42 %
Dividend payout ratio, Underlying (non-GAAP)	W/(N/U)	53	38

ITEM 1. FINANCIAL STATEMENTS

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CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(dollars in millions, except par value)	March 31, 2024	December 31, 2023
ASSETS:		
Cash and due from banks[1]	$1,098	$1,794
Interest-bearing cash and due from banks	10,501	9,834
Interest-bearing deposits in banks[1]	392	405
Debt securities available for sale, at fair value (including $80 and $110 pledged to creditors, respectively)[2]	31,187	29,777
Debt securities held to maturity (fair value of $8,132 and $8,350 respectively, and including $183 and $204 pledged to creditors, respectively)[2]	9,054	9,184
Loans held for sale, at fair value	505	676
Other loans held for sale	50	103
Loans and leases	143,188	145,959
Less: Allowance for loan and lease losses	(2,086)	(2,098)
Net loans and leases[1]	141,102	143,861
Derivative assets	469	440
Premises and equipment, net	872	895
Bank-owned life insurance	3,311	3,291
Goodwill	8,188	8,188
Other intangible assets[3]	148	157
Other assets[1]	13,571	13,359
TOTAL ASSETS	$220,448	$221,964
LIABILITIES AND STOCKHOLDERS' EQUITY:		
LIABILITIES:		
Deposits:		
Noninterest-bearing	$36,593	$37,107
Interest-bearing	139,835	140,235
Total deposits	176,428	177,342
Short-term borrowed funds	9	505
Derivative liabilities	1,705	1,562
Long-term borrowed funds[1]	13,804	13,467
Other liabilities[1]	4,741	4,746
TOTAL LIABILITIES	196,687	197,622
Commitments and Contingencies (refer to Note 11)		
STOCKHOLDERS' EQUITY:		
Preferred stock:		
$25.00 par value,100,000,000 shares authorized; 2,050,000 shares issued and outstanding at March 31, 2024 and December 31, 2023	2,014	2,014
Common stock:		
$0.01 par value, 1,000,000,000 shares authorized; 649,141,636 shares issued and 458,485,032 shares outstanding at March 31, 2024 and 647,829,720 shares issued and 466,418,055 shares outstanding at December 31, 2023	6	6
Additional paid-in capital	22,272	22,250
Retained earnings	9,923	9,816
Treasury stock, at cost, 190,656,604 and 181,411,665 shares at March 31, 2024 and December 31, 2023, respectively	(6,290)	(5,986)
Accumulated other comprehensive income (loss)	(4,164)	(3,758)
TOTAL STOCKHOLDERS' EQUITY	23,761	24,342
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$220,448	$221,964

[1] Includes amounts in consolidated VIEs. See Note 6 for additional information.
[2] Includes only collateral pledged by the Company where counterparties have the right to sell or pledge the collateral.
[3] Excludes MSRs, which are reported in Other assets.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(dollars in millions, except per share data)	Three Months Ended March 31, 2024	2023
INTEREST INCOME:		
Interest and fees on loans and leases	$2,051	$2,047
Interest and fees on loans held for sale	14	15
Interest and fees on other loans held for sale	6	5
Investment securities	399	266
Interest-bearing deposits in banks	140	69
Total interest income	2,610	2,402
INTEREST EXPENSE:		
Deposits	987	550
Short-term borrowed funds	7	6
Long-term borrowed funds	174	203
Total interest expense	1,168	759
Net interest income	1,442	1,643
Provision (benefit) for credit losses	171	168
Net interest income after provision (benefit) for credit losses	1,271	1,475
NONINTEREST INCOME:		
Service charges and fees	96	100
Capital markets fees	118	83
Card fees	86	72
Trust and investment services fees	68	63
Mortgage banking fees	49	57
Foreign exchange and derivative products	36	48
Letter of credit and loan fees	42	40
Securities gains, net	5	5
Other income	17	17
Total noninterest income	517	485
NONINTEREST EXPENSE:		
Salaries and employee benefits	691	658
Equipment and software	192	169
Outside services	158	176
Occupancy	114	124
Other operating expense	203	169
Total noninterest expense	1,358	1,296
Income before income tax expense	430	664
Income tax expense	96	153
NET INCOME	$334	$511
Net income available to common stockholders	$304	$488
Weighted-average common shares outstanding:		
Basic	461,358,681	485,444,313
Diluted	463,797,964	487,712,146
Per common share information:		
Basic earnings	$0.66	$1.00
Diluted earnings	0.65	1.00

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(dollars in millions)	Three Months Ended March 31, 2024	2023
Net income	$334	$511
Other comprehensive income (loss):		
Net unrealized derivative instruments gains (losses) arising during the periods, net of income taxes of ($145) and $60, respectively	(405)	173
Reclassification adjustment for net derivative (gains) losses included in net income, net of income taxes of $54 and $33, respectively	149	94
Net unrealized debt securities gains (losses) arising during the periods, net of income taxes of ($56) and $109, respectively	(173)	327
Reclassification of net debt securities (gains) losses to net income, net of income taxes of $5 and $7, respectively	14	20
Employee benefit plans:		
Actuarial gain (loss), net of income taxes of $1 and $—, respectively	4	—
Reclassification of actuarial (gain) loss to net income, net of income taxes of $1 and $1, respectively	5	3
Total other comprehensive income (loss), net of income taxes	(406)	617
Total comprehensive income (loss)	($72)	$1,128

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

(dollars and shares in millions)	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock, at Cost	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount					
Balance at January 1, 2023	2	$2,014	492	$6	$22,142	$9,159	($5,071)	($4,560)	$23,690
Dividends to common stockholders	—	—	—	—	—	(205)	—	—	(205)
Dividends to preferred stockholders	—	—	—	—	—	(23)	—	—	(23)
Treasury stock purchased	—	—	(10)	—	—	—	(400)	—	(400)
Share repurchase excise tax	—	—	—	—	—	—	(4)	—	(4)
Share-based compensation plans	—	—	2	—	33	—	—	—	33
Employee stock purchase plan	—	—	—	—	8	—	—	—	8
Cumulative effect of change in accounting principle	—	—	—	—	—	(26)	—	—	(26)
Total comprehensive income (loss):									
Net income	—	—	—	—	—	511	—	—	511
Other comprehensive income (loss)	—	—	—	—	—	—	—	617	617
Total comprehensive income (loss)	—	—	—	—	—	511	—	617	1,128
Balance at March 31, 2023	2	$2,014	484	$6	$22,183	$9,416	($5,475)	($3,943)	$24,201
Balance at January 1, 2024	2	$2,014	466	$6	$22,250	$9,816	($5,986)	($3,758)	$24,342
Dividends to common stockholders	—	—	—	—	—	(197)	—	—	(197)
Dividends to preferred stockholders	—	—	—	—	—	(30)	—	—	(30)
Treasury stock purchased	—	—	(9)	—	—	—	(300)	—	(300)
Share repurchase excise tax	—	—	—	—	—	—	(4)	—	(4)
Share-based compensation plans	—	—	1	—	15	—	—	—	15
Employee stock purchase plan	—	—	—	—	7	—	—	—	7
Total comprehensive income (loss):									
Net income	—	—	—	—	—	334	—	—	334
Other comprehensive income (loss)	—	—	—	—	—	—	—	(406)	(406)
Total comprehensive income (loss)	—	—	—	—	—	334	—	(406)	(72)
Balance at March 31, 2024	2	$2,014	458	$6	$22,272	$9,923	($6,290)	($4,164)	$23,761

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(dollars in millions)	Three Months Ended March 31, 2024	2023
OPERATING ACTIVITIES		
Net income	$334	$511
Adjustments to reconcile net income to net change due to operating activities:		
Provision (benefit) for credit losses	171	168
Net change in loans held for sale, at fair value	171	(81)
Depreciation, amortization and accretion	102	118
Deferred income tax expense (benefit)	—	(63)
Share-based compensation	34	33
Net gain on sale of assets	(5)	(5)
Net (increase) decrease in other assets	(47)	(372)
Net increase (decrease) in other liabilities	(206)	845
Net change due to operating activities	554	1,154
INVESTING ACTIVITIES		
Investment securities:		
Purchases of debt securities available for sale	(3,057)	(1,223)
Proceeds from maturities and paydowns of debt securities available for sale	593	423
Proceeds from sales of debt securities available for sale	692	1,395
Proceeds from maturities and paydowns of debt securities held to maturity	150	182
Net (increase) decrease in interest-bearing deposits in banks	13	(17)
Purchases of loans	(345)	—
Sales of loans	107	315
Net (increase) decrease in loans and leases	2,873	696
Capital expenditures, net	(10)	(52)
Other	23	(227)
Net change due to investing activities	1,039	1,492
FINANCING ACTIVITIES		
Net increase (decrease) in deposits	(914)	(8,530)
Net increase (decrease) in short-term borrowed funds	(496)	1,015
Proceeds from issuance of long-term borrowed funds	5,765	5,710
Repayments of long-term borrowed funds	(5,437)	(2,752)
Treasury stock purchased	(300)	(400)
Dividends paid to common stockholders	(197)	(205)
Dividends paid to preferred stockholders	(31)	(33)
Other	(12)	(24)
Net change due to financing activities	(1,622)	(5,219)
Net change in cash and cash equivalents[1]	(29)	(2,573)
Cash and cash equivalents at beginning of period[1]	11,628	10,547
Cash and cash equivalents at end of period[1]	$11,599	$7,974
Non-cash items:		
Transfer of loans from loans held for investment to loans held for sale	$107	$—

[1] Cash and cash equivalents include cash and due from banks and interest-bearing cash and due from banks as reflected on the Consolidated Balance Sheets.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited interim Consolidated Financial Statements and Notes have been prepared in accordance with the instructions for Form 10-Q and, therefore, do not include all information and notes included in annual financial statements prepared in accordance with GAAP. The Consolidated Financial Statements include all adjustments, consisting of normal recurring adjustments, necessary for the fair presentation of the interim period results presented. These unaudited interim financial statements and notes should be read in conjunction with the audited Consolidated Financial Statements and Notes included in the Company's 2023 Form 10-K. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the full year.

The unaudited interim Consolidated Financial Statements include the accounts of Citizens and its subsidiaries, including VIEs in which Citizens is a primary beneficiary. Investments in VIEs in which the Company does not have the ability to exercise significant influence are not consolidated. All intercompany transactions and balances have been eliminated in consolidation.

During the third quarter of 2023, the Company's indirect auto and certain purchased consumer loan portfolios were transferred from the Consumer Banking segment into a new Non-Core segment to reflect the manner in which management is currently assessing performance and allocating resources. Prior period results have been revised to conform to the new segment presentation. See Note 16 for additional information.

During the first quarter of 2024, the Company modified the presentation of its loans and leases portfolio to include leases in the commercial and industrial financing receivable class. Prior period results have been revised to conform to the new presentation. See Notes 3 and 4 for additional information relative to the Company's loans and leases portfolio.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change include the determination of the ACL, fair value measurements and the evaluation and measurement of goodwill impairment.

Significant Accounting Policies

For further information regarding the Company's significant accounting policies, see Note 1 in the Company's 2023 Form 10-K.

NOTE 2 - SECURITIES

The following table presents the major components of securities at amortized cost and fair value:

(dollars in millions)	March 31, 2024 Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	December 31, 2023 Amortized Cost[1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury and other	$4,944	$8	($182)	$4,770	$4,493	$26	($139)	$4,380
State and political subdivisions	1	—	—	1	1	—	—	1
Mortgage-backed securities:								
Federal agencies and U.S. government sponsored entities	27,989	26	(2,150)	25,865	26,289	45	(1,857)	24,477
Other/non-agency	278	—	(21)	257	279	—	(24)	255
Total mortgage-backed securities	28,267	26	(2,171)	26,122	26,568	45	(1,881)	24,732
Collateralized loan obligations	293	1	—	294	667	—	(3)	664
Total debt securities available for sale, at fair value	$33,505	$35	($2,353)	$31,187	$31,729	$71	($2,023)	$29,777
Mortgage-backed securities:								
Federal agencies and U.S. government sponsored entities	$8,587	$1	($906)	$7,682	$8,696	$9	($818)	$7,887
Total mortgage-backed securities	8,587	1	(906)	7,682	8,696	9	(818)	7,887
Asset-backed securities	467	1	(18)	450	488	—	(25)	463
Total debt securities held to maturity	$9,054	$2	($924)	$8,132	$9,184	$9	($843)	$8,350
Equity securities, at cost[2]	$791	$—	$—	$791	$869	$—	$—	$869
Equity securities, at fair value[2]	178	—	—	178	173	—	—	173

[1] Excludes portfolio level basis adjustments of $(74) million and $60 million, respectively, for securities designated in active fair value hedge relationships at March 31, 2024 and December 31, 2023.
[2] Included in other assets in the Consolidated Balance Sheets.

Accrued interest receivable on debt securities totaled $142 million and $125 million as of March 31, 2024 and December 31, 2023, respectively, and is included in other assets in the Consolidated Balance Sheets.

The following table presents the amortized cost and fair value of debt securities by contractual maturity as of March 31, 2024. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without incurring penalties.

	Distribution of Maturities				
(dollars in millions)	1 Year or Less	After 1 Year through 5 Years	After 5 Years through 10 Years	After 10 Years	Total
Amortized cost:					
U.S. Treasury and other	$—	$3,507	$1,437	$—	$4,944
State and political subdivisions	—	—	—	1	1
Mortgage-backed securities:					
Federal agencies and U.S. government sponsored entities	—	1,853	2,056	24,080	27,989
Other/non-agency	—	—	—	278	278
Collateralized loan obligations	—	—	59	234	293
Total debt securities available for sale	—	5,360	3,552	24,593	33,505
Mortgage-backed securities:					
Federal agencies and U.S. government sponsored entities	—	—	—	8,587	8,587
Asset-backed securities	—	467	—	—	467
Total debt securities held to maturity	—	467	—	8,587	9,054
Total amortized cost of debt securities	$—	$5,827	$3,552	$33,180	$42,559
Fair value:					
U.S. Treasury and other	$—	$3,334	$1,436	$—	$4,770
State and political subdivisions	—	—	—	1	1
Mortgage-backed securities:					
Federal agencies and U.S. government sponsored entities	—	1,761	1,945	22,159	25,865
Other/non-agency	—	—	—	257	257
Collateralized loan obligations	—	—	59	235	294
Total debt securities available for sale	—	5,095	3,440	22,652	31,187
Mortgage-backed securities:					
Federal agencies and U.S. government sponsored entities	—	—	—	7,682	7,682
Asset-backed securities	—	450	—	—	450
Total debt securities held to maturity	—	450	—	7,682	8,132
Total fair value of debt securities	$—	$5,545	$3,440	$30,334	$39,319

Taxable interest income from investment securities as presented in the Consolidated Statements of Operations was $399 million and $266 million for the three months ended March 31, 2024 and 2023, respectively.

The following table presents realized gains and losses on the sale of securities:

	Three Months Ended March 31,	
(dollars in millions)	2024	2023
Gains	$5	$9
Losses	—	(4)
Securities gains, net	$5	$5

The following table presents the amortized cost and fair value of debt securities pledged:

	March 31, 2024		December 31, 2023	
(dollars in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Pledged against derivatives, to qualify for fiduciary powers, or to secure public and other deposits as required by law	$7,402	$6,838	$5,619	$5,305
Pledged as collateral for FHLB borrowing capacity	242	222	242	220
Pledged against repurchase agreements	—	—	—	—

The Company enters into security repurchase agreements with unrelated counterparties, which involve the transfer of a security from one party to another, and a subsequent transfer of substantially the same security back to the original party. These repurchase agreements are typically short-term in nature and are accounted for as secured borrowed funds in the Company's Consolidated Balance Sheets. The Company recognized no offsetting short-term receivables or payables associated with security repurchase agreements as of March 31, 2024 or December 31, 2023.

There were no securitizations of mortgage loans retained in the investment portfolio for the three months ended March 31, 2024 and 2023.

Impairment

The Company evaluated its existing HTM portfolio as of March 31, 2024 and concluded that 95% of HTM securities met the zero expected credit loss criteria and, therefore, no ACL was recognized. Lifetime expected credit losses on the remainder of the HTM portfolio were determined to be insignificant based on the modeling of the Company's credit loss position in the securities. The Company monitors the credit exposure through the use of credit quality indicators. For these securities, the Company uses external credit ratings or an internally derived credit rating when an external rating is not available. All securities were determined to be investment grade at March 31, 2024.

The following tables present AFS debt securities with fair values below their respective carrying values, separated by the duration the securities have been in a continuous unrealized loss position:

	March 31, 2024					
	Less than 12 Months		12 Months or Longer		Total	
(dollars in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. Treasury and other	$758	($7)	$3,211	($175)	$3,969	($182)
State and political subdivisions	—	—	1	—	1	—
Mortgage-backed securities:						
Federal agencies and U.S. government sponsored entities	5,710	(39)	16,007	(2,111)	21,717	(2,150)
Other/non-agency	—	—	257	(21)	257	(21)
Total mortgage-backed securities	5,710	(39)	16,264	(2,132)	21,974	(2,171)
Collateralized loan obligations	74	—	10	—	84	—
Total	$6,542	($46)	$19,486	($2,307)	$26,028	($2,353)

	December 31, 2023					
	Less than 12 Months		12 Months or Longer		Total	
(dollars in millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. Treasury and other	$49	$—	$3,245	($139)	$3,294	($139)
Mortgage-backed securities:						
Federal agencies and U.S. government sponsored entities	2,939	(24)	16,398	(1,833)	19,337	(1,857)
Other/non-agency	—	—	255	(24)	255	(24)
Total mortgage-backed securities	2,939	(24)	16,653	(1,857)	19,592	(1,881)
Collateralized loan obligations	56	—	607	(3)	663	(3)
Total	$3,044	($24)	$20,505	($1,999)	$23,549	($2,023)

Citizens does not currently have the intent to sell these debt securities, and it is not more-likely-than-not that the Company will be required to sell these debt securities prior to recovery of their amortized cost bases. Citizens has determined that credit losses are not expected to be incurred on the AFS debt securities identified with unrealized losses as of March 31, 2024. The unrealized losses on these debt securities reflect non-credit-related factors driven by changes in interest rates. Therefore, the Company has determined that these debt securities are not impaired.

NOTE 3 - LOANS AND LEASES

Loans held for investment are reported at the amount of their outstanding principal, net of charge-offs, unearned income, deferred loan origination fees and costs, and unamortized premiums or discounts on purchased loans.

The following table presents loans and leases, excluding LHFS:

(dollars in millions)	March 31, 2024	December 31, 2023
Commercial and industrial	$43,951	$44,974
Commercial real estate	28,872	29,471
Total commercial	72,823	74,445
Residential mortgages	31,512	31,332
Home equity	15,113	15,040
Automobile	7,277	8,258
Education	11,646	11,834
Other retail	4,817	5,050
Total retail	70,365	71,514
Total loans and leases	$143,188	$145,959

Accrued interest receivable on loans and leases held for investment totaled $850 million and $875 million as of March 31, 2024 and December 31, 2023, respectively, and is included in other assets in the Consolidated Balance Sheets.

Loans pledged as collateral for FHLB borrowing capacity, primarily residential mortgages and home equity products, totaled $36.3 billion and $36.0 billion at March 31, 2024 and December 31, 2023, respectively. Loans pledged as collateral to support the contingent ability to borrow at the FRB discount window, if necessary, were primarily comprised of education, automobile, commercial and industrial, and commercial real estate loans, and totaled $31.1 billion and $31.9 billion at March 31, 2024 and December 31, 2023, respectively.

Interest income on direct financing and sales-type leases for the three months ended March 31, 2024 and 2023 was $11 million and $12 million, respectively, and is reported within interest and fees on loans and leases in the Consolidated Statements of Operations.

The following table presents the composition of LHFS:

	March 31, 2024			December 31, 2023		
(dollars in millions)	Residential Mortgages[1]	Commercial[2]	Total	Residential Mortgages[1]	Commercial[2]	Total
Loans held for sale at fair value	$437	$68	$505	$614	$62	$676
Other loans held for sale	—	50	50	—	103	103

[1] Residential mortgage LHFS are originated for sale.
[2] Commercial LHFS at fair value consist of loans managed by the Company's commercial secondary loan desk. Other commercial LHFS primarily consist of loans associated with the Company's syndication business.

NOTE 4 - CREDIT QUALITY AND THE ALLOWANCE FOR CREDIT LOSSES

Allowance for Credit Losses

The Company's estimate of expected credit losses in its loan and lease portfolios is recorded in the ACL and considers extensive historical loss experience, including the impact of loss mitigation and restructuring programs that the Company offers to borrowers experiencing financial difficulty, as well as projected loss severity as a result of loan default.

For a detailed discussion of the ACL reserve methodology and estimation techniques as of December 31, 2023, see Note 6 in the Company's 2023 Form 10-K. There were no significant changes to the ACL reserve methodology during the three months ended March 31, 2024.

The following table presents a summary of changes in the ACL for the three months ended March 31, 2024:

	Three Months Ended March 31, 2024		
(dollars in millions)	Commercial	Retail	Total
Allowance for loan and lease losses, beginning of period	$1,250	$848	$2,098
Charge-offs	(102)	(129)	(231)
Recoveries	17	33	50
Net charge-offs	(85)	(96)	(181)
Provision expense (benefit) for loans and leases	69	100	169
Allowance for loan and lease losses, end of period	1,234	852	2,086
Allowance for unfunded lending commitments, beginning of period	175	45	220
Provision expense (benefit) for unfunded lending commitments	16	(14)	2
Allowance for unfunded lending commitments, end of period	191	31	222
Total allowance for credit losses, end of period	$1,425	$883	$2,308

During the three months ended March 31, 2024, net charge-offs of $181 million and a provision for expected credit losses of $171 million resulted in an decrease of $10 million to the ACL.

As of March 31, 2024, the ACL accounts for an economic forecast over a two-year reasonable and supportable period with peak unemployment of approximately 4.9% and start-to-trough real GDP decline of approximately 0.3%. This forecast reflects a mild recession over the two-year reasonable and supportable period.

