



Citizens Financial Group, Inc.

165(d) Resolution Plan

Public Summary

December 31, 2016

PUBLIC SECTION

Table of Contents

Introduction	1
1. Material Entities	3
2. Core Business Lines	3
3. Summary of Financial Information, Capital and Major Funding Sources	7
4. Derivative and Hedging Activities	10
5. Membership in Material Payment, Clearing and Settlement Systems	12
6. Foreign Operations	13
7. Material Supervisory Authorities	13
8. Principal Officers	14
9. Resolution Planning Corporate Governance, Structure and Processes	14
10. Material Management Information Systems	14
11. High Level Description of Citizens' Resolution Strategy	15

Introduction

On November 1, 2011, the Board of Governors of the Federal Reserve System (the Federal Reserve Board or FRB) and the Federal Deposit Insurance Corporation (FDIC) jointly issued the Resolution Plan final rule (12 Code of Federal Regulations (CFR) Part 243 and 12 CFR Part 381, respectively) pursuant to Title I, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act). The Resolution Plan final rule requires each bank holding company with total consolidated assets of \$50 billion or more (each a "covered company") to periodically submit a plan for such company's rapid and orderly resolution in the event of material financial distress or resolution. In accordance with the Resolution Plan final rule, Citizens Financial Group, Inc. (CFG), a covered company, has submitted its 2016 165(d) Resolution Plan to the FRB and FDIC, and is providing herein a public summary of that Plan.

As a result of CFG's full separation from The Royal Bank of Scotland Group plc (RBS Group) in November 2015, this is CFG's first required submission of a 165(d) Resolution Plan as a standalone covered company. Due to the timing of the full separation last year, CFG was not required to submit a 165(d) Resolution Plan in 2015, however, did so on a voluntary basis. For this year, CFG has received permission from the FRB and FDIC to file a 165(d) tailored resolution plan as allowed in the Resolution Plan final rule.

Under a hypothetical event of material financial distress or failure, the CFG 165(d) Resolution Plan demonstrates how CFG, along with its material entities (MEs) and core business lines (CBLs), could be resolved in a reasonable period of time and in a way that substantially mitigates the risk that such a failure would have a serious adverse effect on the financial stability in the United States, without any extraordinary support from the U.S. government.

As used in the CFG 165(d) Resolution Plan, CFG refers to Citizens Financial Group, Inc., the covered bank holding company. Citizens refers to CFG and its two primary banking subsidiaries, Citizens Bank, National Association (CBNA) and Citizens Bank of Pennsylvania (CBPA), together which are referred to as the Citizens Insured Depository Institutions (IDIs).

Citizens has \$138.6 billion in assets and \$19.6 billion in stockholders' equity on a FR Y-9C reporting basis as of December 31, 2015. CBNA and CBPA, CFG's two primary banking subsidiaries, have \$108.1 billion and \$35.2 billion in assets, respectively, on a Federal Financial Institution Examination Council (FFIEC) Consolidated Report of Condition and Income (call report) basis. Citizens currently provides a broad range of consumer and commercial banking products through approximately 1,200 branches, including over 340 in-store locations, 3,200 automated teller machines (ATMs) and more than 17,700 colleagues. Citizens operates its branch network in an 11-state footprint across the New England, Mid-Atlantic and Midwest regions and also maintains over 100 retail and commercial non-branch offices located both in the banking footprint and in other states and the District of Columbia, largely contiguous to Citizens' footprint.