The following table presents a summary of changes in the ACL for the three months ended March 31, 2023:

	Three Months Ended March 31, 2023		
(dollars in millions)	Commercial	Retail	Total
Allowance for loan and lease losses, beginning of period	$1,060	$923	$1,983
Charge-offs	(59)	(112)	(171)
Recoveries	7	31	38
Net charge-offs	(52)	(81)	(133)
Provision expense (benefit) for loans and leases	103	64	167
Allowance for loan and lease losses, end of period	1,111	906	2,017
Allowance for unfunded lending commitments, beginning of period	207	50	257
Provision expense (benefit) for unfunded lending commitments	8	(7)	1
Allowance for unfunded lending commitments, end of period	215	43	258
Total allowance for credit losses, end of period	$1,326	$949	$2,275

Credit Quality Indicators

The Company presents loan and lease portfolio segments and classes by credit quality indicator and vintage year. Citizens defines the vintage date for the purpose of this disclosure as the date of the most recent credit decision. Renewals are categorized as new credit decisions and reflect the renewal date as the vintage date, except for renewals of loans modified for borrowers experiencing financial difficulty, or FDMs, which are presented in the original vintage.

Citizens utilizes internal risk ratings to monitor credit quality for commercial loans and leases. For more information on these ratings see Note 6 in the Company's 2023 Form 10-K.

The following table presents the amortized cost basis of commercial loans and leases by vintage date and internal risk rating as of March 31, 2024:

	Term Loans and Leases by Origination Year						Revolving Loans		
(dollars in millions)	2024	2023	2022	2021	2020	Prior to 2020	Within the Revolving Period	Converted to Term	Total
Commercial and industrial									
Pass	$1,261	$3,535	$5,966	$5,103	$1,280	$2,843	$20,606	$49	$40,643
Special Mention	—	56	219	353	66	106	312	—	1,112
Substandard Accrual	—	22	187	305	188	387	802	11	1,902
Nonaccrual	—	5	67	31	6	112	66	7	294
Total commercial and industrial	1,261	3,618	6,439	5,792	1,540	3,448	21,786	67	43,951
Commercial real estate									
Pass	466	1,555	5,966	6,009	2,258	5,626	1,621	3	23,504
Special Mention	—	6	915	502	370	452	129	—	2,374
Substandard Accrual	—	49	284	271	368	1,330	95	—	2,397
Nonaccrual	—	—	78	34	12	470	3	—	597
Total commercial real estate	466	1,610	7,243	6,816	3,008	7,878	1,848	3	28,872
Total commercial									
Pass	1,727	5,090	11,932	11,112	3,538	8,469	22,227	52	64,147
Special Mention	—	62	1,134	855	436	558	441	—	3,486
Substandard Accrual	—	71	471	576	556	1,717	897	11	4,299
Nonaccrual	—	5	145	65	18	582	69	7	891
Total commercial	$1,727	$5,228	$13,682	$12,608	$4,548	$11,326	$23,634	$70	$72,823

The following table presents the amortized cost basis of commercial loans and leases by vintage date and internal risk rating as of December 31, 2023:

	Term Loans and Leases by Origination Year						Revolving Loans		
(dollars in millions)	2023	2022	2021	2020	2019	Prior to 2019	Within the Revolving Period	Converted to Term	Total
Commercial and industrial									
Pass	$3,694	$6,512	$5,331	$1,445	$1,147	$2,299	$21,033	$53	$41,514
Special Mention	59	221	355	30	50	113	368	—	1,196
Substandard Accrual	8	189	337	218	125	287	792	11	1,967
Nonaccrual	1	72	54	4	5	102	53	6	297
Total commercial and industrial	3,762	6,994	6,077	1,697	1,327	2,801	22,246	70	44,974
Commercial real estate									
Pass	1,906	5,791	6,062	2,555	2,294	3,895	1,975	8	24,486
Special Mention	—	713	539	222	183	260	75	—	1,992
Substandard Accrual	—	277	203	469	528	939	100	—	2,516
Nonaccrual	1	66	2	23	144	238	3	—	477
Total commercial real estate	1,907	6,847	6,806	3,269	3,149	5,332	2,153	8	29,471
Total commercial									
Pass	5,600	12,303	11,393	4,000	3,441	6,194	23,008	61	66,000
Special Mention	59	934	894	252	233	373	443	—	3,188
Substandard Accrual	8	466	540	687	653	1,226	892	11	4,483
Nonaccrual	2	138	56	27	149	340	56	6	774
Total commercial	$5,669	$13,841	$12,883	$4,966	$4,476	$8,133	$24,399	$78	$74,445

For retail loans, Citizens utilizes FICO credit scores and the loan's payment and delinquency status to monitor credit quality. Management believes FICO scores are the strongest indicator of credit losses over the contractual life of the loan and assist management in predicting the borrower's future payment performance. Scores are based on current and historical national industry-wide consumer level credit performance data.

The following table presents the amortized cost basis of retail loans by vintage date and current FICO score as of March 31, 2024:

	Term Loans by Origination Year						Revolving Loans		
(dollars in millions)	2024	2023	2022	2021	2020	Prior to 2020	Within the Revolving Period	Converted to Term	Total
Residential mortgages									
800+	$152	$1,165	$3,188	$5,210	$3,050	$4,217	$—	$—	$16,982
740-799	299	1,099	1,827	2,421	1,420	2,111	—	—	9,177
680-739	92	317	630	754	462	1,071	—	—	3,326
620-679	5	57	116	168	90	557	—	—	993
<620	—	18	55	118	87	736	—	—	1,014
No FICO available[1]	—	—	—	2	1	17	—	—	20
Total residential mortgages	548	2,656	5,816	8,673	5,110	8,709	—	—	31,512
Home equity									
800+	—	—	4	4	1	89	4,938	212	5,248
740-799	—	1	2	2	1	76	4,822	239	5,143
680-739	—	—	1	1	2	92	2,822	192	3,110
620-679	—	—	2	1	2	76	731	144	956
<620	—	—	3	2	1	79	331	240	656
Total home equity	—	1	12	10	7	412	13,644	1,027	15,113
Automobile									
800+	—	73	483	936	309	155	—	—	1,956
740-799	—	123	609	919	322	166	—	—	2,139
680-739	—	134	520	627	215	122	—	—	1,618
620-679	—	83	287	309	98	72	—	—	849
<620	—	46	224	274	91	80	—	—	715
Total automobile	—	459	2,123	3,065	1,035	595	—	—	7,277
Education									
800+	55	373	673	1,630	1,376	1,699	—	—	5,806
740-799	69	413	658	961	784	968	—	—	3,853
680-739	22	175	267	305	254	405	—	—	1,428
620-679	6	50	64	68	57	130	—	—	375
<620	1	8	20	26	24	68	—	—	147
No FICO available[1]	2	1	—	—	—	34	—	—	37
Total education	155	1,020	1,682	2,990	2,495	3,304	—	—	11,646
Other retail									
800+	38	151	56	30	27	24	483	—	809
740-799	55	211	70	35	35	29	924	1	1,360
680-739	46	177	61	30	30	21	925	2	1,292
620-679	24	99	40	18	14	7	397	2	601
<620	3	40	35	15	11	4	247	1	356
No FICO available[1]	4	3	—	—	2	—	390	—	399
Total other retail	170	681	262	128	119	85	3,366	6	4,817
Total retail									
800+	245	1,762	4,404	7,810	4,763	6,184	5,421	212	30,801
740-799	423	1,847	3,166	4,338	2,562	3,350	5,746	240	21,672
680-739	160	803	1,479	1,717	963	1,711	3,747	194	10,774
620-679	35	289	509	564	261	842	1,128	146	3,774
<620	4	112	337	435	214	967	578	241	2,888
No FICO available[1]	6	4	—	2	3	51	390	—	456
Total retail	$873	$4,817	$9,895	$14,866	$8,766	$13,105	$17,010	$1,033	$70,365

[1] Represents loans for which an updated FICO score was unavailable (e.g., due to recent profile changes).

The following table presents the amortized cost basis of retail loans by vintage date and current FICO score as of December 31, 2023:

	Term Loans by Origination Year						Revolving Loans		
(dollars in millions)	2023	2022	2021	2020	2019	Prior to 2019	Within the Revolving Period	Converted to Term	Total
Residential mortgages									
800+	$889	$3,067	$5,172	$3,117	$1,131	$3,125	$—	$—	$16,501
740-799	1,333	1,940	2,560	1,411	592	1,625	—	—	9,461
680-739	367	631	758	466	266	873	—	—	3,361
620-679	54	135	165	90	121	445	—	—	1,010
<620	9	48	104	95	161	561	—	—	978
No FICO available[1]	1	—	2	1	3	14	—	—	21
Total residential mortgages	2,653	5,821	8,761	5,180	2,274	6,643	—	—	31,332
Home equity									
800+	—	4	4	1	4	91	5,078	222	5,404
740-799	—	1	2	1	3	82	4,708	241	5,038
680-739	1	1	1	2	5	93	2,693	202	2,998
620-679	—	1	1	2	8	77	718	137	944
<620	—	2	1	1	10	80	332	230	656
Total home equity	1	9	9	7	30	423	13,529	1,032	15,040
Automobile									
800+	81	539	1,062	368	162	47	—	—	2,259
740-799	134	671	1,038	375	165	52	—	—	2,435
680-739	147	577	708	252	118	39	—	—	1,841
620-679	94	316	345	112	65	26	—	—	958
<620	44	232	291	100	66	32	—	—	765
Total automobile	500	2,335	3,444	1,207	576	196	—	—	8,258
Education									
800+	296	671	1,637	1,418	600	1,185	—	—	5,807
740-799	368	694	1,050	850	369	678	—	—	4,009
680-739	143	289	333	273	134	298	—	—	1,470
620-679	30	65	68	58	32	107	—	—	360
<620	5	18	25	23	15	55	—	—	141
No FICO available[1]	10	—	1	—	—	36	—	—	47
Total education	852	1,737	3,114	2,622	1,150	2,359	—	—	11,834
Other retail									
800+	183	70	38	35	16	18	500	—	860
740-799	258	87	46	45	21	19	963	1	1,440
680-739	214	76	39	39	18	11	973	2	1,372
620-679	118	48	23	19	6	4	419	2	639
<620	31	35	18	14	4	2	251	2	357
No FICO available[1]	7	1	—	1	—	—	373	—	382
Total other retail	811	317	164	153	65	54	3,479	7	5,050
Total retail									
800+	1,449	4,351	7,913	4,939	1,913	4,466	5,578	222	30,831
740-799	2,093	3,393	4,696	2,682	1,150	2,456	5,671	242	22,383
680-739	872	1,574	1,839	1,032	541	1,314	3,666	204	11,042
620-679	296	565	602	281	232	659	1,137	139	3,911
<620	89	335	439	233	256	730	583	232	2,897
No FICO available[1]	18	1	3	2	3	50	373	—	450
Total retail	$4,817	$10,219	$15,492	$9,169	$4,095	$9,675	$17,008	$1,039	$71,514

[1] Represents loans for which an updated FICO score was unavailable (e.g., due to recent profile changes).

The following tables present gross charge-offs by vintage date for the Company's loan and lease portfolios:

	Three Months Ended March 31, 2024								
	Term Loans and Leases by Origination Year						Revolving Loans		
(dollars in millions)	2024	2023	2022	2021	2020	Prior to 2020	Within the Revolving Period	Converted to Term	Total
Commercial and industrial	$—	$5	$1	$4	$—	$1	$3	$—	$14
Commercial real estate	—	—	—	—	59	29	—	—	88
Total commercial	—	5	1	4	59	30	3	—	102
Residential mortgages	—	—	—	—	—	2	—	—	2
Home equity	—	—	—	—	—	1	2	1	4
Automobile	—	2	9	11	3	3	—	—	28
Education	—	—	1	6	7	18	—	—	32
Other retail	4	9	4	3	—	4	39	—	63
Total retail	4	11	14	20	10	28	41	1	129
Total loans and leases	$4	$16	$15	$24	$69	$58	$44	$1	$231

	Three Months Ended March 31, 2023								
	Term Loans and Leases by Origination Year						Revolving Loans		
(dollars in millions)	2023	2022	2021	2020	2019	Prior to 2019	Within the Revolving Period	Converted to Term	Total
Commercial and industrial	$—	$—	$27	$4	$—	$—	$24	$—	$55
Commercial real estate	—	—	—	—	1	3	—	—	4
Total commercial	—	—	27	4	1	3	24	—	59
Residential mortgages	—	—	—	—	—	1	—	—	1
Home equity	—	—	—	—	—	1	1	—	2
Automobile	—	7	11	4	4	4	—	—	30
Education	—	2	3	4	3	11	—	—	23
Other retail	5	15	4	3	3	3	23	—	56
Total retail	5	24	18	11	10	20	24	—	112
Total loans and leases	$5	$24	$45	$15	$11	$23	$48	$—	$171

Nonaccrual and Past Due Assets

The following tables present an aging analysis of accruing and nonaccrual loans and leases as of March 31, 2024 and December 31, 2023:

	March 31, 2024						
		Days Past Due and Accruing					
(dollars in millions)	Current	30-59	60-89	90+	Nonaccrual	Total	Nonaccrual with no related ACL
Commercial and industrial	$43,530	$76	$28	$23	$294	$43,951	$25
Commercial real estate	27,938	291	7	39	597	28,872	54
Total commercial	71,468	367	35	62	891	72,823	79
Residential mortgages	30,742	271	116	209	174	31,512	136
Home equity	14,720	79	26	—	288	15,113	192
Automobile	7,085	115	30	—	47	7,277	6
Education	11,556	40	19	2	29	11,646	4
Other retail	4,677	43	30	27	40	4,817	1
Total retail	68,780	548	221	238	578	70,365	339
Total	$140,248	$915	$256	$300	$1,469	$143,188	$418
Guaranteed residential mortgages[1]	$714	$116	$59	$202	$—	$1,091	$—

	December 31, 2023						
		Days Past Due and Accruing					
(dollars in millions)	Current	30-59	60-89	90+	Nonaccrual	Total	Nonaccrual with no related ACL
Commercial and industrial	$44,591	$62	$18	$6	$297	$44,974	$30
Commercial real estate	28,745	150	59	40	477	29,471	71
Total commercial	73,336	212	77	46	774	74,445	101
Residential mortgages	30,499	282	118	256	177	31,332	144
Home equity	14,640	82	33	—	285	15,040	198
Automobile	8,005	144	48	—	61	8,258	7
Education	11,732	49	23	2	28	11,834	3
Other retail	4,899	49	34	29	39	5,050	—
Total retail	69,775	606	256	287	590	71,514	352
Total	$143,111	$818	$333	$333	$1,364	$145,959	$453
Guaranteed residential mortgages[1]	$675	$128	$76	$243	$—	$1,122	$—

[1] Guaranteed residential mortgages represent loans fully or partially guaranteed by the FHA, VA, and USDA, and are included in the amounts presented for Residential mortgages.

At March 31, 2024 and December 31, 2023, the Company had collateral-dependent residential mortgage and home equity loans totaling $542 million and $556 million, respectively, and collateral-dependent commercial loans totaling $339 million and $233 million, respectively.

The amortized cost basis of mortgage loans collateralized by residential real estate for which formal foreclosure proceedings were in-process was $328 million and $336 million as of March 31, 2024 and December 31, 2023, respectively.

Loan Modifications to Borrowers Experiencing Financial Difficulty

The Company offers loan modifications to retail and commercial borrowers as a result of its loss mitigation activities that may result in a payment delay, interest rate reduction, term extension, principal forgiveness, or combination thereof. Payment delays consist of modifications that result in a delay of contractual amounts due greater than three months over a rolling 12-month period.

Commercial loan modifications are offered on a case-by-case basis and generally include a payment delay, term extension and/or interest rate reduction. The Company does not typically offer principal forgiveness for commercial loans. Retail loan modifications are offered through structured loan modification programs, which are summarized below.

- Forbearance programs provide borrowers experiencing some form of hardship a period of time during which their contractual payment obligations are suspended, resulting in a payment delay and/or term extension.
- Other repayment plans are offered due to hardship and include an interest rate reduction and/or term extension designed to enable the borrower to return the loan to current status in an expeditious manner.
- Settlement agreements may be executed with borrowers experiencing a long-term hardship or who are delinquent, resulting in principal forgiveness. Upon fulfillment of the terms of the settlement agreement, the unpaid principal amount is forgiven resulting in a charge-off of the outstanding principal balance.
- Certain reorganization bankruptcy judgments may result in any one of the four modification types or some combination thereof.

The following tables present the period-end amortized cost of loans to borrowers experiencing financial difficulty that were modified during the three months ended March 31, 2024 and 2023, disaggregated by class of financing receivable and modification type. The modification type reflects the cumulative effect of all FDMs received during the indicated period.

	Three Months Ended March 31, 2024							
(dollars in millions)	Interest Rate Reduction	Term Extension	Payment Delay	Principal Forgiveness	Interest Rate Reduction and Term Extension	Term Extension and Payment Delay	Total	Total as a % of Loan Class[1]
Commercial and industrial	$—	$85	$65	$—	$1	$32	$183	0.42 %
Commercial real estate	—	443	24	—	40	1	508	1.76
Total commercial	—	528	89	—	41	33	691	0.95
Residential mortgages	1	37	5	—	3	—	46	0.15
Home equity	1	1	—	—	4	—	6	0.04
Automobile	—	—	—	—	—	—	—	—
Education	3	—	18	—	—	—	21	0.18
Other retail	5	—	—	—	—	—	5	0.10
Total retail	10	38	23	—	7	—	78	0.11
Total[2]	$10	$566	$112	$—	$48	$33	$769	0.54 %

	Three Months Ended March 31, 2023							
(dollars in millions)	Interest Rate Reduction	Term Extension	Payment Delay	Principal Forgiveness	Interest Rate Reduction and Term Extension	Term Extension and Payment Delay	Total	Total as a % of Loan Class[1]
Commercial and industrial	$—	$44	$32	$—	$—	$21	$97	0.19 %
Commercial real estate	—	55	—	—	—	—	55	0.19
Total commercial	—	99	32	—	—	21	152	0.19
Residential mortgages	2	19	—	—	3	—	24	0.08
Home equity	—	1	—	—	2	—	3	0.02
Automobile	—	—	—	—	—	—	—	—
Education	1	—	1	—	—	—	2	0.02
Other retail	3	—	—	—	—	—	3	0.06
Total retail	6	20	1	—	5	—	32	0.04
Total[2]	$6	$119	$33	$—	$5	$21	$184	0.12 %

[1] Represents the total amortized cost as of period-end divided by the period-end amortized cost of the corresponding loan class. Accrued interest receivable is excluded from amortized cost and is immaterial.

[2] Excludes borrowers that had their debt discharged by means of a Chapter 7 bankruptcy filing.

The following tables present the financial effect of loans to borrowers experiencing financial difficulty that were modified during the three months ended March 31, 2024 and 2023, disaggregated by class of financing receivable.

	Three Months Ended March 31, 2024			
(dollars in millions)	Weighted-Average Interest Rate Reduction[1]	Weighted-Average Term Extension (in Months)[1]	Weighted-Average Payment Deferral[1]	Amount of Principal Forgiven[2]
Commercial and industrial	4.49 %	9	$1	$—
Commercial real estate	0.53	16	1	—
Residential mortgages	2.01	88	—	—
Home equity	3.16	88	—	—
Automobile	—	—	—	—
Education	4.31	—	—	—
Other retail	19.80	—	—	2

	Three Months Ended March 31, 2023			
(dollars in millions)	Weighted-Average Interest Rate Reduction[1]	Weighted-Average Term Extension (in Months)[1]	Weighted-Average Payment Deferral[1]	Amount of Principal Forgiven[2]
Commercial and industrial	4.05 %	9	$1	$—
Commercial real estate	—	14	—	—
Residential mortgages	1.47	44	—	—
Home equity	2.02	139	—	—
Automobile	2.76	23	—	—
Education	5.77	—	—	—
Other retail	17.79	22	—	1

[1] Weighted based on period-end amortized cost.
[2] Amounts are recorded as charge-offs.

The following tables present an aging analysis of the period-end amortized cost of loans to borrowers experiencing financial difficulty that were modified during the twelve month period ending March 31, 2024 and the three month period ending March 31, 2023, disaggregated by class of financing receivable. A loan in a forbearance or repayment plan is reported as past due according to its contractual terms until contractually modified. Subsequent to modification, it is reported as past due based on its restructured terms.

	March 31, 2024					
		Days Past Due and Accruing				
(dollars in millions)	Current	30-59	60-89	90+	Nonaccrual	Total
Commercial and industrial	$223	$1	$5	$—	$144	$373
Commercial real estate	667	38	5	33	136	879
Total commercial	890	39	10	33	280	1,252
Residential mortgages	71	17	—	22	15	125
Home equity	5	—	—	—	10	15
Automobile	—	—	—	—	—	—
Education	51	1	—	—	6	58
Other retail	10	1	1	—	1	13
Total retail	137	19	1	22	32	211
Total	$1,027	$58	$11	$55	$312	$1,463

(dollars in millions)	March 31, 2023					
		Days Past Due and Accruing				
	Current	30-59	60-89	90+	Nonaccrual	Total
Commercial and industrial	$76	$—	$—	$—	$21	$97
Commercial real estate	55	—	—	—	—	55
Total commercial	131	—	—	—	21	152
Residential mortgages	16	4	—	2	2	24
Home equity	1	—	—	—	2	3
Automobile	—	—	—	—	—	—
Education	2	—	—	—	—	2
Other retail	3	—	—	—	—	3
Total retail	22	4	—	2	4	32
Total	$153	$4	$—	$2	$25	$184

The following table presents the period-end amortized cost of loans to borrowers experiencing financial difficulty that defaulted during the period presented and were modified within the previous 12 months preceding the default, disaggregated by class of financing receivable and modification type. The period-end amortized cost of loans modified during the three months ended March 31, 2023 that subsequently defaulted is immaterial and not presented as a result. The modification type reflects the cumulative effect of all FDMs at the time of default. A loan is considered to be in default if, subsequent to modification, it becomes 90 or more days past due or is placed on nonaccrual status.

(dollars in millions)	Three Months Ended March 31, 2024		
	Interest Rate Reduction	Term Extension	Total
Commercial and industrial	$—	$34	$34
Commercial real estate	—	38	38
Total commercial	—	72	72
Residential mortgages	—	6	6
Home equity	—	—	—
Automobile	—	—	—
Education	2	—	2
Other retail	—	—	—
Total retail	2	6	8
Total	$2	$78	$80

Unfunded commitments related to loans modified during the three months ended March 31, 2024 were $32 million at March 31, 2024. Unfunded commitments related to loans modified during the year ended December 31, 2023 were $221 million at December 31, 2023.