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

- Citizens has only two material operating companies, CBNA and CBPA, its two IDIs, which both engage in traditional banking activities. Nearly all of CFG's revenues and profits are generated by CBNA and CBPA. There is immaterial activity in nonbank affiliates.
- All of Citizens' operations and employees are located in the United States and substantially all of its revenues, profits, assets and liabilities are related to domestic operations.
- Key support functions and technology almost exclusively reside in CBNA or CBPA, thereby limiting interconnectivity between those entities and CFG (and CFG's nonbank subsidiaries), and protecting them from the activities of its nonbank affiliates.
- The Resolution Plan final rule defines "critical operations" as "those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which, in the view of the covered company or as jointly directed by the Federal Reserve and the FDIC, would pose a threat to the financial stability of the United States." There are no critical operations within Citizens.
- At December 31, 2015, there were derivative transactions to hedge debt capital market related activity at CFG, but most of Citizens' derivative activities are customer-driven, or used to hedge Citizens' balance sheet interest rate risk. They are well-accepted and well-understood financial instruments, primarily derived from interest and foreign exchange rates and are booked in CBNA and CBPA, the two Citizens IDIs. Derivative activity is almost exclusively executed through unaffiliated, U.S.-based financial institutions as counterparties and cleared to the extent required by applicable law. Any derivative contracts still in place with RBS Group are governed by New York law.

The CFG 165(d) Resolution Plan, which this document summarizes, is not binding on the FRB, the FDIC or any other resolution authority, and the failure scenarios and associated assumptions presented herein are hypothetical and do not necessarily reflect an event or events to which Citizens is or may become subject to. This public section provides an overview of the organizational structure, a summary of the associated financials, a list of supervisory authorities and principal officers, a description of governance and management information systems, as well as a summary of the resolution strategies.

Forward-Looking Statements

This document contains "forward-looking statements" as the Private Securities Litigation Reform Act of 1995 defines that phrase. Any statement that does not describe historical or current facts is a forward-looking statement. These statements often include the words "believes," "expects," "anticipates," "estimates," "intends," "plans," "goals," "targets," "initiatives," "potentially," "probably," "projects," "outlook" or similar expressions or future conditional verbs such as "may," "will," "should," "would," and "could." Forward-looking statements are based upon the current beliefs and expectations of management, and on information currently available to management. Citizens' statements speak as of the date hereof, and Citizens does not assume any obligation to update these

statements or to update the reasons why actual results could differ from those contained in such statements in light of new information or future events. Citizens cautions, therefore, against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. While there is no assurance that any list of risks and uncertainties or risk factors is complete, important factors could cause actual results to differ materially from those in the forward-looking statements.

1. Material Entities

MEs are defined as a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line. Citizens operates principally through three MEs: CFG (the covered company), CBNA, and CBPA, further described below.

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

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

Citizens Bank of Pennsylvania: CBPA is a Pennsylvania-chartered savings bank that offers services that are similar to those listed for CBNA above. The primary regulators of CBPA are the FDIC and the Pennsylvania Department of Banking. CBPA has retail banking branches in Pennsylvania and New Jersey.

2. Core Business Lines

CBLs are defined as those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value. CFG does not have any CBLs. CBNA and CBPA, the Citizens IDIs, have two business lines, which are designated as a CBL, Consumer Banking and Commercial Banking, further described below.

Consumer Banking: Consumer Banking serves retail customers and small businesses with annual revenues of up to \$25 million through a network that as of December 31, 2015 included approximately 1,200 branches operating in an 11-state footprint across the New England, Mid-Atlantic and Midwest regions, as well as through online, telephone and mobile banking platforms. Consumer

Banking products and services include deposit products, mortgage and home equity lending, student loans, auto financing, credit cards, business loans, wealth management and investment services.

Consumer Banking is focused on winning, expanding and retaining customers through its value proposition: "Simple. Clear. Personal." and is committed to delivering a differentiated experience through convenience and service. Citizens was named one of the "Most Reputable Banks" in the country, according to the American Banker/Reputation Institute Survey of Bank Reputations released in 2015, which focused on factors including products, corporate citizenship, financial performance and company leadership.