Concentrations of Credit Risk

The Company's lending activity is geographically well diversified with an emphasis in our core markets located in the New England, Mid-Atlantic and Midwest regions. Generally, loans are collateralized by assets including real estate, inventory, accounts receivable, other personal property and investment securities. As of March 31, 2024 and December 31, 2023, there were no material concentration risks within the commercial or retail loan portfolios. Exposure to credit losses arising from lending transactions may fluctuate with fair values of collateral supporting loans, which may not perform according to contractual agreements. The Company's policy is to collateralize loans to the extent necessary; however, unsecured loans are also granted on the basis of the financial strength of the applicant, the facts surrounding the transaction and the strength of the Company's enterprise value.

NOTE 5 - MORTGAGE BANKING AND OTHER SERVICED LOANS

The Company sells residential mortgages into the secondary market and retains no beneficial interest in these sales, but may retain the servicing rights for the loans sold. The Company may exercise its option to repurchase eligible government guaranteed residential mortgages or may be obligated to subsequently repurchase a loan if the purchaser discovers a representation or warranty violation such as noncompliance with eligibility or servicing requirements, or customer fraud that should have been identified in a loan file review.

The following table summarizes activity related to residential mortgage loans sold with servicing rights retained:

(dollars in millions)	Three Months Ended March 31, 2024	2023
Cash proceeds from residential mortgage loans sold with servicing retained	$1,488	$1,575
Gain on sales[1]	15	19
Contractually specified servicing, late and other ancillary fees[1]	79	77

[1] Reported in mortgage banking fees in the Consolidated Statements of Operations.

The unpaid principal balance of residential mortgage loans related to our MSRs was $97.0 billion and $97.4 billion at March 31, 2024 and December 31, 2023, respectively. The Company manages the risk associated with changes in the value of the MSRs with an active economic hedging strategy, which includes the purchase of freestanding derivatives.

The following table summarizes changes in MSRs recorded using the fair value method:

(dollars in millions)	As of and for the Three Months Ended March 31, 2024	2023
Fair value as of beginning of the period	$1,552	$1,530
Amounts capitalized	18	21
Changes in unpaid principal balance during the period[1]	(46)	(41)
Changes in fair value during the period[2]	40	(14)
Fair value at end of the period	$1,564	$1,496

[1] Represents changes in value of the MSRs due to i) passage of time including the impact from both regularly scheduled loan principal payments and partial paydowns, and ii) loans that paid off during the period.
[2] Represents changes in value primarily driven by market conditions. These changes are recorded in mortgage banking fees in the Consolidated Statements of Operations.

The fair value of MSRs is estimated by using the present value of estimated future net servicing cash flows, taking into consideration actual and expected mortgage loan prepayment rates, discount rates, contractual servicing fee income, servicing costs, default rates, ancillary income, and other economic factors, which are determined based on current market interest rates. The valuation does not attempt to forecast or predict the future direction of interest rates.

The sensitivity analysis below presents the impact of an immediate 10% and 20% adverse change in key economic assumptions to the current fair value of MSRs. These sensitivities are hypothetical, with the effect of a variation in a particular assumption on the fair value of the MSRs calculated independently without changing any other assumption. Changes in one factor may result in changes in another (e.g., changes in interest rates, which drive changes in prepayment rates, could result in changes in discount rates), which may amplify or counteract the sensitivities. The primary risk inherent in the Company's MSRs is an increase in prepayments of the underlying mortgage loans serviced, which is largely dependent upon movements in market interest rates.

(dollars in millions)	March 31, 2024	December 31, 2023
Fair value	$1,564	$1,552
Weighted average life (years)	8.9	8.8
Weighted average constant prepayment rate	7.0%	7.2%
Decline in fair value from 10% adverse change	$41	$37
Decline in fair value from 20% adverse change	$75	$71
Weighted average option adjusted spread	632 bps	630 bps
Decline in fair value from 10% adverse change	$44	$43
Decline in fair value from 20% adverse change	$87	$87

The Company's mortgage banking derivatives include commitments to originate mortgages held for sale, certain loan sale agreements, and other financial instruments that meet the definition of a derivative. Refer to Note 8 for additional information.

Other Serviced Loans

Citizens engages in other servicing relationships from time to time. The following table presents the unpaid principal balance of other serviced loans:

(dollars in millions)	March 31, 2024	December 31, 2023
Education	$479	$502
Commercial and industrial[1]	98	94

[1] Represents the government guaranteed portion of SBA loans sold to outside investors.

NOTE 6 - VARIABLE INTEREST ENTITIES

Citizens, in the normal course of business, engages in a variety of activities with entities that are considered VIEs, as defined by GAAP, with its variable interest arising from contractual, ownership or other monetary interests in the entity. A VIE typically does not have sufficient equity at risk to finance its activities without additional subordinated financial support from other parties.

For more details regarding the Company's involvement with VIEs see Note 11 in the Company's 2023 Form 10-K.

Consolidated VIEs

The Company has consolidated VIEs related to secured borrowings collateralized by auto loans. The following table summarizes the carrying amount of assets and liabilities for the Company's consolidated VIEs:

(dollars in millions)	March 31, 2024	December 31, 2023
Assets:		
Cash and due from banks	$—	$13
Interest-bearing deposits in banks	169	106
Net loans and leases	4,039	3,194
Other assets	17	14
Total assets	$4,225	$3,327
Liabilities:		
Long-term borrowed funds	$3,530	$2,692
Other liabilities	9	8
Total liabilities	$3,539	$2,700

Secured Borrowings

Citizens utilizes a portion of its auto loan portfolio to support certain secured borrowing arrangements, which provide a source of funding for the Company and involves the transfer of auto loans to bankruptcy remote special purpose entities ("SPEs"). These SPEs then issue asset-backed notes to third-parties collateralized by the transferred loans.

The assets of a particular VIE are the primary source of funds to settle its obligations. Creditors of these VIEs do not have recourse to the general credit of the Company. The performance of the loans transferred to the SPEs is the most significant driver impacting the economic performance of the VIEs.

Unconsolidated VIEs

Citizens is involved with various VIEs that are not consolidated including lending to special purpose entities, investments in asset-backed securities and investments in entities that sponsor affordable housing, renewable energy and economic development projects. Citizens' maximum exposure to loss resulting from its involvement with these entities is limited to the balance sheet carrying amount of its investments, unfunded commitments, and the outstanding principal balance of loans to special purpose entities.

A summary of these investments is presented below:

(dollars in millions)	March 31, 2024	December 31, 2023
Lending to special purpose entities included in loans and leases	$4,737	$4,760
LIHTC investments included in other assets	2,472	2,444
LIHTC unfunded commitments included in other liabilities	1,046	1,025
Asset-backed investments included in HTM securities	467	488
Renewable energy investments included in other assets	298	314
NMTC investments included in other assets	3	3

Lending to Special Purpose Entities

Citizens provides lending facilities to third-party sponsored special purpose entities. As of March 31, 2024 and December 31, 2023, the lending facilities had undrawn commitments to extend credit of $2.7 billion. For more information on commitments to extend credit see Note 11.

Asset-backed securities

The Company's investments in asset-backed securities are collateralized by education loans sold to a third-party sponsored VIE. Citizens acts as the primary servicer for the sold loans and receives a servicing fee. A third-party servicer is responsible for all loans that become significantly delinquent.

Low Income Housing Tax Credit Partnerships

The purpose of the Company's LIHTC investments is to assist in achieving the goals of the Community Reinvestment Act and to earn an adequate return of capital.

Renewable Energy Entities

The Company's investments in certain renewable energy entities provide benefits from government incentives and other tax attributes (e.g., tax depreciation).

Contingent commitments related to the Company's renewable energy investments were $63 million at March 31, 2024, and are expected to be paid in varying amounts through 2026. These payments are contingent upon the level of electricity production attained by the renewable energy entity relative to its targeted threshold and changes in the production tax credit rates set by the Internal Revenue Service.

New Markets Tax Credit Program

The Company participates in the NMTC program which provides a tax incentive for private sector investment into economic development projects and businesses located in low-income communities.

The following table summarizes the impact to the Consolidated Statements of Operations relative to the Company's tax credit programs for which it has elected to apply the proportional amortization method of accounting:

(dollars in millions)	Three Months Ended March 31, 2024	2023
Tax credits recognized	$97	$87
Other tax benefits recognized	23	18
Amortization	(99)	(81)
Net benefit (expense) included in income tax expense	21	24
Other income	1	1
Allocated income (loss) on investments	(3)	(3)
Net benefit (expense) included in noninterest income	(2)	(2)
Net benefit (expense) included in the Consolidated Statements of Operations[1]	$19	$22

[1] Includes the impact of tax credit investments when the election to apply the proportional amortization method was in effect during the periods presented. For 2024 and 2023, this includes LIHTC, renewable energy and NMTC investments.

The Company did not recognize impairment losses resulting from the forfeiture or ineligibility of income tax credits or other circumstances during the three months ended March 31, 2024 and 2023.

NOTE 7 - BORROWED FUNDS

Short-term borrowed funds

Short-term borrowed funds were $9 million and $505 million as of March 31, 2024 and December 31, 2023, respectively.

Long-term borrowed funds

The following table presents a summary of the Company's long-term borrowed funds:

(dollars in millions)	March 31, 2024	December 31, 2023
Parent Company:		
3.750% fixed-rate subordinated debt, due July 2024	$90	$90
4.023% fixed-rate subordinated debt, due October 2024	17	17
4.350% fixed-rate subordinated debt, due August 2025	133	133
4.300% fixed-rate subordinated debt, due December 2025	336	336
2.850% fixed-rate senior unsecured notes, due July 2026	499	499
5.841% fixed/floating-rate senior unsecured notes, due January 2030	1,244	—
2.500% fixed-rate senior unsecured notes, due February 2030	298	298
3.250% fixed-rate senior unsecured notes, due April 2030	747	746
3.750% fixed-rate reset subordinated debt, due February 2031	69	69
4.300% fixed-rate reset subordinated debt, due February 2031	135	135
4.350% fixed-rate reset subordinated debt, due February 2031	60	60
2.638% fixed-rate subordinated debt, due September 2032	565	563
5.641% fixed-rate reset subordinated debt, due May 2037	398	398
CBNA's Global Note Program:		
2.250% senior unsecured notes, due April 2025	749	749
4.119% fixed/floating-rate senior unsecured notes, due May 2025	650	649
6.064% fixed/floating-rate senior unsecured notes, due October 2025	599	599
5.284% fixed/floating-rate senior unsecured notes, due January 2026	350	349
3.750% senior unsecured notes, due February 2026	480	483
4.575% fixed/floating-rate senior unsecured notes, due August 2028	798	798
Additional Borrowings by CBNA and Other Subsidiaries:		
Federal Home Loan Bank advances, 5.499% weighted average rate, due through 2043[1]	2,036	3,786
Secured borrowings, 5.479% weighted average rate, due through 2030[1][2]	3,530	2,692
Other	21	18
Total long-term borrowed funds	$13,804	$13,467

[1] Rate disclosed reflects the weighted average rate as of March 31, 2024.
[2] Collateralized by auto loans. See Note 6 for additional information.

At March 31, 2024, the Company's long-term borrowed funds include principal balances of $13.9 billion, unamortized debt issuance costs and discounts of $75 million, and hedging basis adjustments of ($19) million. At December 31, 2023, the Company's long-term borrowed funds include principal balances of $13.6 billion, unamortized debt issuance costs and discounts of $74 million, and hedging basis adjustments of ($17) million. See Note 8 for further information about the Company's hedging of certain long-term borrowed funds.

Advances, lines of credit and letters of credit from the FHLB are collateralized primarily by residential mortgages and home equity products sufficient to satisfy the collateral maintenance level established by the FHLB. The utilized FHLB borrowing capacity, primarily for advances and letters of credit, was $6.0 billion and $9.2 billion at March 31, 2024 and December 31, 2023, respectively. The Company's available FHLB borrowing capacity was $18.7 billion and $15.9 billion at March 31, 2024 and December 31, 2023, respectively. Citizens can also borrow from the FRB discount window to meet short-term liquidity requirements. Collateral, including certain loans, is pledged to support this borrowing capacity. At March 31, 2024, the Company's unused secured borrowing capacity was approximately $70.6 billion, which includes unencumbered securities, FHLB borrowing capacity, and FRB discount window capacity.

The following table presents a summary of maturities for the Company's long-term borrowed funds at March 31, 2024:

(dollars in millions)	Parent Company	CBNA and Other Subsidiaries	Consolidated
Year			
2024	$107	$—	$107
2025	469	4,193	4,662
2026	499	2,472	2,971
2027	—	9	9
2028	—	2,218	2,218
2029 and thereafter	3,516	321	3,837
Total	$4,591	$9,213	$13,804

NOTE 8 - DERIVATIVES

In the normal course of business, Citizens enters into derivative transactions to meet the financing and hedging needs of its customers and reduce its own exposure to fluctuations in interest rates and foreign currency exchange rates. These transactions include interest rate swap contracts, interest rate options, foreign exchange contracts, residential loan commitment rate locks, interest rate future contracts, swaptions, certain commodities, forward commitments to sell TBAs, forward sale contracts and purchase options. The Company does not use derivatives for speculative purposes. Information regarding the valuation methodology and inputs used to estimate the fair value of the Company's derivative instruments is described in Note 20 in the Company's 2023 Form 10-K.

The following table presents derivative instruments included in the Consolidated Balance Sheets:

(dollars in millions)	March 31, 2024 Notional Amount	March 31, 2024 Derivative Assets	March 31, 2024 Derivative Liabilities	December 31, 2023 Notional Amount	December 31, 2023 Derivative Assets	December 31, 2023 Derivative Liabilities
Derivatives designated as hedging instruments:						
Interest rate contracts	$82,579	$259	$43	$86,895	$173	$44
Derivatives not designated as hedging instruments:						
Interest rate contracts	193,442	222	1,273	185,993	291	1,105
Foreign exchange contracts	30,398	389	290	32,528	434	378
Commodities contracts	1,062	711	665	1,251	685	640
TBA contracts	2,501	2	5	2,337	3	16
Other contracts	729	8	—	549	7	—
Total derivatives not designated as hedging instruments	228,132	1,332	2,233	222,658	1,420	2,139
Total gross derivatives	310,711	1,591	2,276	309,553	1,593	2,183
Less: Gross amounts offset in the Consolidated Balance Sheets[1]		(480)	(480)		(471)	(471)
Less: Cash collateral applied[1]		(642)	(91)		(682)	(150)
Total net derivatives presented in the Consolidated Balance Sheets		$469	$1,705		$440	$1,562

[1] Amounts represent the impact of enforceable master netting agreements that allow the Company to net settle positive and negative positions, as well as collateral paid and received.

The Company's derivative transactions are internally divided into three sub-groups: institutional, customer facilitation and residential loan. Certain derivative transactions within these sub-groups are designated as fair value or cash flow hedges, as described below:

Derivatives Designated As Hedging Instruments

The Company's institutional derivatives qualify for hedge accounting treatment. The net interest accruals on interest rate swaps designated in a fair value or cash flow hedge relationship are treated as an adjustment to interest income or interest expense of the item being hedged. All hedging relationships are formally documented at inception, as well as risk management objectives and strategies for undertaking various accounting hedges. In addition, the effectiveness of hedge relationships is monitored during the duration of the hedge period. The methods utilized to assess hedge effectiveness vary based on the hedge relationship and each relationship is monitored to ensure that management's initial intent continues to be satisfied. Hedge accounting treatment is discontinued when the derivative is terminated or when it is determined that a derivative is not expected to be, or has ceased to be, effective as a hedge. Changes in the fair value of a derivative are reflected in earnings after termination of the hedge relationship.

Fair Value Hedges

In a fair value hedge, changes in the fair value of both the derivative instrument and the hedged asset or liability attributable to the risk being hedged are recognized in the same income statement line item in the Consolidated Statements of Operations when the changes in fair value occur. During 2023, the Company entered into fair value hedges to manage interest rate risk within the AFS securities portfolio.

The following table presents the effect of fair value hedges on the Consolidated Statements of Operations and the respective line items affected for each hedged item:

	Location and Amount of Gains (Losses) Recognized	
	Interest Income	Interest Expense
(dollars in millions)	Investment Securities	Long-Term Borrowed Funds
Three Months Ended March 31, 2024		
Gains (losses) on fair value hedges recognized on:		
Hedged items	($135)	$3
Derivatives	139	(3)
Amounts related to interest settlements on derivatives	25	(4)
Total income (expense) recognized on fair value hedges	$29	($4)
Three Months Ended March 31, 2023		
Gains (losses) on fair value hedges recognized on:		
Hedged items	$—	($8)
Derivatives	—	8
Amounts related to interest settlements on derivatives	—	(5)
Total income (expense) recognized on fair value hedges	$—	($5)

The following table reflects amounts recorded in the Consolidated Balance Sheets related to cumulative basis adjustments for fair value hedges:

(dollars in millions)	March 31, 2024		December 31, 2023	
	Debt securities available for sale[(1)]	Long-term borrowed funds	Debt securities available for sale[(1)]	Long-term borrowed funds
Carrying amount of hedged assets	$9,125	$—	$7,253	$—
Carrying amount of hedged liabilities	—	480	—	483
Cumulative amount of fair value hedging adjustments included in the carrying amount of the hedged items	(74)	(19)	60	(17)

[(1)] Includes the amortized cost basis of closed portfolios used to designate hedging relationships under the portfolio layer method. The hedged item is a layer of the closed portfolio which is expected to be remaining at the end of the hedging relationship. As of March 31, 2024 and December 31, 2023, the amortized cost basis of the closed portfolios used in these hedging relationships was $6.8 billion and $5.9 billion, respectively, including associated cumulative basis adjustments of $(58) million and $39 million, respectively. The amount of the designated hedging instruments was $4.8 billion and $4.0 billion at March 31, 2024 and December 31, 2023, respectively.

Cash Flow Hedges

In a cash flow hedge the entire change in the fair value of the interest rate swap included in the assessment of hedge effectiveness is initially recorded in OCI and is subsequently reclassified from AOCI into earnings in the period during which the hedged item affects earnings.

Citizens has entered into interest rate swap agreements designed to hedge a portion of the Company's floating-rate assets and liabilities. All of these swaps are deemed highly effective cash flow hedges. The Company has also entered into certain interest rate option agreements that utilize interest rate floors and caps, or some combination thereof, providing the ability to hedge the variability in cash flows within different interest rate bands. Option premiums paid and received are excluded from the assessment of hedge effectiveness and are amortized over the life of the instruments.

The following table presents the pre-tax net gains (losses) recorded in the Consolidated Statements of Operations and in the Consolidated Statements of Comprehensive Income related to derivative instruments designated as cash flow hedges:

	Three Months Ended March 31,	
(dollars in millions)	2024	2023
Amount of pre-tax net gains (losses) recognized in OCI	($550)	$233
Amount of pre-tax net gains (losses) reclassified from AOCI into interest income	(203)	(127)
Amount of pre-tax net gains (losses) reclassified from AOCI into interest expense	—	—

Using the interest rate curve at March 31, 2024 with respect to cash flow hedge strategies, the Company estimates that approximately $938 million in pre-tax net losses will be reclassified from AOCI to net interest income over the next 12 months, including $456 million related to terminated swaps. This amount could differ from amounts actually recognized due to changes in interest rates, hedge de-designations and the addition of other hedges subsequent to March 31, 2024.

Derivatives Not Designated As Hedging Instruments

The Company offers derivatives to customers in connection with their risk management needs consisting primarily of interest rate, foreign exchange and commodity contracts. Market risk exposure from customer transactions is primarily managed by entering into a variety of hedging transactions with third-party dealers. Gains and losses on customer-related derivatives are reported in foreign exchange and derivatives products in the Consolidated Statements of Operations.

Residential mortgage loans that will be sold in the secondary market and the related loan commitments, which are considered derivatives, are accounted for at fair value. Forward contracts to sell mortgage-backed securities are utilized to hedge the fair value of the loans and related commitments. Gains and losses on the loans and related commitments, and the derivatives used to economically hedge them, are reported in mortgage banking fees in the Consolidated Statements of Operations.

Residential MSRs are accounted for at fair value. Derivatives utilized to hedge the fair value of residential MSRs include interest rate futures, swaps, options, and forward contracts to purchase mortgage-backed securities. Gains and losses on residential MSRs and the related derivatives are reported in mortgage banking fees in the Consolidated Statements of Operations.

The following table presents the effect of economic hedges on noninterest income:

	Amounts Recognized in Noninterest Income for the Three Months Ended March 31,		
(dollars in millions)	2024	2023	Affected Line Item in the Consolidated Statements of Operations
Economic hedge type:			
Customer interest rate contracts	($494)	$34	Foreign exchange and derivative products
Derivatives hedging interest rate risk	503	(19)	Foreign exchange and derivative products
Customer foreign exchange contracts	(110)	(4)	Foreign exchange and derivative products
Derivatives hedging foreign exchange risk	145	(2)	Foreign exchange and derivative products
Customer commodity contracts	35	(475)	Foreign exchange and derivative products
Derivatives hedging commodity price risk	(32)	486	Foreign exchange and derivative products
Residential loan commitments	(2)	2	Mortgage banking fees
Derivatives hedging residential loan commitments and mortgage loans held for sale, at fair value	3	(11)	Mortgage banking fees
Derivative contracts used to hedge residential MSRs	(38)	16	Mortgage banking fees
Total	$10	$27	

NOTE 9 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the changes in the balances, net of income taxes, of each component of AOCI:

	As of and for the Three Months Ended March 31,			
(dollars in millions)	Net Unrealized Gains (Losses) on Derivatives	Net Unrealized Gains (Losses) on Debt Securities	Employee Benefit Plans	Total AOCI
Balance at January 1, 2023	($1,416)	($2,771)	($373)	($4,560)
Other comprehensive income (loss) before reclassifications	173	327	—	500
Amounts reclassified to the Consolidated Statements of Operations	94	20	3	117
Net other comprehensive income (loss)	267	347	3	617
Balance at March 31, 2023	($1,149)	($2,424)	($370)	($3,943)
Balance at January 1, 2024	($1,087)	($2,338)	($333)	($3,758)
Other comprehensive income (loss) before reclassifications	(405)	(173)	4	(574)
Amounts reclassified to the Consolidated Statements of Operations	149	14	5	168
Net other comprehensive income (loss)	(256)	(159)	9	(406)
Balance at March 31, 2024	($1,343)	($2,497)	($324)	($4,164)
Primary location in the Consolidated Statements of Operations of amounts reclassified from AOCI	Net interest income	Securities gains, net and Net interest income	Other operating expense	

NOTE 10 - STOCKHOLDERS' EQUITY

Preferred Stock

The following table summarizes the Company's preferred stock:

		March 31, 2024		December 31, 2023	
(dollars in millions, except per share data)	Liquidation value per share	Preferred Shares	Carrying Amount	Preferred Shares	Carrying Amount
Authorized ($25 par value per share)		100,000,000		100,000,000	
Issued and outstanding:					
Series B	$1,000	300,000	$296	300,000	$296
Series C	1,000	300,000	297	300,000	297
Series D	1,000 [1]	300,000 [2]	293	300,000	293
Series E	1,000 [1]	450,000 [3]	437	450,000	437
Series F	1,000	400,000	395	400,000	395
Series G	1,000	300,000	296	300,000	296
Total		2,050,000	$2,014	2,050,000	$2,014

[1] Equivalent to $25 per depositary share.
[2] Represented by 12,000,000 depositary shares each representing a 1/40th interest in the Series D Preferred Stock.
[3] Represented by 18,000,000 depositary shares each representing a 1/40th interest in the Series E Preferred Stock.