As reported on Form 10-K filed with the Securities and Exchange Commission (SEC), Consumer Banking accounted for \$51.5 billion, or 55%, of average loans and leases (including loans held for sale) in Citizens' operating segments as of December 31, 2015 and is organized around the customer products and services as follows:

- *Distribution*: Provides a multi-channel distribution system through a workforce of approximately 7,000 branch colleagues with a network of approximately 1,200 branches, including over 340 in-store locations, as well as approximately 3,200 ATMs. The network includes approximately 1,300 specialists covering savings and investments, lending needs and business banking. Citizens' online and mobile banking capabilities offer customers the convenience of paying bills, transferring money between accounts and from person to person, in addition to a host of other everyday transactions through a robust digital platform.
- *Everyday Banking*: Provides customers with deposit and payment products and services, including checking, savings, money market, CDs, debit cards, credit cards and overdraft protection. The business included approximately 2.2 million checking households and \$53.8 billion in average deposits as of December 31, 2015.
- *Wealth Management*: Provides a full range of advisory services to clients with an array of banking, investment and insurance products and services through a sales force, which includes more than 315 financial consultants, over 160 premier bankers and 13 private banker teams. As of December 31, 2015, Wealth Management had approximately \$6.5 billion in assets under management (including \$2.4 billion of separately managed accounts) and \$12.9 billion in investment brokerage assets.
- *Business Banking*: Serves businesses with annual revenues of up to \$25 million through a combination of branch-based employees, business banking officers and relationship managers. As of December 31, 2015, Business Banking employed a team of over 360 bankers with loans outstanding of \$3.0 billion and average deposit balances of \$13.3 billion.
- *Consumer Lending*: Provides home equity, personal unsecured lines and loans, student lending, and auto finance products. Aligning these lending products enables sales and operations synergies, sharing of best practices, and better prioritization of resources to maximize growth opportunities.

- *Home Equity:* Offers home equity loans and home equity lines of credit (HELOCs). Citizens originated \$4.0 billion of HELOCs in 2015 and was ranked sixth nationally by outstanding balances as of September 30, 2015, and ranked in the top five in eight of the top nine markets for HELOC originations.
- *Indirect Auto Finance:* Provides new and used vehicle financing to prime borrowers through a network of over 6,800 automotive dealerships in 43 states as of December 31, 2015. Citizens implemented a new origination platform in October 2013 that has facilitated more granular credit and pricing strategies, which will enable the company to optimize risk-adjusted returns. The business ranked seventh nationally among regulated depository institutions by outstanding balances as of September 30, 2015, with 2015 origination volume of \$7.0 billion with a weighted average Fair Isaac Corporation (FICO) score of approximately 744.
- *Student Lending:* Citizens launched the Student Lending business in 2009 and has expanded to partner with nearly 2,400 high-quality not-for-profit higher education schools in all 50 states. InSchool loan origination volume has increased from \$112 million in 2010 to \$387 million in 2015 with a weighted-average FICO score of 771. The Education Refinance Loan (ERL) product was launched in January 2014 to provide those who have entered the workforce a way to refinance or consolidate multiple existing private and federal student loans. Citizens originated approximately \$230 million ERL loans in 2014 and approximately \$1.1 billion in 2015 with a weighted average FICO score of 781.
- *Residential Mortgage:* The mortgage business is primarily in footprint and in select out-of-footprint states through a direct-to-consumer call center and a mortgage loan officer base of over 440 as of December 31, 2015. In October of 2015, Citizens brought together the end-to-end mortgage business to maximize talent, strengthen service quality front-to-back, and simplify how the business operates. Full year 2015 mortgage originations totaled \$5.7 billion with a weighted average FICO score of 763 and loan-to-value of 73%.

Commercial Banking: Commercial Banking primarily targets companies and institutions with annual revenues of \$25 million to \$2.5 billion and strives to be the lead bank for its clients. Commercial Banking offers a broad complement of financial products and solutions, including lending and leasing, deposit and treasury management, foreign exchange and interest rate risk management, corporate finance and debt and equity capital markets capabilities. Commercial Banking provides “Thought Leadership” by leveraging an in-depth understanding of clients’ and prospects’ businesses to proactively deliver compelling financial solutions with quality execution. Commercial Banking focuses each business unit in sectors that maximize its ability to be relevant and deliver value-added solutions to clients.

In middle-market, this involves a business unit highly focused on Citizens' 11-state footprint. In vertical market-oriented businesses, Citizens' focus is national within its areas of expertise.