For further detail regarding the terms and conditions of the Company's preferred stock, see Note 17 in the Company's 2023 Form 10-K.

Dividends

The following table summarizes the Company's dividend activity for the three months ended March 31, 2024 and 2023.

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
(dollars in millions, except per share data)	Dividends Declared per Share	Dividends Declared	Dividends Paid	Dividends Declared per Share	Dividends Declared	Dividends Paid
Common stock	$0.42	$197	$197	$0.42	$205	$205
Preferred stock						
Series B	$21.72	$7	$7	$—	$—	$9
Series C	15.94	5	5	15.94	5	5
Series D	15.88	5	5	15.88	5	5
Series E	12.50	5	5	12.50	5	5
Series F	14.13	5	6	14.13	5	6
Series G	10.00	3	3	10.00	3	3
Total preferred stock		$30	$31		$23	$33

Treasury Stock

During the three months ended March 31, 2024 and 2023, the Company repurchased $300 million, or 9,244,939 shares, and repurchased $400 million, or 10,089,291 shares, respectively, of its outstanding common stock, which are held in treasury stock.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

A summary of outstanding off-balance sheet arrangements is presented below. For more information on these arrangements, see Note 19 in the Company's 2023 Form 10-K.

(dollars in millions)	March 31, 2024	December 31, 2023
Commitments to extend credit	$94,436	$94,201
Letters of credit	2,055	1,977
Loans sold with recourse	99	96
Marketing rights	17	18
Risk participation agreements	1	3
Total	$96,608	$96,295

Commitments to Extend Credit

Commitments to extend credit are agreements to lend to customers in accordance with conditions contractually agreed upon in advance. These commitments generally have fixed expiration dates or termination clauses and may require payment of a fee. Since many of these commitments are expected to expire without being drawn upon, the contract amounts are not necessarily indicative of future cash requirements.

Letters of Credit

Letters of credit in the table above reflect commercial, standby financial and standby performance letters of credit. Financial and performance standby letters of credit are issued by the Company for the benefit of its customers. They are used as conditional guarantees of payment to a third party in the event the customer either fails to make specific payments (financial) or fails to complete a specific project (performance). The Company's exposure to credit loss in the event of counterparty nonperformance in connection with the above instruments is represented by the contractual amount of those instruments. Letters of credit are generally collateralized by cash, accounts receivable, inventory or investment securities. Credit risk associated with letters of credit is considered in determining the appropriate amount of allowances for unfunded commitments. Standby letters of credit and commercial letters of credit are issued for terms of up to two years and one year, respectively.

Other Commitments

Citizens has additional off-balance sheet arrangements that are summarized below:

- Marketing Rights - During 2003, Citizens entered into a 25-year agreement to acquire the naming and marketing rights of a baseball stadium in Pennsylvania.
- Loans sold with recourse - Citizens is an originator and servicer of residential mortgages and routinely sells such mortgage loans in the secondary market and to GSEs. In the context of such sales, the Company makes certain representations and warranties regarding the characteristics of the underlying loans and, as a result, may be contractually required to repurchase such loans or indemnify certain parties against losses for certain breaches of those representations and warranties. The Company also sells the government guaranteed portion of certain SBA loans to outside investors, for which it retains the servicing rights.
- Risk Participation Agreements - RPAs are guarantees issued by the Company to other parties for a fee, whereby the Company agrees to participate in the credit risk of a derivative customer of the other party. The current amount of credit exposure is spread out over multiple counterparties. At March 31, 2024, the remaining terms on these RPAs ranged from less than one year to ten years.

Contingencies

The Company operates in a legal and regulatory environment that exposes it to potentially significant risks. A certain amount of litigation ordinarily results from the nature of the Company's banking and other businesses. The Company is a party to legal proceedings, including class actions. The Company is also the subject of investigations, reviews, subpoenas, and regulatory matters arising out of its normal business operations which, in some instances, relate to concerns about fair lending, unfair and/or deceptive practices, and mortgage-related issues. In addition, the Company engages in discussions with relevant governmental and regulatory authorities on a regular and ongoing basis regarding various issues, and any issues discussed or identified may result in investigatory or other action being taken. Litigation and regulatory matters may result in settlements, damages, fines, penalties, public or private censure, increased costs, required remediation, restrictions on business activities, or other impacts on the Company.

In these disputes and proceedings, the Company contests liability and the amount of damages as appropriate. Given their complex nature, and based on the Company's experience, it may be years before some of these matters are finally resolved. Moreover, before liability can be reasonably estimated for a claim, numerous legal and factual issues may need to be examined, including through potentially lengthy discovery and determination of important factual matters, and by addressing novel or unsettled legal issues relevant to the proceedings in question. The Company cannot predict with certainty if, how, or when such claims will be resolved or what the eventual settlement, fine, penalty or other relief, if any, may be, particularly for claims that are at an early stage in their development or where claimants seek substantial or indeterminate damages. The Company recognizes a provision for a claim when, in the opinion of management after seeking legal advice, it is probable that a liability exists and the amount of loss can be reasonably estimated. In many proceedings, however, it is not possible to determine whether any loss is probable or to estimate the amount of any loss.

Based on information currently available, the advice of legal counsel and other advisers, and established reserves, management believes that the aggregate liabilities, if any, potentially arising from these proceedings will not have a materially adverse effect on the Company's unaudited interim Consolidated Financial Statements.

NOTE 12 - FAIR VALUE MEASUREMENTS

Citizens measures or monitors many of its assets and liabilities on a fair value basis. Fair value is used on a recurring basis for assets and liabilities for which fair value is the required or elected measurement basis of accounting. Fair value is also used on a nonrecurring basis to evaluate assets for impairment or for disclosure purposes. Nonrecurring fair value adjustments typically involve the application of lower of cost or market accounting or write-downs of individual assets. Fair value measurement guidance is also applied to determine amounts reported for certain disclosures in this Note for assets and liabilities that are not required to be reported at fair value in the financial statements.

Fair Value Option

Citizens elected to account for residential mortgage LHFS and certain commercial and industrial, and commercial real estate LHFS at fair value. The following table presents the difference between the aggregate fair value and the aggregate unpaid principal balance of LHFS measured at fair value:

	March 31, 2024			December 31, 2023		
(dollars in millions)	Aggregate Fair Value	Aggregate Unpaid Principal	Aggregate Fair Value Greater (Less) Than Aggregate Unpaid Principal	Aggregate Fair Value	Aggregate Unpaid Principal	Aggregate Fair Value Greater (Less) Than Aggregate Unpaid Principal
Residential mortgage loans held for sale, at fair value	$437	$427	$10	$614	$593	$21
Commercial and industrial, and commercial real estate loans held for sale, at fair value	68	74	(6)	62	69	(7)

For more information on the election of the fair value option for these assets see Note 20 in the Company's 2023 Form 10-K.

Recurring Fair Value Measurements

Citizens utilizes a variety of valuation techniques to measure its assets and liabilities at fair value on a recurring basis. For more information on the valuation techniques utilized to measure fair value on a recurring basis, see Note 20 in the Company's 2023 Form 10-K.

Short-term investments

Short-term investments include corporate bonds and U.S. Treasury securities managed by the Company's trading desks. U.S. Treasury securities are classified as Level 1 in the fair value hierarchy as quoted prices in active markets are readily available. The fair value of corporate bonds is estimated using a combination of direct market quotes for a particular bond, or a comparable bond if recent market data is not available, and a discounted cash flow model that incorporates certain credit attributes of the bond issuer. External pricing services are utilized to corroborate the fair value of corporate bonds, which may result in an adjustment to the underlying bond's valuation if price differences exceed certain thresholds. Corporate bonds are classified as Level 2 in the fair value hierarchy given the observable market inputs utilized to value these instruments. Short-term investments are included in interest-bearing deposits in banks in the Consolidated Balance Sheets.

Short-term borrowed funds

Short-term borrowed funds include short positions in corporate bonds held by the Company's trading desks and are classified as Level 2 in the fair value hierarchy. See "Short-term investments" above for more information regarding the valuation technique utilized to value corporate bonds.

The following table presents assets and liabilities measured at fair value, including gross derivative assets and liabilities, on a recurring basis at March 31, 2024:

(dollars in millions)	Total	Level 1	Level 2	Level 3
Debt securities available for sale:				
Mortgage-backed securities	$26,122	$—	$26,122	$—
Collateralized loan obligations	294	—	294	—
State and political subdivisions	1	—	1	—
U.S. Treasury and other	4,770	4,770	—	—
Total debt securities available for sale	31,187	4,770	26,417	—
Loans held for sale, at fair value:				
Residential loans held for sale	437	—	437	—
Commercial loans held for sale	68	—	68	—
Total loans held for sale, at fair value	505	—	505	—
Mortgage servicing rights	1,564	—	—	1,564
Derivative assets:				
Interest rate contracts	481	—	481	—
Foreign exchange contracts	389	—	389	—
Commodities contracts	711	—	711	—
TBA contracts	2	—	2	—
Other contracts	8	—	—	8
Total derivative assets	1,591	—	1,583	8
Equity securities, at fair value[(1)]	118	118	—	—
Short-term investments	21	10	11	—
Total assets	$34,986	$4,898	$28,516	$1,572
Derivative liabilities:				
Interest rate contracts	$1,316	$—	$1,316	$—
Foreign exchange contracts	290	—	290	—
Commodities contracts	665	—	665	—
TBA contracts	5	—	5	—
Other contracts	—	—	—	—
Total derivative liabilities	2,276	—	2,276	—
Short-term borrowed funds	9	—	9	—
Total liabilities	$2,285	$—	$2,285	$—

[(1)] Excludes investments of $60 million included in other assets in the Consolidated Balance Sheets that are measured at fair value using the net asset value per share (or its equivalent) practical expedient. These investments include capital contributions to private investment funds and have unfunded capital commitments of $25 million at March 31, 2024, which may be called at any time during prescribed time periods. The credit exposure is generally limited to the carrying amount of investments made and unfunded capital commitments.

The following table presents assets and liabilities measured at fair value, including gross derivative assets and liabilities, on a recurring basis at December 31, 2023:

(dollars in millions)	Total	Level 1	Level 2	Level 3
Debt securities available for sale:				
Mortgage-backed securities	$24,732	$—	$24,732	$—
Collateralized loan obligations	664	—	664	—
State and political subdivisions	1	—	1	—
U.S. Treasury and other	4,380	4,380	—	—
Total debt securities available for sale	29,777	4,380	25,397	—
Loans held for sale, at fair value:				
Residential loans held for sale	614	—	614	—
Commercial loans held for sale	62	—	62	—
Total loans held for sale, at fair value	676	—	676	—
Mortgage servicing rights	1,552	—	—	1,552
Derivative assets:				
Interest rate contracts	464	—	464	—
Foreign exchange contracts	434	—	434	—
Commodities contracts	685	—	685	—
TBA contracts	3	—	3	—
Other contracts	7	—	—	7
Total derivative assets	1,593	—	1,586	7
Equity securities, at fair value[(1)]	115	115	—	—
Total assets	$33,713	$4,495	$27,659	$1,559
Derivative liabilities:				
Interest rate contracts	$1,149	$—	$1,149	$—
Foreign exchange contracts	378	—	378	—
Commodities contracts	640	—	640	—
TBA contracts	16	—	16	—
Other contracts	—	—	—	—
Total derivative liabilities	2,183	—	2,183	—
Total liabilities	$2,183	$—	$2,183	$—

[(1)] Excludes investments of $58 million included in other assets in the Consolidated Balance Sheets that are measured at fair value using the net asset value per share (or its equivalent) practical expedient. These investments include capital contributions to private investment funds and have unfunded capital commitments of $28 million at December 31, 2023, which may be called at any time during prescribed time periods. The credit exposure is generally limited to the carrying amount of investments made and unfunded capital commitments.

The following tables present a roll forward of the balance sheet amounts for assets and liabilities measured at fair value on a recurring basis and classified as Level 3:

	Three Months Ended March 31, 2024	
(dollars in millions)	Mortgage Servicing Rights	Other Derivative Contracts
Beginning balance	$1,552	$7
Issuances	18	13
Settlements[1]	(46)	(10)
Changes in fair value during the period recognized in earnings[2]	40	(2)
Ending balance	$1,564	$8

	Three Months Ended March 31, 2023	
(dollars in millions)	Mortgage Servicing Rights	Other Derivative Contracts
Beginning balance	$1,530	$1
Issuances	21	15
Settlements[1]	(41)	(5)
Changes in fair value during the period recognized in earnings[2]	(14)	2
Ending balance	$1,496	$13

[1] For MSRs, represents changes in value of the MSRs due to i) passage of time including the impact from both regularly scheduled loan principal payments and partial paydowns, and ii) loans that paid off during the period. For other derivative contracts, represents the closeout of interest rate lock commitments.
[2] Represents changes in value primarily driven by market conditions. These changes are recorded in mortgage banking fees in the Consolidated Statements of Operations.

The following table presents quantitative information about significant unobservable inputs utilized to measure the fair value of Level 3 assets and liabilities.

			As of March 31, 2024	As of December 31, 2023
Financial Instrument	Valuation Technique	Unobservable Input	Range (Weighted Average)	Range (Weighted Average)
Mortgage servicing rights	Discounted Cash Flow	Constant prepayment rate	5.76-17.58% CPR (6.96% CPR)	6.70-14.55% CPR (7.23% CPR)
		Option adjusted spread	398-1,058 bps (632 bps)	398-1,058 bps (630 bps)
Other derivative contracts	Internal Model	Pull through rate	24.12-100.00% (76.07%)	24.90-99.70% (80.34%)
		MSR value	7.20-153.60 bps (100.58 bps)	(8.90)-141.24 bps (88.04 bps)

Nonrecurring Fair Value Measurements

Fair value is also used on a nonrecurring basis to evaluate certain assets for impairment or for disclosure purposes. For more information on the valuation techniques utilized to measure fair value on a nonrecurring basis, see Note 20 in the Company's 2023 Form 10-K.

The following table presents losses on assets measured at fair value on a nonrecurring basis and recorded in earnings:

	Three Months Ended March 31,	
(dollars in millions)	2024	2023
Collateral-dependent loans	($56)	($4)

The following table presents assets measured at fair value on a nonrecurring basis:

	March 31, 2024				December 31, 2023			
(dollars in millions)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Collateral-dependent loans	$881	$—	$881	$—	$789	$—	$789	$—

Fair Value of Financial Instruments

The following tables present the estimated fair value for financial instruments not recorded at fair value in the Consolidated Financial Statements. The carrying amounts are recorded in the Consolidated Balance Sheets under the indicated captions:

	March 31, 2024							
	Total		Level 1		Level 2		Level 3	
(dollars in millions)	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:								
Debt securities held to maturity	$9,054	$8,132	$—	$—	$8,587	$7,682	$467	$450
Other loans held for sale	50	50	—	—	—	—	50	50
Net loans and leases	141,102	137,760	—	—	881	881	140,221	136,879
Other assets	791	791	—	—	768	768	23	23
Financial liabilities:								
Deposits	176,428	176,162	—	—	176,428	176,162	—	—
Short-term borrowed funds	9	9	—	—	9	9	—	—
Long-term borrowed funds	13,804	13,421	—	—	13,804	13,421	—	—

	December 31, 2023							
	Total		Level 1		Level 2		Level 3	
(dollars in millions)	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:								
Debt securities held to maturity	$9,184	$8,350	$—	$—	$8,696	$7,887	$488	$463
Other loans held for sale	103	103	—	—	—	—	103	103
Net loans and leases	143,861	140,504	—	—	789	789	143,072	139,715
Other assets	869	869	—	—	851	851	18	18
Financial liabilities:								
Deposits	177,342	177,096	—	—	177,342	177,096	—	—
Short-term borrowed funds	505	505	—	—	505	505	—	—
Long-term borrowed funds	13,467	13,012	—	—	13,467	13,012	—	—

NOTE 13 - NONINTEREST INCOME

Revenues from Contracts with Customers

The following tables present the components of revenue from contracts with customers disaggregated by revenue stream and business operating segment:

	Three Months Ended March 31, 2024				
(dollars in millions)	Consumer Banking	Commercial Banking	Non-Core	Other	Consolidated
Service charges and fees	$63	$33	$—	$—	$96
Card fees	66	15	—	3	84
Capital markets fees	—	116	—	—	116
Trust and investment services fees	68	—	—	—	68
Other banking fees	1	2	—	—	3
Total revenue from contracts with customers	$198	$166	$—	$3	$367
Total revenue from other sources[(1)]	60	61	—	29	150
Total noninterest income	$258	$227	$—	$32	$517

	Three Months Ended March 31, 2023				
(dollars in millions)	Consumer Banking	Commercial Banking	Non-Core	Other	Consolidated
Service charges and fees	$67	$32	$—	$—	$99
Card fees	59	12	—	—	71
Capital markets fees	—	71	—	—	71
Trust and investment services fees	63	—	—	—	63
Other banking fees	1	4	—	—	5
Total revenue from contracts with customers	$190	$119	$—	$—	$309
Total revenue from other sources[(1)]	66	82	—	28	176
Total noninterest income	$256	$201	$—	$28	$485

[(1)] Includes bank-owned life insurance income of $24 million and $23 million for the three months ended March 31, 2024 and 2023, respectively.

The Company recognized trailing commissions of $4 million for the three months ended March 31, 2024 and 2023, related to ongoing commissions from previous investment sales.

NOTE 14 - OTHER OPERATING EXPENSE

The following table presents the details of other operating expense:

	Three Months Ended March 31,	
(dollars in millions)	2024	2023
Marketing	$35	$38
Deposit insurance	76	36
Other	92	95
Other operating expense	$203	$169

NOTE 15 - EARNINGS PER SHARE

(dollars in millions, except per share data)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Numerator (basic and diluted):		
Net income	$334	$511
Less: Preferred stock dividends	30	23
Net income available to common stockholders	$304	$488
Denominator:		
Weighted-average common shares outstanding - basic	461,358,681	485,444,313
Dilutive common shares: share-based awards	2,439,283	2,267,833
Weighted-average common shares outstanding - diluted	463,797,964	487,712,146
Earnings per common share:		
Basic	$0.66	$1.00
Diluted[(1)]	0.65	1.00

[(1)] Potential dilutive common shares are excluded from the computation of diluted EPS in the periods where the effect would be antidilutive. Excluded from the computation of diluted EPS were weighted average antidilutive shares totaling 1,305,850 and 1,278,383 for the three months ended March 31, 2024 and 2023, respectively.

NOTE 16 - BUSINESS OPERATING SEGMENTS

Citizens is managed by its Chief Executive Officer on a segment basis. The Company's three business operating segments are Consumer Banking, Commercial Banking, and Non-Core. The business operating segments are determined based on the products and services provided, or the type of customer served. Each business operating segment has a segment head that reports directly to the Chief Executive Officer, who has final authority over resource allocation decisions and performance assessment. The business operating segments reflect this management structure and the manner in which financial information is currently evaluated by the Chief Executive Officer.

Developing and applying methodologies used to allocate items among the business operating segments is a dynamic process. Accordingly, financial results may be revised periodically as management systems are enhanced, methods of evaluating performance or product lines are updated, or organizational structure changes occur.

See Note 1 for a description of segment changes made during the third quarter of 2023. For more information on the Company's business operating segments, as well as Other non-segment operations, see Note 26 in the Company's 2023 Form 10-K.

	Three Months Ended March 31, 2024				
(dollars in millions)	Consumer Banking	Commercial Banking	Non-Core	Other	Consolidated
Net interest income	$1,093	$514	($37)	($128)	$1,442
Noninterest income	258	227	—	32	517
Total revenue	1,351	741	(37)	(96)	1,959
Noninterest expense	903	317	25	113	1,358
Profit (loss) before provision (benefit) for credit losses	448	424	(62)	(209)	601
Provision (benefit) for credit losses	81	81	19	(10)	171
Income (loss) before income tax expense (benefit)	367	343	(81)	(199)	430
Income tax expense (benefit)	95	84	(21)	(62)	96
Net income (loss)	$272	$259	($60)	($137)	$334
Total average assets	$73,833	$70,100	$10,554	$66,283	$220,770

(dollars in millions)	Three Months Ended March 31, 2023				
	Consumer Banking	Commercial Banking	Non-Core	Other	Consolidated
Net interest income	$1,011	$597	($15)	$50	$1,643
Noninterest income	256	201	—	28	485
Total revenue	1,267	798	(15)	78	2,128
Noninterest expense	857	331	32	76	1,296
Profit (loss) before provision (benefit) for credit losses	410	467	(47)	2	832
Provision (benefit) for credit losses	63	47	21	37	168
Income (loss) before income tax expense (benefit)	347	420	(68)	(35)	664
Income tax expense (benefit)	90	101	(18)	(20)	153
Net income (loss)	$257	$319	($50)	($15)	$511
Total average assets	$71,872	$78,891	$15,686	$56,262	$222,711

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk are presented in the “Market Risk” section of Part I, Item 2 and is incorporated herein by reference.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. The design of any disclosure controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this quarterly report on Form 10-Q, an evaluation was carried out under the supervision and with the participation of the Company’s management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures. Based on that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures, as of the end of the period covered by this quarterly report on Form 10-Q, were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to the Company’s management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this quarterly report on Form 10-Q that materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information required by this item is presented in Note 11 and is incorporated herein by reference.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Report, you should consider the risks described under Item 1A “Risk Factors” in the Company’s 2023 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Details of the repurchases of the Company's common stock during the three months ended March 31, 2024 are included below:

Period	Total Number of Shares Repurchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	Maximum Dollar Amount of Shares That May Yet Be Purchased as Part of Publicly Announced Plans or Programs[2]
January 1, 2024 - January 31, 2024	1,167,972	$33.30	1,167,972	$1,055,111,234
February 1, 2024 - February 29, 2024	6,827,356	$32.34	6,827,224	$834,285,967
March 1, 2024 - March 31, 2024	1,249,611	$32.27	1,248,350	$794,000,087

[1] Includes shares repurchased to satisfy applicable tax withholding obligations in connection with an employee share-based compensation plan and the forfeiture of unvested restricted stock awards.
[2] On February 17, 2023, the Company announced that its Board of Directors increased the capacity under its common share repurchase program by an additional $1.15 billion, which was incremental to the $850 million of capacity remaining as of December 31, 2022 under the prior June 2022 authorization.

Common stock share repurchases may be executed in the open market or in privately negotiated transactions, including under Rule 10b5-1 plans and accelerated share repurchase and other structured transactions. The timing and exact amount of future share repurchases will be subject to various factors, including the Company's capital position, financial performance, capital impacts of strategic initiatives, market conditions, and regulatory considerations.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

3.1 Amended and Restated Certificate of Incorporation of the Registrant as in effect on the date hereof, as filed with the Secretary of State of the State of Delaware and effective April 28, 2022 (incorporated herein by reference to Exhibit 3.1 of the Current Report on Form 8-K, filed April 29, 2022)

3.2 Amended and Restated Bylaws of the Registrant (as amended and restated on February 16, 2023) (incorporated herein by reference to Exhibit 3.2 of the Annual Report on Form 10-K, filed February 17, 2023)

10.1 Citizens Financial Group, Inc. Non-Employee Directors Compensation Policy, Amended and Effective as of April 25, 2024†*

10.2 Amended and Restated Citizens Financial Group, Inc. 2014 Omnibus Incentive Plan, Amended and Restated Effective as of April 25, 2024†*

10.3 Amended and Restated Citizens Financial Group, Inc. 2014 Non-Employee Directors Compensation Plan, Amended and Restated Effective as of April 25, 2024†*

10.4 Amended and Restated Citizens Financial Group, Inc. 2014 Employee Stock Purchase Plan, Amended and Restated Effective as of July 1, 2024†*

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*

32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

101 The following materials from the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2024, formatted in inline XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Changes in Stockholders' Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements*

104 Cover page interactive data file in inline XBRL format, included in Exhibit 101 to this report*

† Indicates management contract or compensatory plan or arrangement.
* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on May 6, 2024.

CITIZENS FINANCIAL GROUP, INC.
(Registrant)

By: /s/ C. Jack Read
Name: C. Jack Read
Title: Executive Vice President, Chief Accounting Officer and Controller
(Principal Accounting Officer and Authorized Officer)

CITIZENS FINANCIAL GROUP, INC.
NON-EMPLOYEE DIRECTORS COMPENSATION POLICY

Amended and Effective as of April 25, 2024

The Board of Directors (the "**Board**") of Citizens Financial Group, Inc. (the "**Company**") has approved this director compensation policy (this "**Policy**"), which establishes compensation to be paid to each Non-Employee Director (as defined in the Citizens Financial Group, Inc. 2014 Non-Employee Directors Compensation Plan (the "**Plan**")), as an inducement to obtain and retain the services of persons qualified to serve as members of the Board. Capitalized terms used but not defined in this Policy will have the meanings set forth in the Plan.

This Policy is subject to annual review by the Compensation and Human Resources Committee of the Board (the "**Committee**") to confirm continued alignment between the compensation of the Company's Non-Employee Directors, the Company's business and its shareholders' interests, and to ensure that the Company's director compensation program is competitive with those of its peers. During the course of its review, the Committee may consider the annual retainer, lead director and committee chair retainers, meeting fees and other benefits offered to Non-Employee Directors and payable under this Policy. The Committee may amend, revise, suspend, discontinue or terminate this Policy at any time.

The elements of compensation for the Company's Non-Employee Directors below are expressed as annual amounts.

Cash Retainers

Board Retainer ……..	$105,000
Lead Director Retainer ……	$50,000
Audit Committee Chair Retainer ……	$35,000
Risk Committee Chair Retainer…….……..	$35,000
Compensation and Human Resources Chair Retainer ……..……	$30,000
Nominating and Governance Chair Retainer…….……..…	$25,000
Audit Committee Member Retainer (including Chair)..……	$10,000

The cash retainers are payable quarterly in advance, with the first quarterly payment to occur as soon as practicable following the annual general meeting of stockholders (each such date, a "**Payment Date**").

Equity Retainer

On the date of each annual general meeting of stockholders of the Company, each Non-Employee Director who at such meeting is elected to serve on the Board or whose term is scheduled to continue at least through the date of the next such meeting of stockholders will receive an annual award of restricted stock units ("**RSUs**") pursuant to and subject to the Plan (and any applicable award agreement thereunder). The number of shares of Company common stock, par value $0.01 per share ("**Common Stock**") covered by the annual RSU award will be determined by dividing $155,000 by the closing price of a share of Common Stock on the grant date. Each annual award will vest 100% on the earlier to occur of the first anniversary of the grant date or the Company's next scheduled annual general meeting of stockholders, subject to the terms and conditions of the Plan and applicable award agreement thereunder. Notwithstanding anything else in this Policy, the aggregate value of equity awards granted to any Non-Employee Director for service on the Board in any calendar year shall not exceed the limit set forth in the Citizens Financial Group, Inc. 2024 Non-Employee Directors Compensation Plan.

Any Non-Employee Director who commences service on the Board on a date other than the date of the Company's annual general meeting of stockholders will receive on such start date a pro-rated annual award, with the number of shares of Common Stock covered by such award determined by dividing (i) the product of $155,000 and a fraction, the numerator of which is 365 minus the number of days that have elapsed between the date of such meeting and such start date, and the denominator of which is 365, by (ii) the closing price of a share of Common Stock on such start date.

Other Director Benefits

- *Charitable Matching Gift Program*. The Company will match each Non-Employee Director's contributions to qualifying charities up to an aggregate limit of $5,000 per year.

- *Expenses Relating to Board Service*. The Company will reimburse each Non-Employee Director for reasonable expenses incurred by such Non-Employee Director in connection with his or her Board service, including travel, lodging and meals, subject to the Company's requirements for reporting and documentation of such expenses.

Deferred Compensation Plan

Non-Employee Directors are eligible to participate in the Deferred Compensation Plan for Directors of Citizens Financial Group, Inc., with such terms and conditions as are in effect from time to time.

Stock Ownership Guidelines

Non-Employee Directors are subject to stock ownership guidelines requiring ownership of a number of shares with a value equal to five times their annual cash retainer.

Overall Non-Employee Director Compensation Limit

Notwithstanding the limits or benefits expressed elsewhere in this policy, the aggregate value of all cash and equity-based retainers granted or paid, as applicable, by the Company to any individual for service as a Non-Employee Director of the Company in any calendar year will not exceed $750,000 in total value, calculating the value of any equity-based awards using the grant date fair value of such awards.

AMENDED & RESTATED
CITIZENS FINANCIAL GROUP, INC.
2014 OMNIBUS INCENTIVE PLAN

Amended & Restated Effective as of April 25, 2024

Section 1. *Purpose*. The purpose of the Amended & Restated Citizens Financial Group, Inc. 2014 Omnibus Incentive Plan (the "**Plan**") is to attract, retain, and motivate employees and other individuals performing services to the Company to contribute to the long-term success of Citizens Financial Group, Inc. (together with its subsidiaries and any and all successor entities, the "**Company**"), thereby furthering the best interests of the Company and its shareholders. The Citizens Financial Group, Inc. 2014 Omnibus Incentive Plan was originally effective as of September 29, 2014 upon our initial public offering and was subsequently amended and restated on June 23, 2016 and June 20, 2019 (the "**Pre-Restatement Plan**"). The Plan is being further amended and restated, subject to and effective upon approval by the Company's shareholders. The number of Shares to be reserved under the Plan is specified under Section 5(a) of the Plan. Upon the Effective Date of the Plan, any Shares reserved for issuance under the Pre-Restatement Plan in excess of the amount reserved under the Plan that are not subject to outstanding awards will be returned to unallocated shares, and will not be available for future grants under the Plan. Any Awards issued prior to the Effective Date of the Plan will continue to be governed by the terms of the Pre-Restatement Plan in effect when the applicable Awards were granted.

Section 2. *Definitions*. As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**Affiliate**" means (i) the Company's parents, subsidiaries, affiliates or their respective successors, (ii) any entity that, directly or indirectly, is controlled by the Company, and (iii) any other company which the Board determines should be treated as an "Affiliate."

(b) "**Applicable Law**" means the laws, rules, regulations and other requirements related to or implicated by the administration of the Plan under applicable state corporate law; United States federal and state securities laws, including the Exchange Act; the Code; the Dodd-Frank Act; United States federal and state banking laws; any rules of stock exchange or quotation system on which the Shares are listed or quoted; any banking law regulations, including rules, regulations and guidance from the Federal Reserve Board; any other applicable rules, regulations or guidance promulgated by an administrative agency or commission or other governmental authority; and the applicable laws and regulations of any foreign country or jurisdiction where Participants provide services or where Awards are granted under the Plan.

(c) "**Award**" means any Option, SAR, Restricted Stock, RSU, Performance Award, Other Cash-Based Award or Other Share-Based Award granted under the Plan.

(d) "**Award Agreement**" means any agreement, contract or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant.

(e) "**Beneficial Owner**" has the meaning ascribed to such term in Rule 13d-3 under the Exchange Act.

(f) "**Beneficiary**" means a Person entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. If no such Person can be named or is named by the Participant, or if no Beneficiary designated by such Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, such Participant's Beneficiary shall be such Participant's estate.

(g) "**Board**" means the board of directors of the Company.

(h) "**Change of Control**" means the occurrence of any one or more of the following events, except as otherwise provided in the Participant's Award Agreement:

(i) any Person, other than an employee benefit plan or trust maintained by the Company, becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors;

(ii) at any time during a period of 12 consecutive months, individuals who at the beginning of such period constituted the Board and any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, cease for any reason to constitute a majority of members of the Board; or

(iii) the consummation of (A) a merger or consolidation of the Company with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power and total fair market value of the securities of the Company or such surviving entity or parent outstanding immediately after such merger or consolidation, or (B) any sale, lease, exchange or other transfer to any Person of assets of the Company, in one transaction or a series of related transactions, having an aggregate fair market value of more than 50% of the fair market value of the Company and its subsidiaries (the "**Company Value**") immediately prior to such transaction(s), but only to the extent that, in connection with such transaction(s) or within a reasonable period thereafter, the Company's shareholders receive distributions of cash and/or assets having a fair market value that is greater than 50% of the Company Value immediately prior to such transaction(s).

Notwithstanding the foregoing or any provision of any Award Agreement to the contrary, for any Award that provides for accelerated distribution on a Change of Control of amounts that constitute "deferred compensation" (as defined in Section 409A of the Code and the regulations thereunder), if the event that constitutes such Change of Control does not also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets (in either case, as defined in Section 409A of the Code), such amount shall not be distributed on such Change of Control but instead shall vest as of the date of such Change of Control and shall be paid on the scheduled payment date specified in the applicable Award Agreement, except to the extent that earlier distribution would not result in the Participant who holds such Award incurring interest or additional tax under Section 409A of the Code.

(i) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Code shall include any successor provision thereto.

(j) "**Committee**" means the compensation committee of the Board unless another committee is designated by the Board. If there is no compensation committee of the Board and the Board does not designate another committee, references herein to the "Committee" shall refer to the Board.

(k) "**Consultant**" means any individual, including an advisor, who is providing services to the Company or any Subsidiary, other than as an Employee or non-employee Director, or who has accepted an offer of service or consultancy from the Company or any Subsidiary.

(l) "**Director**" means any member of the Company's Board.

(m) "**Dodd-Frank Act**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Dodd-Frank Act shall include any successor provision thereto.

(n) "**Effective Date**" means April 25, 2024, subject to approval of the Plan by the Company's shareholders.

(o) "**Employee**" means any individual, including any officer, employed by the Company or any Subsidiary or any prospective employee or officer who has accepted an offer of employment from the Company or any Subsidiary, with the status of employment determined based upon such factors as are deemed appropriate by the Committee in its discretion, subject to any requirements of the Code or Applicable Law.

(p) "**Employment Agreement**" means any employment, severance, consulting or similar agreement (including any offer letter) between the Company or any Subsidiary and the Participant.

(q) "**Exercise Price**" means the Fair Market Value of a Share on the date of grant of a SAR or Option, or such other value as determined by the Committee pursuant to Applicable Law.

(r) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Exchange Act shall include any successor provision thereto.

(s) "**Fair Market Value**" means (i) with respect to Shares, the closing price of a Share on the applicable day (or, if there is no reported sale on such applicable day, on the last preceding date on which any reported sale occurred), on the principal stock market or exchange on which the Shares are quoted or traded, or if Shares are not so quoted or traded, fair market value of a Share as determined by the Committee, and (ii) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.

(t) "**Incentive Stock Option**" means an Option representing the right to purchase Shares from the Company, granted pursuant to the provisions of Section 6, that meets the requirements of Section 422 of the Code.

(u) "**Intrinsic Value**" with respect to an Option or SAR Award means (i) the excess, if any, of the price or implied price per Share in a Change of Control or other event *over* (ii) the Exercise Price of such Award *multiplied* by (iii) the number of Shares covered by such Award.

(v) "**Non-Qualified Stock Option**" means an Option representing the right to purchase Shares from the Company, granted pursuant to Section 6, that is not an Incentive Stock Option.

(w) "**Option**" means an Incentive Stock Option or a Non-Qualified Stock Option.

(x) "**Other Cash-Based Award**" means a cash Award granted pursuant to Section 10, including cash awarded as a bonus or upon the attainment of specified performance criteria or otherwise as permitted under the Plan.

(y) "**Other Share-Based Award**" means an Award granted pursuant to Section 10 that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, Awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Committee.

(z) "**Participant**" means the recipient of an Award granted under the Plan.

(aa) "**Performance Award**" means an Award granted pursuant to Section 9.

(ab) "**Performance Period**" means the period established by the Committee at the time any Performance Award is granted or at any time thereafter during which any performance goals specified by the Committee with respect to such Award are measured.

(ac) "**Person**" has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including "group" as defined in Section 13(d) thereof.

(ad) "**Restricted Stock**" means any Share granted pursuant to Section 8.

(ae) "**RSU**" means a contractual right granted pursuant to Section 8 that is denominated in Shares. Each RSU represents a right to receive the value of one Share (or a percentage of such value) in cash, Shares or a combination thereof. Awards of RSUs may include the right to receive dividend equivalents.

(af) "**SAR**" means any right granted pursuant to Section 7 to receive upon exercise by the Participant or settlement, in cash, Shares or a combination thereof, the excess of (i) the Fair Market Value of one Share on the date of exercise or settlement over (ii) the Exercise Price of the right on the date of grant, or if granted in connection with an Option, on the date of grant of the Option.

(ag) "**SEC**" means the Securities and Exchange Commission.

(ah) 0"**Shares**" means shares of the Company's common stock, $0.01 par value per Share.

(ai) "**Subsidiary**" means (i) any entity that, directly or indirectly, is controlled by the Company, (ii) any entity in which the Company, directly or indirectly, has a significant equity interest, in each case as determined by the Committee and (iii) any other company which the Committee determines should be treated as a "Subsidiary."

(aj) "**Substitute Award**" means an Award granted in assumption of, or in substitution for, an outstanding award previously granted by a company or other business acquired by the Company or with which the Company combines.

(ak) "**Ten Percent Shareholder**" means a Person owning Shares possessing more than 10% of the total combined voting power of all classes of stock of the Company or its Subsidiaries.

(al) "**Termination of Service**" means (a) a termination of employment (for reasons other than a military or approved personal leave of absence) of a Participant from the Company and a Subsidiary; or (b) when an entity that is employing a Participant ceases to be a Subsidiary, unless the Participant otherwise is, or thereupon becomes, employed by the Company or another Subsidiary at the time the entity ceases to be a Subsidiary. In the event that an Employee becomes a Consultant upon the termination of his or her employment, unless otherwise determined by the Committee, no Termination of Service shall be deemed to occur until such time as such Employee or Consultant is no longer eligible to participate in the Plan. Notwithstanding the foregoing, the Committee may otherwise define Termination of Service in the Award Agreement or, if no rights of a Participant are reduced, may otherwise define Termination of Service thereafter.

Section 3. *Eligibility*.

(a) Any Employee, Consultant or any other individual who provides services to the Company or any Subsidiary shall be eligible to be selected to receive an Award under the Plan, to the extent an offer of an Award or a receipt of such Award is permitted by Applicable Law or accounting rules and regulations.

(b) Holders of options and other types of awards granted by a company acquired by the Company or with which the Company combines may be eligible for grants of Substitute Awards under the Plan to the extent permitted under applicable regulations of any stock exchange on which the Company is listed.

Section 4. *Administration*.

(a) *Administration of the Plan*. The Plan shall be administered by the Committee, which shall be appointed by the Board. All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, its shareholders, Participants and any Beneficiaries thereof. The Committee may issue rules and regulations for administration of the Plan. It shall meet at such times and places as it may determine.

(b) *Composition of Committee*. To the extent necessary or desirable to comply with Applicable Law and other applicable regulatory regimes, any action by the Committee shall require the approval of Committee members who are (i) independent, within the meaning of and to the extent required by applicable rulings and interpretations of the applicable stock market or exchange on which the Shares are quoted or traded; (ii) a non-employee Director within the meaning of Rule 16b-3 under the Exchange Act; and (iii) an outside Director pursuant to Section 162(m) of the Code. The Board may designate one or more Directors as alternate members of the Committee who may replace any absent or disqualified member at any meeting of the Committee. To the extent permitted by Applicable Law, including under Section 157(c) of the Delaware General Corporation Law, the Committee may delegate to one or more officers of the Company the authority to grant Options and SARs or other Awards in the form of Share rights, except that such delegation shall not be applicable to any Award for a Person then covered by Section 16 of the Exchange Act, and the Committee may delegate to one or more committees of the Board (which may consist of solely one Director) the authority to grant all types of Awards, in accordance with Applicable Law.

(c) *Authority of Committee*. Subject to the terms of the Plan and Applicable Law, the Committee (or its delegate) shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash, Shares, other Awards, other property, net settlement, or any combination thereof, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) amend terms or conditions of any outstanding Awards or portion thereof, including without limitation, to accelerate the time or times at which the Award becomes vested, unrestricted or may be exercised; (viii) correct any defect, supply any omission and reconcile any inconsistency in the Plan or any Award, in the manner and to the extent it shall deem desirable to carry the Plan into effect; (ix) interpret and administer the Plan and all Award Agreements, including any instrument or agreement relating to, or Award made under, the Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents, trustees, brokers, depositories and advisors and determine such terms of their engagement as it shall deem appropriate for the proper administration of the Plan and due compliance with Applicable Law or accounting rules and regulations; and (xi) make any other determination and take any other action that the

Committee deems necessary or desirable for the administration of the Plan and due compliance with Applicable Law or accounting rules and regulations. Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, grant Awards or administer the Plan. In any such case, the Board shall have all of the authority and responsibility granted to the Committee herein.

Section 5. *Shares Available for Awards*.

(a) Subject to adjustment as provided in Section 5(c) and except for Substitute Awards, the maximum number of Shares available for issuance under the Plan shall not exceed in the aggregate 13,000,000 Shares.

(b) If any Award is forfeited, expires, terminates, otherwise lapses or is settled for cash, in whole or in part, without the delivery of Shares, then the Shares covered by such forfeited, expired, terminated or lapsed Award if any, shall again be available for grant under the Plan. For the avoidance of doubt, the following Shares will not again become available for issuance under the Plan: (i) any Shares withheld in respect of taxes relating to any Award; (ii) any Shares tendered or withheld to pay the Exercise Price of Options; (iii) any Shares not issued or delivered as a result of the net settlement of SARs; or (iv) Shares repurchased by the Company on the open market with the cash proceeds from the exercise of Options.

(c) In the event that the Committee determines that, as a result of any dividend or other distribution (whether in the form of cash, Shares or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, separation, rights offering, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, issuance of Shares pursuant to the anti-dilution provisions of securities of the Company, or other similar corporate transaction or event affecting the Shares, an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, subject to compliance with Section 409A of the Code, adjust equitably (including, without limitation, by payment of cash) any or all of:

(i) the number and type of Shares (or other securities) which thereafter may be made the subject of Awards, including the aggregate limit specified in Section 5(a) and the individual limits specified in Section 5(e);

(ii) the number and type of Shares (or other securities) subject to outstanding Awards; and

(iii) the grant, purchase, or Exercise Price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award;

provided, *however*, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

(d) Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or Shares acquired by the Company.

(e) The following limits shall apply to the amount that may be awarded to any Participant during any calendar year, subject to adjustment as provided in Section 5(c): (i) Options and SARs that relate to no more than 1,000,000 Shares; (ii) Restricted Stock and RSUs that relate to no more than 1,000,000 Shares; (iii) Share-based Performance Awards and Other Share-Based Awards that relate to no more than 1,000,000 Shares; (iv) cash awards that relate to no more than $15,000,000; and (v) cash-based Performance Awards that relate to no more than $15,000,000.

Section 6. *Options.* The Committee is authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) The Exercise Price per Share under an Option shall be determined by the Committee at the time of grant; *provided*, *however*, that, except in the case of Substitute Awards, and subject to Section 6(f), such Exercise Price shall not be less than the Fair Market Value of a Share on the date of grant of such Option.

(b) The term of each Option shall be fixed by the Committee but shall not exceed 10 years from the date of grant of such Option; *provided* that the Committee may (but shall not be required to) provide in an Award Agreement for an extension of such 10-year term in the event the exercise of the Option would be prohibited by law on the expiration date.

(c) Subject to the terms of the Plan, the Committee shall determine the time or times at which an Option becomes vested and exercisable in whole or in part, and such vesting and exercise information shall be set forth in a Participant's electronic account hosted by the stock plan administrator.