Commercial Banking believes this segment provides a compelling value proposition based on “Thought Leadership” for clients. Results are evidenced by a fifth place ranking for client penetration and a fourth place ranking for number of lead relationships in middle-market banking within the footprint.

Commercial Banking is structured along lines of business, as well as product groups. Product groups include Capital & Global Markets, Treasury Solutions and Asset Finance, which support all lines of business. These business lines and product groups work in teams to understand and determine client needs and provide comprehensive solutions to meet those needs. New clients are acquired through a coordinated approach to the market ranging from leveraging deep industry knowledge in specialized banking groups to a geographic coverage model focused on organizations headquartered in the branch geographic footprint.

As reported on Form 10-K filed with the SEC, Commercial Banking accounted for \$41.6 billion, or approximately 45%, of average loans and leases (including loans held for sale) in Citizens' operating segments as of December 31, 2015, and is organized as follows:

- *Corporate Banking*: Targets domestic commercial and industrial clients, serving middle-market companies with annual gross revenues of \$25 million to \$500 million and mid-corporate companies with annual revenues of \$500 million to \$2.5 billion. The business offers a broad range of products, including lines of credit, term loans, commercial mortgages, domestic and global treasury management solutions, trade services, interest rate products and foreign exchange. Loans are extended on both a secured and unsecured basis, and are substantially all at floating rates of interest. Corporate Banking is a general lending practice, however, there are specialty industry verticals addressing U.S. subsidiaries of foreign corporations, technology, government entities, healthcare, oil and gas, not-for-profit institutions, professional firms, franchise finance, and business capital (asset-based lending).
- *Commercial Real Estate (CRE)*: Provides customized debt capital solutions for middle-market operators, institutional developers and investors as well as real estate investment trusts (REITs). CRE provides financing for projects in the office, multi-family, industrial, retail, healthcare and hospitality sectors. Loan types include term debt, lines of credit, as well as construction financing. Most loans are secured by commercial real estate properties and are typically non-owner occupied. Owner-occupied commercial real estate is typically originated through the Corporate Banking business.
- *Capital & Global Markets*: Delivers to clients through key product groups including Capital Markets, Corporate Finance, and Global Markets.
 - Capital Markets originates, structures and underwrites multi-bank credit facilities targeting middle-market, mid-corporate and private equity sponsors with a focus on offering value-added ideas to optimize their capital structure. From 2010 through 2015, Capital Markets was involved in closing 607 lead or co-lead transactions.

- Corporate Finance provides advisory services to middle-market and mid-corporate companies, including mergers and acquisitions, equity private placements and capital structure advisory. The team works closely with industry sector specialists within debt capital markets on proprietary transaction development, which serves to originate deal flow in multiple bank products.
- Global Markets is a customer-facing business providing foreign exchange and interest rate risk management services. The lines of business include the centralized leveraged finance team, which provides underwriting and portfolio management expertise for all leveraged transactions and relationships; the private equity team, which serves the unique and time-sensitive needs of private equity firms, management companies and funds; and the sponsor finance team, which provides acquisition and follow-on financing for new and recapitalized portfolio companies of key sponsors.
- *Treasury Solutions*: Supports all lines of business in Commercial Banking and Business Banking with treasury management solutions, including domestic and international cash management, commercial credit cards and trade finance. Treasury Solutions provides products to solve client needs related to receivables, payables, information reporting and liquidity management. Treasury Solutions serves small business banking clients (up to \$500,000 annual revenue) to large mid-corporate clients (over \$2.5 billion annual revenue).
- *Asset Finance*: Offers equipment financing term loans and leases for middle-market and mid-corporate companies. All transactions are secured by the assets financed and commitments tend to be fully drawn; most leases and loans are fixed rate. Areas of industry specialization include energy, utilities and chemicals. The business also has expertise in financing corporate aircraft and tax- and non-tax-oriented leases for other long-lived assets such as rail cars.