(d) The Committee shall determine the method or methods by which payment of the Exercise Price of an Option may be made or deemed to have been made, and such form or forms may include cash, Shares, other Awards, other property, net settlement, broker assisted cashless exercise or any combination thereof, having a Fair Market Value on the exercise date equal to the Exercise Price of the Shares as to which the Option shall be exercised, in which payment of the Exercise Price with respect thereto may be made or deemed to have been made.

(e) No grant of Options may be accompanied by a tandem award of dividend equivalents or provide for dividends, dividend equivalents or other distributions to be paid on Options.

(f) The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code. Incentive Stock Options may be granted only to employees of the Company or of a parent or subsidiary corporation (as defined in Section 424(a) of the Code). Notwithstanding any designation as an Incentive Stock Option, to the extent that the aggregate Fair Market Value of Shares subject to a Participant's Incentive Stock Options that become exercisable for the first time during any calendar year exceeds $100,000, such excess Options shall be treated as Non-Qualified Stock Options with no further action taken or required to be taken by the Participant, the Company, the Board, or the Committee. For purposes of the foregoing, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the time of grant. No Incentive Stock Options may be issued more than ten years following the earlier of (i) the date of adoption of this Plan by the Board or (ii) the date of approval of this Plan by the Company's shareholders. In the case of a Ten Percent Shareholder, the Exercise Price per Share under an Incentive Stock Option shall not be less than 110% of the Fair Market Value on the date of grant of such Incentive Stock Option and the term of such Incentive Stock Option shall not exceed five years from the date of grant of such Incentive Stock Option.

(g) Stock Options shall not provide for the grant of the same number of Options as the number of shares used to pay for the Exercise Price of Options or Shares used to pay withholding taxes (i.e., "reloads").

Section 7. *Stock Appreciation Rights*. The Committee is authorized to grant SARs to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) SARs may be granted under the Plan to Participants either alone ("freestanding") or in addition to other Awards granted under the Plan ("tandem") and may, but need not, relate to a specific Option granted under Section 6.

(b) The Exercise Price per Share under a SAR shall be determined by the Committee; *provided*, *however*, that, except in the case of Substitute Awards, such Exercise Price shall not be less than the Fair Market Value of a Share on the date of grant of such SAR.

(c) The term of each SAR shall be fixed by the Committee but shall not exceed 10 years from the date of grant of such SAR.

(d) Subject to Section 12(i), the Committee shall determine the time or times at which a SAR may be exercised or settled in whole or in part.

(e) Upon the exercise of a SAR, the Company shall pay to the Participant an amount equal to the number of Shares subject to the SAR multiplied by the excess, if any, of the Fair Market Value of one Share on the exercise date over the Exercise Price of such SAR. The Company shall pay such excess in cash, in Shares valued at Fair Market Value, or any combination thereof, as determined by the Committee.

(f) No grant of SARs may be accompanied by a tandem award of dividend equivalents or provide for dividends, dividend equivalents or other distributions to be paid on such SARs.

Section 8. *Restricted Stock and RSUs.* The Committee is authorized to grant Awards of Restricted Stock and RSUs to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) Subject to Section 12(i), a Participant's electronic account hosted by the stock plan administrator shall specify the vesting schedule and, with respect to RSUs, the delivery schedule (which may include deferred delivery later than the vesting date). Shares of Restricted Stock and RSUs shall be subject to the rights and restrictions set forth in the applicable Award Agreement as the Committee may deem appropriate.

(b) The Committee shall specify in the applicable Award Agreement that any or all dividends, dividend equivalents or other distributions, as applicable, paid on Awards of Restricted Stock or RSUs prior to vesting or settlement, as applicable, be paid either in cash or in additional Shares and shall provide that such amounts will only be distributed if the related Restricted Stock or RSUs become vested or settled, as applicable; *provided*, *further,* that dividends, dividend equivalents or other distributions, as applicable, on Awards of Restricted Stock and RSUs with restrictions that lapse as a result of the achievement of performance conditions shall be deferred until and paid contingent upon the achievement of the applicable performance conditions.

(c) Any Share of Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock.

(d) The Committee may provide in an Award Agreement that an Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the Award under Section 83(b) of the Code. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Restricted Stock, the Participant shall be required to file promptly a copy of such election with the Company and the applicable Internal Revenue Service office.

(e) The Committee may determine the form or forms (including cash, Shares, other Awards, other property or any combination thereof) in which payment of the amount owing upon settlement of any RSU Award may be made.

Section 9. *Performance Awards.* The Committee is authorized to grant Performance Awards to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine:

(a) Performance Awards may be denominated as a cash amount, number of Shares or a combination thereof and are Awards which may be earned upon achievement or satisfaction of performance conditions specified by the Committee. In addition, the Committee may specify that any other Award shall constitute a Performance Award by conditioning the right of a Participant to exercise the Award or have it settled, and the timing thereof, upon achievement or satisfaction of such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, which may include quantitative performance conditions and/or qualitative performance conditions, as determined in the Committee's discretion. Subject to the terms of the Plan, the performance goals to be achieved during any Performance Period, the length of any Performance Period, and the amount of any Performance Award granted shall be determined by the Committee.

(b) Performance criteria may be measured on an absolute (*e.g.*, plan or budget) or relative basis, may be established on a corporate-wide basis or with respect to one or more business units, divisions, subsidiaries, business segments, or specific individuals, may be based on a ratio or separate calculation of any performance criteria and may be made relative to an index or one or more of the performance goals themselves. Relative performance may be measured against a group of peer companies, a financial market index or other acceptable objective and quantifiable indices, subject to Applicable Law. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or other events or circumstances render the performance objectives unsuitable, the Committee may modify the performance objectives or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable. Performance measures may vary from Performance Award to Performance Award and from Participant to Participant, and may be established on a stand-alone basis, in tandem or in the alternative. The Committee shall have the power to impose such other restrictions on Awards as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements of any Applicable Law or accounting rules and regulations.

(c) Settlement of Performance Awards shall be in cash, Shares, other Awards, other property, net settlement, or any combination thereof, as determined in the discretion of the Committee. The Committee shall specify the circumstances in which, and the extent to which, Performance Awards shall be paid or forfeited in the event of a Participant's Termination of Service.

(d) The Committee shall specify in the applicable Award Agreement whether the Performance Award entitles the participant to receive dividends, dividend equivalents, or other distributions. If so, the Committee shall specify in the applicable Award Agreement that any or all dividends, dividend equivalents or other distributions, as applicable, be paid either in cash or in additional Shares and must provide that such dividends or dividend equivalents will only be distributed if the related Performance Awards vests or is settled, as applicable; *provided*, *further,* that any dividends, dividend equivalents or other distributions, as applicable, shall be deferred until and paid contingent upon the achievement of the applicable performance conditions.

(e) Performance Awards shall be settled only after the end of the relevant Performance Period. The Committee may, in its discretion, increase or reduce the amount of a settlement otherwise to be made in connection with a Performance Award.

Section 10. *Other Cash-Based Awards and Other Share-Based Awards.* The Committee is authorized, subject to the limitations of the Plan and Applicable Law, to grant to Participants Other Cash-Based Awards (either independently or as an element of or supplement to any other Award under the Plan) and Other Share-Based Awards. The Committee shall determine the terms and conditions of such Awards. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 10 shall be purchased for such consideration, paid for at such times, by such methods and in such forms, including cash, Shares, other Awards, other property, net settlement, broker-assisted cashless exercise or any combination thereof, as the Committee shall determine; *provided* that, in each case, the purchase price therefore shall not be less than the Fair Market Value of such Shares on the date of grant of such right.

Section 11. *Effect of Termination of Service or a Change of Control on Awards*.

(a) The Committee may provide, by rule or regulation or in any applicable Award Agreement, or may determine in any individual case, the circumstances in which, and the extent to which, an Award may be exercised, settled, vested, paid or forfeited in the event of the Participant's Termination of Service prior to the end of a Performance Period or vesting, exercise or settlement of such Award.

(b) In the event of a Change of Control, except as otherwise provided in an Award Agreement, the Committee may provide for: (i) continuation or assumption of such outstanding Awards under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent; (ii) substitution by the surviving corporation or its parent of awards with substantially the same terms and value for such outstanding Awards (in the case of an Option or SAR Award, the Intrinsic Value at grant of such Substitute Award shall equal the Intrinsic Value of the Award); (iii) acceleration of the vesting (including the lapse of any restrictions, with any performance criteria or other performance conditions deemed met at target) or right to exercise such outstanding Awards immediately prior to or as of the date of the Change of Control, and the expiration of such outstanding Awards to the extent not timely exercised by the date of the Change of Control or other date thereafter designated by the Committee; or (iv) in the case of an Option or SAR Award, cancellation in consideration of a payment in cash or other consideration to the Participant who holds such Award in an amount equal to the Intrinsic Value of such Award (which may be equal to but not less than zero), which, if in excess of zero, shall be payable upon the effective date of such Change of Control.

(c) For the avoidance of doubt, in the event of a Change of Control, the Committee may, in its sole discretion, terminate any Option or SAR Awards for which the Exercise Price is equal to or exceeds the per Share value of the consideration to be paid in the Change of Control transaction without payment of consideration therefor.

Section 12. *General Provisions Applicable to Awards*.

(a) Awards shall be granted for such cash or other consideration, if any, as the Committee determines; *provided* that in no event shall Awards be issued for less than such minimal consideration as may be required by Applicable Law.

(b) Subject to the terms herein, Awards may, in the discretion of the Committee, be granted either alone or in addition to or in tandem with any other Award or any award granted under any other plan of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) Subject to the terms of the Plan, payments or transfers to be made by the Company upon the grant, exercise or settlement of an Award may be made in the form of cash, Shares, other Awards, other property, net settlement, or any combination thereof, as determined by the Committee in its discretion at the time of grant, and may be made in a single payment or transfer, in installments or on a deferred basis, in each case in accordance with rules and procedures established by the Committee and Applicable Law. Such rules and procedures may include provisions for the payment or crediting of

reasonable interest on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments.

(d) Except as may be permitted by the Committee (except with respect to Incentive Stock Options) or as specifically provided in an Award Agreement, (i) no Award and no right under any Award shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or pursuant to Section 12(e) and (ii) during a Participant's lifetime, each Award, and each right under any Award, shall be exercisable only by such Participant or, if permissible under Applicable Law, by such Participant's guardian or legal representative. The provisions of this Section 12(d) shall not apply to any Award that has been fully exercised or settled, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(e) Participant may designate a Beneficiary or change a previous Beneficiary designation only at such times as prescribed by the Committee, in its sole discretion, and only by using forms and following procedures approved or accepted by the Committee for that purpose.

(f) All certificates for Shares and/or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or Applicable Law (including the rules, regulations and other requirements of the SEC, any stock market or exchange upon which such Shares or other securities are then quoted, traded or listed, and any applicable securities laws), and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(g) The Committee may impose restrictions on any Award with respect to non-competition, non-solicitation, confidentiality and other restrictive covenants as it deems necessary or appropriate in its sole discretion.

(h) The Board shall have the power to impose such additional terms, provisions and restrictions with respect to any Award as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements of the Plan and any Applicable Law.

(i) Except as otherwise provided herein, each Award shall have a minimum vesting period, as applicable, of one year from the date of grant; provided, however, that the Committee may provide for earlier vesting upon a Participant's Termination of Service by reason of death or disability, or a Change of Control (as defined in Section 2(h)). Notwithstanding any provision herein to the contrary, 5% of the maximum number of Shares available for issuance under the Plan shall not be subject to the minimum vesting period described in the preceding sentence.

Section 13. *Amendments and Terminations.*

(a) *Amendment or Termination of the Plan*. Except to the extent prohibited by Applicable Law and unless otherwise expressly provided in the Plan, the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; *provided, however*, that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) shareholder approval if such approval is required by Applicable Law (including the rules of the stock market or exchange, if any, on which the Shares are principally quoted or traded) or (ii) subject to Section 5(c) and Section 11, the consent of the affected Participant, if such action would materially adversely affect the rights of such Participant under any outstanding Award, except (x) to the extent any such amendment, alteration, suspension, discontinuance or termination is made to cause the Plan to comply with Applicable Law or accounting rules and regulations or (y) to impose any "clawback" or recoupment provisions on any Awards in accordance with Section 17. Notwithstanding anything to the contrary in the Plan, the Committee may amend the Plan, or create sub-plans, in such manner as may be necessary to enable the Plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local rules and regulations.

(b) *Dissolution or Liquidation*. In the event of the dissolution or liquidation of the Company, each Award shall terminate immediately prior to the consummation of such action, unless otherwise determined by the Committee.

(c) *Terms of Awards*. Notwithstanding anything to the contrary contained in any other provisions of this Plan, the Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or Beneficiary of an Award; *provided*, *however*, that, subject to Section 5(c) and Section 11, no such action shall materially adversely affect the rights of any affected Participant or holder or Beneficiary under any Award theretofore granted under the Plan, except (i) to the extent any such action is made to cause the Plan to comply with Applicable Law or accounting rules and regulations, or (ii) to impose any "clawback" or recoupment provisions on any Awards in accordance with Section 17. The Committee shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of events (including the events described in Section 5(c)) affecting the Company, or the financial statements of the Company, or of changes in Applicable Law or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) *No Repricing*. Notwithstanding the foregoing, except as provided in Section 5(c), no action shall directly or indirectly, through cancellation and exchange for cash or other Awards, regrant, or any other method, reduce, or have the effect of reducing, Exercise Price of any Award established at the time of grant thereof without approval of the Company's shareholders.

Section 14. *Miscellaneous*.

(a) No Employee, Consultant, Participant or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants or holders or Beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient. Any Award granted under the Plan shall be a one-time Award and does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

(b) The grant of an Award does not, and shall not be construed as, giving a Participant the right to be retained in the employ of, or to continue to provide services to, the Company or any Subsidiary. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in the applicable Award Agreement.

(c) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) The Company shall have the right to deduct from any payment to be made pursuant to the Plan, or to otherwise require, prior to the issuance or delivery of any Shares or the payment of any cash thereunder, payment by the Participant of, any federal, state or local taxes required by law to be withheld. Upon the vesting of Restricted Stock (or other Award that is taxable upon vesting), or upon making an election under Section 83(b) of the Code, a Participant shall pay all required withholding to the Company. Any statutorily required withholding obligation with regard to any Participant may be satisfied, by reducing the number of Shares otherwise deliverable or by delivering Shares already owned. The Company may round up to a whole number of Shares required to satisfy required withholding obligations, in which case the value of the fractional share representing the value over withheld shall be paid in cash to the Participant.

(e) If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any Person or Award, or would

disqualify the Plan or any Award under any Applicable Law, such provision shall be construed or deemed amended to conform to Applicable Law, or if it cannot be so construed or deemed amended without, in the sole determination of the Committee, materially altering the intent of the Plan or the Award Agreement, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and any such Award Agreement shall remain in full force and effect.

(f) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(g) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(h) Notwithstanding any provision of the Plan to the contrary, if authorized but previously unissued Shares are issued under the Plan, such Shares shall not be issued for a consideration that is less than permitted under applicable law.

Section 15. *Effective Date of the Plan.* The Plan shall be effective as of April 25, 2024, subject to approval of the Plan by the Company's shareholders.

Section 16. *Term of the Plan.* No Award shall be granted under the Plan after the earliest to occur of (i) the tenth-year anniversary of the Effective Date; (ii) the maximum number of Shares available for issuance under the Plan have been issued; or (iii) the Board terminates the Plan in accordance with Section 13(a). However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

Section 17. *Cancellation or "Clawback" of Awards.* The Committee, or a delegate thereof, shall have full authority to enforce the Citizens Financial Group, Inc. Clawback Policy (the "Clawback Policy") with respect to any Award to which the Clawback Policy applies as well as to enforce any additional Company policy or arrangement requiring clawback or forfeiture of Awards granted under this Plan, including as a result of the Accountability Review Panel Procedure, or as otherwise required under Applicable Law. For the sake of clarity, such enforcement may require the forfeiture of unvested awards or in the case of clawback, the cancellation or reimbursement of any Awards granted to a Participant or any Shares issued or cash received upon vesting, exercise or settlement of any such Awards or sale of Shares underlying such Awards.

Section 18. *Section 409A of the Code.* Although the Company does not guarantee to a Participant the particular tax treatment of any Award, the Plan and all Awards thereunder are intended to comply with or be exempt from the requirements of Section 409A of the Code and the regulations thereunder, and the provisions of the Plan and any Award Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding anything else in the Plan, if the Board or Committee considers a Participant to be a "specified employee" under Section 409A of the Code at the time of such Participant's "separation from service" (as defined in Section 409A of the Code), and the amount thereunder is "deferred compensation" subject to Section 409A of the Code, any distribution that otherwise would be made to such Participant with respect to an Award as a result of such "separation from service" shall not be made until the date that

is six months after such "separation from service," except to the extent that earlier distribution would not result in such Participant's incurring interest or additional tax under Section 409A of the Code. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment and if the Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Participant's right to the dividend equivalents shall be treated separately from the right to other amounts under the Award. Notwithstanding the foregoing, in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

Section 19. *Successors and Assigns*. The terms of the Plan shall be binding upon and inure to the benefit of the Company and any successor entity, including any successor entity contemplated by Section 11.

Section 20. *Governing Law*. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof, except to the extent Delaware law is preempted by federal law.

Section 21. *Dispute Resolution.*

(a) Except as provided in the last sentence of this paragraph to the fullest extent permitted by law, the Company and each Participant agree to waive their rights to seek remedies in court, including but not limited to rights to a trial by jury. Each Participant hereby irrevocably waives the right to initiate or participate in any class or collective action with respect to any claim against the Company or any of its affiliates arising out of, relating to or in connection with this Plan. The Company and each Participant agree that any dispute between or among them and/or their affiliates arising out of, relating to or in connection with this Plan will be resolved in accordance with a confidential two-step dispute resolution procedure involving: (a) Step One: non-binding mediation, and (b) Step Two: binding arbitration under the Federal Arbitration Act, 9 U.S.C. § 1, et. seq., or state law, whichever is applicable. Any such mediation or arbitration hereunder shall be under the auspices of the American Arbitration Association ("**AAA**") pursuant to its then current AAA Employment Arbitration Rules. No arbitration shall be initiated or take place with respect to a given dispute if the parties have successfully achieved a mutually agreed to resolution of the dispute as a result of the Step One mediation. The mediation session(s) and, if necessary, the arbitration hearing shall be held in the city/location selected by the Company in its sole discretion. The arbitration (if the dispute is not resolved by mediation) will be conducted by a single AAA arbitrator, selected by the Company in its sole discretion. Any award rendered by the arbitrator, including with respect to responsibility for AAA charges (including the costs of the mediator and arbitrator), will be final and binding, and judgment may be entered on it in any court of competent jurisdiction. In the unlikely event the AAA refuses to accept jurisdiction over a dispute, the Company and each Grantee agree to submit to JAMS mediation and arbitration applying the JAMS equivalent of the AAA Employment Arbitration Rules. If AAA and JAMS refuse to accept jurisdiction, the parties may litigate in a court of competent jurisdiction.

(b) If the Company concludes that, but for this provision multiple single plaintiff arbitration claims filed could have been brought as a class and/or collective action in state or federal court, and AAA's combined administrative fees for those cases exceed $50,000, then the Company shall have the right to forego the use of AAA. In that event, the parties shall meet and confer to select a mutually agreeable arbitrator. If the parties are unable to agree upon an arbitrator, then each party shall select five (5) arbitrators to place on a list. Arbitrators placed on the list must be licensed to practice law in any state (or have previously been licensed and have always been and remain in good standing with their respective bar associations) and who have previously served as a neutral arbitrator for at least one dispute involving an employment matter. Each side shall alternate in striking an arbitrator from the list, with the last remaining arbitrator selected to adjudicate the matter. The parties shall mutually agree or flip a coin to determine which party strikes first. Should the selected arbitrator have a conflict or otherwise refuse or be unable to serve, the

arbitrator struck immediately prior shall serve as the arbitrator. The AAA Employment Arbitration Rules shall continue to apply to the greatest extent possible to the arbitration.

AMENDED & RESTATED
CITIZENS FINANCIAL GROUP, INC.
2014 NON-EMPLOYEE DIRECTORS COMPENSATION PLAN

Amended & Restated Effective as of April 25, 2024

Section 1. *Purpose*. The purpose of the Citizens Financial Group, Inc. 2014 Non-Employee Directors Compensation Plan (the "**Plan**") is to attract and retain the services of experienced non-employee directors for Citizens Financial Group, Inc. (together with its subsidiaries and any and all successor entities, the "**Company**") by providing them with compensation for their services in the form of equity-based awards and/or cash, thereby promoting the long-term growth and financial success of the Company and furthering the best interests of its shareholders. The Citizens Financial Group, Inc. 2014 Non-Employee Directors Compensation Plan was originally effective as of September 29, 2014 upon our initial public offering and was subsequently amended and restated on June 20, 2019 (the "**Pre-Restatement Plan**"). This plan is being further amended and restated, subject to and effective upon approval by the Company's shareholders. The Plan is effective as of, and subject to, approval by the Company's shareholders. The number of Shares to be reserved under the Plan is specified under Section 5(a) of the Plan. Upon the Effective Date of the Plan, any Shares which were reserved for issuance under the Pre-Restatement Plan in excess of the amount reserved under the Plan that are not subject to outstanding awards will be returned to unallocated shares, and will not be available for future grants under the Plan. Any Awards issued prior to the Effective Date of the Plan will continue to be governed by the terms of the Pre-Restatement Plan in effect when the applicable Awards were granted.

Section 2. *Definitions*. As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**Affiliate**" means (i) the Company's parents, subsidiaries, affiliates or their respective successors, (ii) any entity that, directly or indirectly, is controlled by the Company, and (iii) any other company which the Board determines should be treated as an "Affiliate."

(b) "**Applicable Law**" means the laws, rules, regulations and other requirements related to or implicated by the administration of the Plan under applicable state corporate law; United States federal and state securities laws, including the Exchange Act; the Code; the Dodd-Frank Act; United States federal and state banking laws; any rules of stock exchange or quotation system on which the Shares are listed or quoted; any banking law regulations, including rules, regulations and guidance from the Federal Reserve Board; any other applicable rules, regulations or guidance promulgated by an administrative agency or commission or other governmental authority; and the applicable laws and regulations of any foreign country or jurisdiction where Participants provide services or where Awards are granted under the Plan.

(c) "**Award**" means any Option, Restricted Stock, RSU, Other Share-Based Award or Retainer granted under the Plan.

(d) "**Award Agreement**" means any agreement, contract or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant.

(e) "**Beneficial Owner**" has the meaning ascribed to such term in Rule 13d-3 under the Exchange Act.

(f) "**Beneficiary**" means a Person entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. If no such Person can be named or is named by the Participant, or if no Beneficiary designated by such Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, such Participant's Beneficiary shall be such Participant's estate.

(g) "**Board**" means the board of directors of the Company.

(h) "**Change of Control**" means the occurrence of any one or more of the following events, except as otherwise provided in the Participant's Award Agreement:

(i) any Person, other than an employee benefit plan or trust maintained by the Company, becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors;

(ii) at any time during a period of 12 consecutive months, individuals who at the beginning of such period constituted the Board and any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, cease for any reason to constitute a majority of members of the Board; or

(iii) the consummation of (A) a merger or consolidation of the Company with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power and total fair market value of the securities of the Company or such surviving entity or parent outstanding immediately after such merger or consolidation, or (B) any sale, lease, exchange or other transfer to any Person of assets of the Company, in one transaction or a series of related transactions, having an aggregate fair market value of more than 50% of the fair market value of the Company and its subsidiaries (the "**Company Value**") immediately prior to such transaction(s), but only to the extent that, in connection with such transaction(s) or within a reasonable period thereafter, the Company's shareholders receive distributions of cash and/or assets having a fair market value that is greater than 50% of the Company Value immediately prior to such transaction(s).

Notwithstanding the foregoing or any provision of any Award Agreement to the contrary, for any Award that provides for accelerated distribution on a Change of Control of amounts that constitute "deferred compensation" (as defined in Section 409A of the Code and the regulations thereunder), if the event that constitutes such Change of Control does not also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets (in either case, as defined in Section 409A of the Code), such amount shall not be distributed on such Change of Control but instead shall vest as of the date of such Change of Control and shall be paid on the scheduled payment date specified in the applicable Award Agreement, except to the extent that earlier distribution would not result in the Participant who holds such Award incurring interest or additional tax under Section 409A of the Code.

(i) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Code shall include any successor provision thereto.

(j) "**Effective Date**" means April 25, 2024, subject to approval of the Plan by the Company's shareholders.

(k) "**Employee**" means any individual, including any officer, employed by the Company or any Affiliate or any prospective employee or officer who has accepted an offer of employment from the Company or any Affiliate, with the status of employment determined based upon such factors as are deemed appropriate by the Board (or a committee thereof, as applicable) in its discretion, subject to any requirements of the Code or Applicable Law.

(l) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Exchange Act shall include any successor provision thereto.

(m) **"Exercise Price"** means the Fair Market Value of a Share on the date of grant of an Option, or such other value as determined by the Committee pursuant to Applicable Law.

(n) "**Fair Market Value**" means (i) with respect to Shares, the closing price of a Share on the applicable day (or, if there is no reported sale on such applicable day, on the last preceding date on which any reported sale occurred) on the principal stock market or exchange on which the Shares are quoted or traded, or if Shares are not so quoted or traded, fair market value of a Share as determined by the Board, and (ii) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Board.

(o) "**Intrinsic Value**" with respect to an Option Award means (i) the excess, if any, of the price or implied price per Share in a Change of Control or other event over (ii) the Exercise Price of such Award multiplied by (iii) the number of Shares covered by such Award.

(p) "**Non-Employee Director**" means a regular, active director or a prospective director of the Company, in either case who is not an Employee of the Company or any Affiliate, as determined by the Board, in its sole discretion.

(q) "**Option**" means an option representing the right to purchase Shares from the Company, granted pursuant to Section 6.

(r) "**Other Share-Based Award**" means an Award granted pursuant to Section 8.

(s) "**Participant**" means the recipient of an Award granted under the Plan.

(t) "**Person**" has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including "group" as defined in Section 13(d) thereof.

(u) "**Restricted Stock**" means any Share granted pursuant to Section 7.

(v) "**Retainer**" means an annual cash retainer payable pursuant to Section 10 for service as (i) a member of the Board or a committee of the Board or (ii) chair or lead director of the Board or chair of any such committee.

(w) "**RSU**" means a contractual right granted pursuant to Section 7 that is denominated in Shares. Each RSU represents a right to receive the value of one Share (or a percentage of such value) in cash, Shares or a combination thereof. Awards of RSUs may include the right to receive dividend equivalents.

(x) "**Shares**" means shares of the Company's common stock, $0.01 par value per Share.

(y) "**Substitute Award**" means an Award granted in assumption of, or in substitution for, an outstanding award previously granted by a company or other business acquired by the Company or with which the Company combines.

Section 3. *Eligibility*.

(a) Each Non-Employee Director shall be eligible to be selected to receive an Award under the Plan, to the extent an offer of an Award or a receipt of such Award is permitted by Applicable Law, stock market or exchange rules and regulations or accounting or tax rules and regulations.

(b) Holders of options and other types of awards granted by a company acquired by the Company or with which the Company combines are eligible for grants of Substitute Awards under the Plan to the extent permitted under applicable regulations of any stock exchange on which the Company is listed.

Section 4. *Administration*.

(a) The Plan shall be administered by the Board. The Board may issue rules and regulations for administration of the Plan. All decisions of the Board shall be final, conclusive and binding upon all parties, including the Company, its shareholders, Participants and any Beneficiaries thereof.

(b) Subject to the terms of the Plan and Applicable Law, the Board shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash, Shares, other Awards, other property, net settlement, or any combination thereof, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Board; (vii) amend terms or conditions of any outstanding Awards, including without limitation, to accelerate the time or times at which the Award becomes vested, unrestricted or may be exercised; (viii) correct any defect, supply any omission and reconcile any inconsistency in the Plan or any Award, in the manner and to the extent it shall deem desirable to carry the Plan into effect; (ix) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents, trustees, brokers, depositories and advisors and determine such terms of their engagement as it shall deem appropriate for the proper administration of the Plan and due compliance with Applicable Law, stock market or exchange rules and regulations or accounting or tax rules and regulations; and (xi) make any other determination and take any other action that the Board deems necessary or desirable for the administration of the Plan and due compliance with Applicable Law, stock market or exchange rules and regulations or accounting or tax rules and regulations. For the sake of clarity, all Awards granted under the Plan must be approved by the full Board, and the decision to grant Awards to Participants under this Plan may not be delegated.

Section 5. *Shares Available for Awards*.

(a) Subject to adjustment as provided in Section 5(c) and except for Substitute Awards, the maximum number of Shares available for issuance under the Plan shall not exceed in the aggregate 750,000 Shares.

(b) If any Award is forfeited, expires, terminates, otherwise lapses or is settled for cash, in whole or in part, without the delivery of Shares, then the Shares covered by such forfeited, expired, terminated or lapsed Award shall again be available for grant under the Plan. For the avoidance of doubt, the following will not again become available for issuance under the Plan: (i) any Shares withheld in respect of taxes and (ii) any Shares tendered or withheld to pay the Exercise Price of Options.

(c) In the event that the Board determines that, as a result of any dividend or other distribution (whether in the form of cash, Shares or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, separation, rights offering, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, issuance of Shares pursuant to the anti-

dilution provisions of securities of the Company, or other similar corporate transaction or event affecting the Shares, or of changes in applicable laws, regulations or accounting principles, an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Board shall, subject to compliance with Section 409A of the Code, adjust equitably (including without limitation, by payment of cash) any or all of:

(i) the number and type of Shares (or other securities) which thereafter may be made the subject of Awards, including the aggregate limit specified in Section 5(a);

(ii) the number and type of Shares (or other securities) subject to outstanding Awards; and

(iii) the grant, purchase, or Exercise Price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award.

(d) Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or Shares acquired by the Company.

(e) The aggregate value of all Awards granted as compensation under this Plan to any individual for service as a Non-Employee Director with respect to any single calendar year will not exceed $400,000 in total grant date value.

Section 6. *Options*. The Board is authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Board shall determine:

(a) The Exercise Price per Share under an Option shall be determined by the Board at the time of grant; *provided*, *however*, that, except in the case of Substitute Awards, such Exercise Price shall not be less than the Fair Market Value of a Share on the date of grant of such Option;

(b) The term of each Option shall be fixed by the Board but shall not exceed 10 years from the date of grant of such Option; *provided* that the Board may (but shall not be required to) provide in an Award Agreement for an extension of such 10-year term, in the event the exercise of the Option would be prohibited by law on the expiration date;

(c) The Board shall determine the time or times at which an Option becomes vested and exercisable, in whole or in part, and such vesting and exercise information shall be set forth in a Participant's electronic account hosted by the stock plan administrator. No Participant shall receive a right to dividend equivalents in connection with Options.

(d) The Board shall determine the method or methods by which, and the form or forms, including cash, Shares, other Awards, other property, net settlement, broker assisted cashless exercise or any combination thereof, having a Fair Market Value on the exercise date equal to the Exercise Price of the Shares as to which the Option shall be exercised, in which payment of the Exercise Price with respect thereto may be made or deemed to have been made.

Section 7. *Restricted Stock and RSUs*. The Board is authorized to grant Awards of Restricted Stock and RSUs to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Board shall determine:

(a) A Participant's electronic account hosted by the stock plan administrator shall specify the vesting schedule and, with respect to RSUs, the delivery schedule (which may include deferred delivery later than the vesting date) and the related Award agreement shall specify whether the Award of Restricted Stock or RSUs is entitled to dividends or dividend equivalents, voting rights or any other rights. The

Board shall specify in the applicable Award Agreement that a Participant's right to any or all dividends, dividend equivalents or other distributions, as applicable, accrued on Restricted Stock or RSUs prior to vesting or settlement, as applicable, be paid either in cash or in additional Shares and shall provide that such amounts will only be distributed if the related Restricted Stock or RSUs become vested or settled, as applicable.

(b) Shares of Restricted Stock and RSUs shall be subject to such restrictions as the Board may impose (including any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend, dividend equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Board may deem appropriate.

(c) Any share of Restricted Stock granted under the Plan may be evidenced in such manner as the Board may deem appropriate, including book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock.

(d) The Board may provide in an Award Agreement that an Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the Award under Section 83(b) of the Code. If the Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Restricted Stock, the Participant shall be required to file promptly a copy of such election with the Company and the applicable Internal Revenue Service office.

(e) The Board may determine the form or forms (including cash, Shares, other Awards, other property or any combination thereof) in which payment of the amount owing upon settlement of any RSU Award may be made.

Section 8. *Other Share-Based Awards.* The Board is authorized, subject to limitations under Applicable Law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, Awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Board or a committee of the Board. The Board shall determine the terms and conditions of such Awards. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 8 shall be purchased for such consideration, paid for at such times, by such methods and in such forms, including cash, Shares, other Awards, other property, net settlement, broker-assisted cashless exercise or any combination thereof, as the Board shall determine; *provided* that the purchase price therefore shall not be less than the Fair Market Value of such Shares on the date of grant of such right.

Section 9. *Automatic Grants*. The Board may institute, by resolution, automatic Award grants to new and to continuing members of the Board, with the number and type of such Awards, the terms and conditions of such Awards, and the criteria for the grant of such Awards, as is determined by the Board in its sole discretion.

Section 10. *Retainers*. The Board is authorized, subject to limitations under applicable law, to grant Retainers to Participants. The Board shall determine the terms and conditions of such Retainers, including without limitation (i) the amounts payable, (ii) the payment dates (including whether payment is made in a lump sum or installments and whether payment is made in advance or arrears), (iii) whether such Retainers may be electively received in Shares, and (iv) whether such Retainers may be electively deferred, subject to such rules and procedures as it may establish in accordance with Section 409A of the Code, and, if so, whether such deferred Retainers may be distributed in cash and/or Shares. The number of Shares that shall be issued to the Participant who elects to receive a Retainer in Shares shall equal the amount of cash that

otherwise would have been paid to such Participant on the payment date of such Retainer divided by the Fair Market Value of a Share as of such payment date.

Section 11. *Effect of Separation From Service or a Change of Control on Awards*.

(a) The Board may provide, by rule or regulation or in any applicable Award Agreement, or may determine in any individual case, the circumstances in which, and the extent to which, an Award may be exercised, settled, vested, paid or forfeited in the event of the Participant's separation from service from the Board prior to vesting, exercise or settlement of such Award.

(b) In the event of a Change of Control, except as otherwise provided in an Award Agreement, the Board may provide for: (i) continuation or assumption of such outstanding Awards under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent; (ii) substitution by the surviving corporation or its parent of awards with substantially the same terms and value for such outstanding Awards (in the case of an Option Award, the Intrinsic Value at grant of such Substitute Award shall equal the Intrinsic Value of the Award); (iii) acceleration of the vesting (including the lapse of any restrictions) or right to exercise such outstanding Awards immediately prior to or as of the date of the Change of Control, and the expiration of such outstanding Awards to the extent not timely exercised by the date of the Change of Control or other date thereafter designated by the Board; or (iv) in the case of an Option Award, cancellation in consideration of a payment in cash or other consideration to the Participant who holds such Award in an amount equal to the Intrinsic Value of such Award (which may be equal to but not less than zero), which, if in excess of zero, shall be payable upon the effective date of such Change of Control. For the avoidance of doubt, in the event of a Change of Control, the Board may, in its sole discretion, terminate any Option Awards for which the exercise or hurdle price is equal to or exceeds the per Share value of the consideration to be paid in the Change of Control transaction without payment of consideration therefor.

Section 12. *General Provisions Applicable to Awards*.

(a) Awards shall be granted for such cash or other consideration, if any, as the Board determines; *provided* that in no event shall Awards be issued for less than such minimal consideration as may be required by applicable law.

(b) Awards may, in the discretion of the Board, be granted either alone or in addition to or in tandem with any other Award or any award granted under any other plan of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards. For the sake of clarity, in the event awards are granted under another plan of the Company, the Shares or cash granted shall be counted against the maximum calendar year Award limitations set forth in Section 5(e).

(c) Subject to the terms of the Plan, payments or transfers to be made by the Company upon the grant, exercise or settlement of an Award may be made in the form of cash, Shares, other Awards, other property, net settlement, or any combination thereof, as determined by the Board in its discretion at the time of grant, and may be made in a single payment or transfer, in installments or on a deferred basis, in each case in accordance with rules and procedures established by the Board. Such rules and procedures may include provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments.

(d) Except as may be permitted by the Board or as specifically provided in an Award Agreement, (i) no Award and no right under any Award shall be assignable, alienable, saleable or transferable by the Participant otherwise than by will or pursuant to Section 12(e) and (ii) during the Participant's lifetime, each Award, and each right under any Award, shall be exercisable only by such Participant or, if permissible under Applicable Law, by such Participant's guardian or legal representative.

The provisions of this Section 12(d) shall not apply to any Award that has been fully exercised or settled, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(e) The Participant may designate a Beneficiary or change a previous Beneficiary designation only at such times as prescribed by the Board, in its sole discretion, and only by using forms and following procedures approved or accepted by the Board for that purpose.

(f) All certificates for Shares and/or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under the Plan or the rules, regulations and other requirements of the SEC, any stock market or exchange upon which such Shares or other securities are then quoted, traded or listed, and any applicable securities laws, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

Section 13. *Amendments and Terminations*.

(a) Except to the extent prohibited by Applicable Law and unless otherwise expressly provided in an Award Agreement or in the Plan, the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided, however, that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) shareholder approval to increase the number of Shares subject to the Plan or if such approval is required by applicable law or the rules of the stock market or exchange, if any, on which the Shares are principally quoted or traded or (ii) subject to Section 5(c) and Section 11, the consent of the affected Participant, if such action would materially adversely affect the rights of such Participant under any outstanding Award, except (x) to the extent any such amendment, alteration, suspension, discontinuance or termination is made to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or (y) to enforce clawback or recoupment of any Awards as required by Applicable Law or Company policy. Notwithstanding anything to the contrary in the Plan, the Board may amend the Plan, or create sub-plans, in such manner as may be necessary to enable the Plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local rules and regulations.

(b) *Dissolution or Liquidation.* In the event of the dissolution or liquidation of the Company, each Award shall terminate immediately prior to the consummation of such action, unless otherwise determined by the Board.

(c) *Terms of Awards.* The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or Beneficiary of an Award; *provided*, *however*, that, subject to Section 5(c) and Section 11, no such action shall materially adversely affect the rights of any affected Participant or holder or Beneficiary under any Award theretofore granted under the Plan, except (i) to the extent any such action is made to cause the Plan to comply with Applicable Law, stock market or exchange rules and regulations or accounting or tax rules and regulations, or (ii) to enforce clawback or recoupment of any Awards as required by Applicable Law or Company policy. The Board shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of events (including the events described in Section 5(c)) affecting the Company, or the financial statements of the Company, or of changes in applicable laws, regulations or accounting principles, whenever the Board determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) *No Repricing.* Notwithstanding the foregoing, except as provided in Section 5(c), no action shall directly or indirectly, through cancellation and regrant or any other method, reduce, or have the

effect of reducing, the exercise or hurdle price of any Award established at the time of grant thereof without approval of the Company's shareholders.

Section 14. *Miscellaneous*.

(a) No Participant or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants or holders or Beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

(b) The grant of an Award shall not be construed as giving the Participant the right to be retained in the service of the Board or the Company or any Affiliate. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in the applicable Award Agreement.

(c) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify the Plan or any Award under any Applicable Law, such provision shall be construed or deemed amended to conform to Applicable Law, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of the Plan or the Award Agreement, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and any such Award Agreement shall remain in full force and effect.

(e) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and the Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(f) Notwithstanding any provision of the Plan to the contrary, if authorized but previously unissued Shares are issued under the Plan, such Shares shall not be issued for a consideration that is less than permitted under Applicable Law.

Section 15. *Effective Date of the Plan.* The Plan shall be effective as of April 25, 2024, subject to approval of the Plan by the Company's shareholders.

Section 16. *Term of the Plan*. No Award shall be granted under the Plan after the earliest to occur of (i) the tenth-year anniversary of the Effective Date; (ii) the maximum number of Shares available for issuance under the Plan have been issued; or (iii) the Board terminates the Plan in accordance with Section 13(a). However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date, and the authority of the Board to amend, alter, adjust, suspend, discontinue or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

Section 17. *Cancellation or "Clawback" of Awards*. The Board or other acting body as permitted thereunder, shall have full authority to enforce clawback or recoupment of any Awards as required by Applicable Law or Company policy.

Section 18. *Section 409A of the Code*. Although the Company does not guarantee to a Participant the particular tax treatment of any Award, the Plan and all Awards thereunder are intended to comply with or be exempt from the requirements of Section 409A of the Code and the regulations thereunder, and the provisions of the Plan and any Award Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding anything else in the Plan, if the Board or a committee of the Board considers a Participant to be a "specified employee" under Section 409A of the Code at the time of such Participant's "separation from service" (as defined in Section 409A of the Code), and the amount thereunder is "deferred compensation" subject to Section 409A of the Code any distribution that otherwise would be made to such Participant with respect to an Award as a result of such separation from service shall not be made until the date that is six months after such separation from service, except to the extent that earlier distribution would not result in such Participant's incurring interest or additional tax under Section 409A of the Code. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment and if the Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Participant's right to the dividend equivalents shall be treated separately from the right to other amounts under the Award. Notwithstanding the foregoing, in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

Section 19. *Successors and Assigns*. The terms of the Plan shall be binding upon and inure to the benefit of the Company and any successor entity, including any successor entity contemplated by Section 11.

Section 20. *Governing Law*. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof.

AMENDED AND RESTATED
CITIZENS FINANCIAL GROUP, INC.
2014 EMPLOYEE STOCK PURCHASE PLAN

Amended & Restated Effective as of July 1, 2024

Section 1. *Purpose*. The purpose of the Plan (as defined below) is to facilitate Employee participation in the ownership and economic progress of the Company and its Subsidiaries by providing Employees with an opportunity to purchase Shares of the Company. It is the intention of the Company to have the Plan qualify as an "**Employee Stock Purchase Plan**" under Section 423 of the Code. The provisions of the Plan shall, accordingly, be administered, interpreted and construed so as to extend and limit participation in a manner consistent with the requirements of that Section of the Code.

Section 2. *Definitions*. As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**AAA**" shall have the meaning specified in Section 34.

(b) "**Beneficiary**" shall mean a person or entity entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of a Participant's death. If no such person or entity is named by a Participant, or if no Beneficiary designated by such Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, such Participant's Beneficiary shall be such Participant's estate.

(c) "**Board**" shall mean the Board of Directors of the Company.

(d) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(e) "**Committee**" shall mean the Compensation Committee of the Board or a subcommittee thereof formed by the Compensation Committee to act as the Committee hereunder.

(f) "**Company**" shall mean Citizens Financial Group, Inc., and any and all successor entities.

(g) "**Continuous Status as an Employee**" shall mean the absence of any interruption or termination of service as an Employee. Continuous status as an Employee shall not be considered interrupted in the case of a leave of absence except as provided in Section 11(b).

(h) "**Designated Subsidiary**" shall mean each Subsidiary as may be designated by the Board or the Committee from time to time among a group consisting of the Company and its Subsidiaries, including corporations that become Subsidiaries after the Effective Date.

(i) "**Effective Date**" shall mean July 1, 2024, provided that approval of the Plan has been obtained by the Company's shareholders prior to such date.

(j) "**Eligible Compensation**" for an Offering Period shall mean (i) base salary received during such Offering Period by an Eligible Employee for services to the Employer and (ii) commissions or commission income received during such Offering Period by an Eligible Employee. For the avoidance of doubt, Eligible Compensation shall not include overtime, severance pay, hiring and relocation bonuses, pay in lieu of vacation, sick leave, any other bonus, incentive or other special payments (other than commissions described in clause (ii) above) or any other form of compensation that may be paid from time to time to the Employee from the Employer.

(k) "**Eligible Employee**" shall have the meaning specified in Section 3(a).

(l) "**Employee**" shall mean any officer or other employee (as defined in accordance with Section 3401(c) of the Code) of the Employer.

(m) "**Employer**" shall mean, with respect to an Offering Period, the Company and each of its Designated Subsidiaries.

(n) "**Enrollment Date**" shall mean the first day of each Offering Period.

(o) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

(p) "**Exercise Date**" shall mean the last day of each Offering Period.

(q) "**Exercise Price**" shall have the meaning specified in Section 7(b).

(r) "**Fair Market Value**" shall mean the closing price of a Share on the date in question (or, if there is no reported sale on such date, on the last preceding date on which such price is reported) on the principal stock market or exchange on which the Shares are quoted or traded, or if Shares are not so quoted or traded, fair market value of a Share as determined by the Committee.

(s) "**Offering Period**" shall mean the period described in Section 4.

(t) "**Parent**" shall mean any corporation which constitutes a "parent" of the Company, within the meaning of Section 424(e) of the Code.

(u) "**Participant**" shall mean an Eligible Employee who has elected to participate in the Plan.

(v) "**Participant Account**" shall mean that separate account maintained under the Plan to record the amount that a Participant has contributed to the Plan during an Offering Period.

(w) "**Plan**" shall mean the Amended and Restated Citizens Financial Group, Inc. 2014 Employee Stock Purchase Plan.

(x) "**Share**" shall mean a share of the Company's common stock, $0.01 par value.

(y) "**Stock Administrator**" shall mean the brokerage firm engaged by the Company to administer the Plan.

(z) "**Subsidiary**" shall mean a corporation, domestic or foreign, of which at the time of the granting of an option pursuant to Section 7, not less than 50% of the total combined voting power of all classes of stock are held by the Company or a Subsidiary, whether or not such corporation now exists or is hereafter organized or acquired by the Company or a Subsidiary.

Section 3. *Eligibility*.

(a) *General Rule*. Any full or part time Employee (i) whose customary employment is at least 20 hours per week, (ii) whose customary employment is for more than five months in any calendar year and (iii) who satisfies any additional criteria that the Committee may determine, in its sole discretion, from time to time shall be eligible to participate as an "**Eligible Employee**" during the Offering Period beginning on such Enrollment Date, subject to the requirements of Section 5 and the limitations imposed by Section 423(b) of the Code; *provided*, *however*, that, subject to Section 423 of the Code, an Employee of a Designated Subsidiary who is a citizen or resident of a foreign jurisdiction shall not be an "**Eligible Employee**" if the grant of an option under the Plan to such Employee would be prohibited under the laws of such foreign jurisdiction or the grant of an option to such Employee in compliance with the laws of such foreign jurisdiction would cause the Plan to violate the requirements of Section 423 of the Code, as determined by the Committee in its sole discretion.

(b) *Equal Rights and Privileges*. Notwithstanding any provision of the Plan to the contrary and in accordance with Section 423 of the Code, all Eligible Employees who are granted options under the Plan shall have the same rights and privileges.

(c) *Exceptions*. Notwithstanding any provisions of the Plan to the contrary, no Employee shall be granted an option to purchase Shares under the Plan if:

(i) Immediately after the grant, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own stock (including for purposes of this Section 3(b) any stock he or she holds outstanding options to purchase) possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or of any Parent or Subsidiary computed in accordance with Section 423(b)(3) of the Code, or

(ii) Such option would permit such Employee's right to purchase stock under all employee stock purchase plans (described in Section 423 of the Code) of the Company, its Parent and Subsidiaries to accrue at a rate which exceeds $25,000 of fair market value of such stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time, in accordance with the provisions of Section 423(b)(8) of the Code. If a grant of options would provide for such a result, then the difference between $25,000 and the amount credited to the Employee's Participant Account shall be refunded to the Employee in one lump sum in cash, as soon as reasonably practicable following the Exercise Date, without any interest thereon.

Section 4. *Offering Periods*. Each calendar quarter shall be an Offering Period. The initial Offering Period under the Plan shall be July 1 through September 30, 2024. For the avoidance of doubt, the Offering Period of April 1, 2024 through June 30, 2024 will be governed by the terms of the plan in effect prior to the Effective Date. In no event may an Offering Period extend beyond 27 months from the date of grant of an option.

Section 5. *Participation*. An Eligible Employee shall become a Participant by enrolling in the Plan as specified in instructions received directly from the Stock Administrator prior to the Enrollment Date for the applicable Offering Period, unless a later time for enrolling is set by the Committee for all Eligible Employees with respect to such Offering Period.

Section 6. *Payment for Shares*.

(a) At the time a Participant enrolls in the Plan, such Participant shall designate the portion of his or her Eligible Compensation that he or she elects to have withheld during the applicable Offering Period. Payroll deductions shall be made on each pay date during the Offering Period at a whole percentage rate not to exceed 10% of the Eligible Compensation which a Participant receives on each pay date during the Offering Period.

(b) All deductions during an Offering Period that are made from a Participant's Eligible Compensation shall be credited to his or her Participant Account under the Plan on an after-tax basis. A Participant may not make any separate cash payment into his or her Participant Account.

(c) A Participant may discontinue his or her participation in the Plan as provided in Section 11, but no other change can be made during an Offering Period and, for the avoidance of doubt, a Participant may not alter the amount of his or her Eligible Compensation deductions for that Offering Period.

(d) Unless otherwise specified by a Participant prior to the Enrollment Date of any subsequent Offering Period by completing a Committee-specified process, a Participant shall be deemed to have elected to participate in each subsequent Offering Period to the same extent and in the same manner as the prior Offering Period, subject to the terms and conditions of this Plan.

Section 7. *Grant of Option*.

(a) On the Enrollment Date for each Offering Period, each Participant shall be granted an option to purchase on the applicable Exercise Date, a maximum number of 5,000 Shares; *provided*, *however*, that the number of Shares subject to such option shall be reduced, if necessary, to a number of Shares which would not exceed the limitations described in Section 3(b) and Section 13(a) hereof.

(b) The exercise price per Share offered in a given Offering Period (the "**Exercise Price**") shall be 90% of the Fair Market Value of a Share on the Exercise Date of such Offering Period.

Section 8. *Exercise of Option*. The Participant's option for the purchase of Shares will be exercised automatically on the Exercise Date of such Offering Period by purchasing the maximum number of Shares subject to such option which may be purchased at the Exercise Price with the funds in his or her Participant Account unless, prior to such Exercise Date, the Participant has withdrawn from the Offering Period pursuant to Section 11. During a Participant's lifetime, a Participant's option to purchase Shares hereunder is exercisable only by such Participant.

Section 9. *Delivery*. Unless otherwise provided by the Company, the Stock Administrator shall hold Shares issued pursuant to the exercise of the option until any such Shares are distributed to the Participant or sold in accordance with procedures established from time to time by the Company or the Stock Administrator. Shares shall be delivered as soon as reasonably practicable after termination of a Participant's Continuous Status as an Employee or receipt of such request by the Participant for delivery of all Shares, subject to compliance with all applicable law.

Section 10. *Dividends.* Shares received upon exercise of an option shall be entitled to receive dividends on the same basis as other outstanding Shares. A Participant will not be entitled to any dividends with respect to options to purchase Shares under the Plan.

Section 11. *Withdrawal; Termination of Employment, Leave of Absence.*

(a) A Participant may withdraw all, but not less than all, of the payroll deductions credited to his or her Participant Account for the applicable Offering Period by (i) withdrawing from the Plan or (ii) designating 0% of Participant's Eligible Compensation to be withheld during the applicable Offering Period, in each case, through the online portal provided by the Stock Administrator, up to a certain number of days prior to the Exercise Date to be specified by the Stock Administrator (which must be at least five days prior to the Exercise Date).

In the event of a withdrawal, all of the Participant's payroll deductions credited to his or her Participant Account for such Offering Period will be paid to such Participant as soon as reasonably practicable after receipt of his or her notice of withdrawal. Such withdrawal shall permanently terminate the Participant's participation for the Offering Period in which the withdrawal occurs, *provided however*, that withdrawal in one Offering Period will not have any effect upon a Participant's eligibility to participate in a different Offering Period or in any similar Plan which may hereafter be adopted by the Company.

(b) In the event of the termination on or before the Exercise Date of the Participant's Continuous Status as an Employee for any reason, he or she will be deemed to have elected to withdraw from the Plan, and the Participant or his or her Beneficiary (in the event of such Participant's death) shall receive any funds in his or her Participant Account as soon as reasonably practicable after the date of such withdrawal; *provided*, *however*, a Participant who goes on a leave of absence shall be permitted to remain in the Plan with respect to an Offering Period which commenced prior to the beginning of such leave of absence. Eligible Compensation deductions for a Participant who has been on a leave of absence will resume upon return to work at the same rate as in effect prior to such leave, provided that the period of leave begins and ends in the same Offering Period. However, if a Participant remains on a leave of absence when the next subsequent Offering Period begins, the Participant shall be withdrawn from the Plan at that time and will not be permitted to re-enter the Plan until they return to work from the leave of absence and re-enroll. For the sake of clarity, a Participant must be employed with the Employer as of the Enrollment Date for a given Offering Period in order to participate in the Offering Period.

Section 12. *Interest*. No interest shall accrue on the Eligible Compensation deductions of a Participant or on any other amounts in his or her Participant Account.

Section 13. *Shares*.

(a) The maximum number of Shares which shall be made available for sale under the Plan shall be 8,000,000 Shares, subject to adjustment upon changes in capitalization of the Company as provided in Section 20. Either authorized and unissued Shares or issued Shares heretofore or hereafter reacquired by the Company may be made subject to purchase under the Plan, in the sole and absolute discretion of the Board or the Committee. Further, if for any reason any purchase of Shares pursuant to an option under the Plan is not consummated, the Shares may be made available for sale pursuant to a new Subscription Agreement under the Plan.

(b) If, on a given Exercise Date, the Shares with respect to which options are to be exercised exceed the Shares then available under the Plan, the Committee shall make a pro rata allocation of the remaining Shares that are available for purchase in as uniform a manner as shall be reasonably practicable and as it shall determine to be equitable. In such event, the Company shall give notice to each Participant of such reduction in the number of Shares which such Participant shall be allowed to purchase. Notwithstanding anything to the contrary herein, the Company shall not be obligated to issue Shares hereunder if, in the opinion of the Company, such issuance would constitute a violation of federal or state securities laws or regulations, the regulations of any stock exchange or other securities market on which the Company's securities may then be traded or the laws of any country.

Section 14. *No Rights as a Shareholder*. Neither the Participant nor his or her Beneficiaries will have any interest or other right in, or dividend or voting rights with respect to, Shares covered by his or her option until such option has been exercised and the related Shares have been purchased under the Plan.

Section 15. *Administration*.

(a) The Plan shall be administered by the Committee, which shall be appointed by the Board; *provided*, *however*, that members of the Board who are Eligible Employees, if any, may not vote on any matter affecting the administration of the Plan or the grant of any option pursuant to the Plan. All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, its shareholders and Participants and any Beneficiaries thereof. The Committee may issue rules and regulations for administration of the Plan. It shall meet at such times and places as it may determine.

(b) Subject to the terms of the Plan and applicable law, the Committee (or its delegate) shall have the full power and authority to: (i) subject to Section 423 of the Code, designate Participants; (ii) direct the administration of the Plan by the Stock Administrator in accordance with the provisions herein set forth; (iii) adopt rules of procedure and regulations necessary for the administration of the Plan, *provided* that such rules are not inconsistent with the terms of the Plan; (iv) determine, in its sole discretion, all questions with regard to rights of Employees and Participants under the Plan, including but not limited to, the eligibility of an Employee to participate in the Plan and the range of permissible percentages of Eligible Compensation an Eligible Employee may specify to be withheld and the maximum amount; (v) enforce the terms of the Plan and the rules and regulations it adopts; (vi) direct or cause the Stock Administrator to direct the distribution of the Shares purchased hereunder; (vii) furnish or cause the Stock Administrator to furnish the Employer with information which the Employer may require for tax or other purposes; (viii) engage the service of counsel (who may, if appropriate, be counsel for the Employer) and agents whom it may deem advisable to assist it with the performance of its duties; (ix) prescribe procedures to be followed by Eligible Employees in electing to participate herein; (x) receive from each Employer and from Eligible Employees such information as shall be necessary for the proper administration of the Plan; (xi) maintain, or cause the Stock Administrator to maintain, separate accounts in the name of each Participant to reflect his or her Participant Account under the Plan; (xii) interpret and construe the Plan in its sole discretion; (xiii) correct any defect, supply any omission and reconcile any inconsistency in the Plan in the manner and to the extent it shall deem desirable to carry the Plan into effect; and (xiv) make any changes or modifications necessary to administer and implement the provisions of the Plan in any foreign country to the fullest extent possible. Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, administer

the Plan. In any such case, the Board shall have all of the authority and responsibility granted to the Committee herein.

Section 16. *Transferability*. Neither any monies credited to a Participant's Participant Account nor any rights with regard to the exercise of an option to purchase Shares under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way (other than by will or by laws of descent and distribution) by the Participant. Any such attempt at assignment, transfer, pledge, or other disposition shall be without effect, except that the Company shall treat such act as an election to withdraw funds in accordance with Section 11.

Section 17. *Use of Funds*. All Eligible Compensation deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such funds.

Section 18. *Reports*. Individual Participant Accounts will be maintained for each Participant by the Stock Administrator and promptly following an Exercise Date Participants may log-on to that account to view purchase information.

Section 19. *Designation of Beneficiary*. A Participant may designate, in the online portal provided by the Stock Administrator, the Beneficiary who is to receive any Shares and cash, if any, from the Participant's Participant Account under the Plan in the event of such Participant's death.

Section 20. *Adjustments Upon Changes in Capitalization and Certain Transactions*. Except as would cause the Plan to fail to satisfy the requirements of Section 423 of the Code: (a) in the event of any merger, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property, other than a regular cash dividend), stock split (including a stock split in the form of a stock dividend), reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the Shares or the value thereof, such adjustments and other substitutions shall be made to the Plan and to outstanding options as the Committee, in its sole discretion, deems equitable or appropriate taking into consideration any applicable accounting and tax consequences, including such adjustments in the limitations in Section 7(a) and Section 13 and in the class and number of Shares and Exercise Price with respect to outstanding options under the Plan; and (b) in the event of any transaction or event described in (a) above, or any unusual or nonrecurring transaction or events affecting the Company or any changes in applicable laws, regulations or accounting principles, the Committee, in its sole discretion and on such terms and conditions as it deems appropriate, is hereby authorized to: (i) provide for either (X) termination of any outstanding option in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon exercise of such option had such option been currently exercisable or (Y) the replacement of such outstanding option with other rights or property selected by the Committee in its sole discretion; (ii) provide that the outstanding options under the Plan shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar rights covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and exercise prices; (iii) make adjustments in the number and type of Shares (or other securities or property) subject to outstanding options under the Plan and/or in the terms and conditions of outstanding options and options which may be granted in the future; (iv) shorten the Offering Period then in progress and set a new Exercise Date, which shall be a date immediately prior to the date of any transaction or event described in (a) above and provide for any other necessary procedures to effectuate such actions; and/or (v) provide that all outstanding options shall terminate without being exercised.

Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee, no issuance by the Company or shares of stock of any class, or securities convertible into stock of any class, shall affect, and no adjustment by reason thereof, shall be made with respect to, the number of Shares subject to an option or the grant or Exercise Price of any option.

Section 21. *Amendment or Termination*. The Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time and for any reason; *provided*, *however*, that the Board (i) shall not, without the approval of the shareholders of the Company, increase the maximum number of Shares which may be issued under the Plan (except pursuant to Section 20) or (ii) shall otherwise obtain shareholder approval of any amendment, alteration, suspension, discontinuance or termination of the Plan, if, and to the extent, required by applicable law. Except as specifically provided in the Plan, as required to comply with Section 423 of the Code, or as required to obtain a favorable ruling from the Internal Revenue Service, no such amendment, alteration, suspension, discontinuation or termination of the Plan pursuant to this Section 21 may make any change in any option theretofore granted which adversely affects the rights of any Participant without the consent of such Participant.

Section 22. *Notices*.

(a) All notices or other communications by an Eligible Employee or a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

(b) All notices or other communications by the Employer, the Company, the Board or the Committee under or in connection with the Plan shall be deemed to have been duly given when (i) personally delivered, including electronic transmission in such form as the Board or the Committee shall direct, or (ii) placed in the mail of the country of the sender in an envelope addressed to the last known address of the person to whom the notice is given.

Section 23. *Conditions Upon Issuance of Shares*.

(a) Shares shall not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such Shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated under both sets of laws and the requirements of any stock exchange upon which the Shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance. As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

(b) Notwithstanding Section 23(a), Shares shall not be issued with respect to an option unless the Shares will be held in a brokerage account administered by the Stock Administrator and may not be transferred to another brokerage account.

Section 24. *Withholding; Disqualifying Disposition*. Notwithstanding any other provision of the Plan, at the time a Participant's option under the Plan is exercised, in whole or in part, or at the time some or all of the Shares issued under the Plan are disposed of by a Participant, the Participant must make adequate provision for his or her Employer's federal, state, or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Shares. At any time, the Company may, but shall not be obligated to, withhold from the Participant's compensation, the amount necessary for the Company to meet applicable tax withholding obligations, including any withholding required to make available to the Company any tax deductions or benefits attributable to a sale or early disposition of Shares by the Participant.

Section 25. *Effective Date of the Plan.* The Plan shall be effective as of the Effective Date, provided it has been approved by the Company's shareholders prior to such date. Prior to the Effective Date, the terms of the Plan as it existed prior to being amended and restated shall be in effect.

Section 26. *Termination of Plan*. The Plan shall continue in effect until the earliest to occur of: (a) the maximum number of Shares available for issuance under the Plan have been issued; or (b) the Board terminates the Plan in accordance with Section 21. In the case of (a), such termination shall occur on the Exercise Date that Participants become entitled to purchase a number of Shares greater than the number available for purchase under Section 13.

Section 27. *No Rights Implied*. Nothing contained in the Plan, any modification or amendment to the Plan, the creation of any Participant Account, enrollment in the Plan, or the issuance of any Shares, shall give any Employee or Participant any right to continue his or her employment, any legal or equitable right against the Employer or Company or any officer, director, or employee of the Employer or the Company, or interfere in any way with the Employer's or the Company's right to terminate or otherwise modify an Employee's employment at any time, except as expressly provided by the Plan.

Section 28. *Severability*. If any provision of the Plan is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or entity, or would disqualify the Plan under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan, such provision shall be stricken as to such jurisdiction, person or entity, and the remainder of the Plan shall remain in full force and effect.

Section 29. *Waiver of Notice*. Any person entitled to notice under the Plan may waive such notice.

Section 30. *Successors and Assigns*. The Plan shall be binding upon all persons entitled to purchase Shares under the Plan, their respective heirs, legatees, and legal representatives, including, without limitation, such person's estate and the executors, any receiver, trustee in bankruptcy or representative of creditors of such person, and upon the Employer, its successors and assigns.

Section 31. *Headings*. The titles and headings of the sections are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

Section 32. *Governing Law*. The Plan shall be governed by the laws of the State of Delaware, without application of the conflicts of law principles thereof, except to the extent Delaware law is preempted by federal law. The obligation of the Employer to sell and deliver Shares under the Plan is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Shares.

Section 33. *Dispute Resolution.*

(a) Except as provided in the last sentence of this paragraph to the fullest extent permitted by law, the Company and each Participant agree to waive their rights to seek remedies in court, including but not limited to rights to a trial by jury. Each Participant hereby irrevocably waives the right to initiate or participate in any class or collective action with respect to any claim against the Company or any of its affiliates arising out of, relating to or in connection with this Plan. The Company and each Participant agree that any dispute between or among them and/or their affiliates arising out of, relating to or in connection with this Plan will be resolved in accordance with a confidential two-step dispute resolution procedure involving: (a) Step One: non-binding mediation, and (b) Step Two: binding arbitration under the Federal Arbitration Act, 9 U.S.C. § 1, et. seq., or state law, whichever is applicable. Any such mediation or arbitration hereunder shall be under the auspices of the American Arbitration Association ("**AAA**") pursuant to its then current AAA Employment Arbitration Rules. No arbitration shall be initiated or take place with respect to a given dispute if the parties have successfully achieved a mutually agreed to resolution of the dispute as a result of the Step One mediation. The mediation session(s) and, if necessary, the arbitration hearing shall be held in the city/location selected by the Company in its sole discretion. The arbitration (if the dispute is not resolved by mediation) will be conducted by a single AAA arbitrator, selected by the Company in its sole discretion. Any award rendered by the arbitrator, including with respect to responsibility for AAA charges (including the costs of the mediator and arbitrator), will be final and binding, and judgment may be entered

on it in any court of competent jurisdiction. In the unlikely event the AAA refuses to accept jurisdiction over a dispute, the Company and each Grantee agree to submit to JAMS mediation and arbitration applying the JAMS equivalent of the AAA Employment Arbitration Rules. If AAA and JAMS refuse to accept jurisdiction, the parties may litigate in a court of competent jurisdiction.

(b) If the Company concludes that, but for this provision multiple single plaintiff arbitration claims filed could have been brought as a class and/or collective action in state or federal court, and AAA's combined administrative fees for those cases exceed $50,000, then the Company shall have the right to forego the use of AAA. In that event, the parties shall meet and confer to select a mutually agreeable arbitrator. If the parties are unable to agree upon an arbitrator, then each party shall select five (5) arbitrators to place on a list. Arbitrators placed on the list must be licensed to practice law in any state (or have previously been licensed and have always been and remain in good standing with their respective bar associations) and who have previously served as a neutral arbitrator for at least one dispute involving an employment matter. Each side shall alternate in striking an arbitrator from the list, with the last remaining arbitrator selected to adjudicate the matter. The parties shall mutually agree or flip a coin to determine which party strikes first. Should the selected arbitrator have a conflict or otherwise refuse or be unable to serve, the arbitrator struck immediately prior shall serve as the arbitrator. The AAA Employment Arbitration Rules shall continue to apply to the greatest extent possible to the arbitration.

EXHIBIT 31.1

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bruce Van Saun, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Citizens Financial Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 6, 2024

/s/ Bruce Van Saun
Bruce Van Saun
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John F. Woods, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Citizens Financial Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 6, 2024

/s/ John F. Woods
John F. Woods
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906

OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Executive Officer of Citizens Financial Group, Inc. (the "Company"), does hereby certify that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the “Form 10-Q”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2024

/s/ Bruce Van Saun
Bruce Van Saun
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff on request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906

OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Financial Officer of Citizens Financial Group, Inc. (the "Company"), does hereby certify that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the “Form 10-Q”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2024

/s/ John F. Woods
John F. Woods
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff on request.