3. Summary of Financial Information, Capital and Major Funding Sources

Financial Overview

Exhibit 1 summarizes the assets, liabilities and capital for CFG as of December 31, 2015, presented on an FR Y-9C reporting basis. For the most complete and updated information regarding assets, liabilities, capital and major funding sources, Citizens' Form 10-K and 10-Q reports filed with the SEC should be read in their entirety.

Exhibit 1: Consolidated Citizens Balance Sheet

As of December 31, 2015 (\$ millions)

ASSETS:

Cash and due from banks	\$ 1,371.6
Interest-bearing deposits in banks	2,326.1
Securities available-for-sale at fair value	17,866.7
Securities held to maturity at amortized cost	5,257.9
Federal Funds sold and securities purchased under agreements to resell	—
Loans held for sale	307.8
Loans and leases	99,076.5
Less: Allowance for loan and lease losses	1,215.7
Net loans and leases	97,860.8
Trading account assets	607.4
Premises and equipment	595.0
Other real estate owned	42.0
Investments in real estate ventures	635.7
Goodwill	6,876.1
Other intangibles	166.8
Other assets	4,660.2
TOTAL ASSETS	\$ 138,574.1

LIABILITIES AND STOCKHOLDERS' EQUITY:

LIABILITIES:

Total deposits	102,832.6
Securities sold under agreements to repurchase, and short-term borrowings	802.1
Trading liabilities	459.5
Borrowed funds	9,920.8
Subordinated notes and debentures	2,595.2
Other liabilities	2,317.9
TOTAL LIABILITIES	\$ 118,928.2

STOCKHOLDERS' EQUITY:

Perpetual preferred stock and related surplus	246.9
Common stock	5.6
Surplus	18,725.3
Retained earnings	1,913.1
Accumulated other comprehensive income	(386.7)
Treasury stock	(858.3)
TOTAL EQUITY CAPITAL	\$ 19,645.9
TOTAL LIABILITIES AND EQUITY CAPITAL	\$ 138,574.1

Capital

Citizens maintains a robust capital adequacy assessment process in order to maintain strong capital levels that fall within the internal risk appetite framework and to meet the objectives of customer, shareholder, regulatory and market stakeholders. The Federal Reserve requires Citizens to maintain minimum capital levels with respect to a common equity tier 1 capital ratio, tier 1 capital ratio, total capital ratio (tier 1 plus tier 2) and a tier 1 leverage ratio.

Exhibit 2 shows that each of Citizens' regulated material entities maintains strong ratios compared to its current regulatory guidelines including minimum capital, minimum capital plus conservation buffer and well-capitalized minimum capital levels.

Exhibit 2: Capital Ratios			
As of December 31, 2015 (%)			
Capital Ratio	Basel III Transitional Actual Ratios		
	CFG	CBNA	CBPA
Common equity tier 1	11.7%	11.7%	13.0%
Tier 1	12.0%	11.7%	13.0%
Total	15.3%	14.3%	15.4%
Tier 1 leverage	10.5%	10.7%	9.1%
Capital Ratio Requirements	Required Minimum	Required Minimum + Capital Conservation Buffer for Non-Leverage Ratios*	Well Capitalized Minimum for Purposes of Prompt Corrective Action
Common equity tier 1	4.5%	7.0%	6.5%
Tier 1	6.0%	8.5%	8.0%
Total	8.0%	10.5%	10.0%
Tier 1 leverage	4.0%	4.0%	5.0%

*The Capital Conservation Buffer of 2.5% above minimum requirements phases in between January 1, 2016 and January 1, 2019 for the risk-based capital ratios and does not apply to the leverage ratio.

Funding Sources

Citizens' primary funding source is consumer and commercial customer deposits, which are stable and lessen reliance on wholesale funding markets. Additional sources include payments of principal and interest on loans, and debt securities and wholesale borrowings, as needed. As of December 31, 2015 on an FR Y-9C reporting basis, Citizens' total assets of \$138.6 billion were funded mainly by \$102.8 billion of deposits and \$19.6 billion of shareholder equity. The loan-to-deposit ratio was 96.9% on a period end generally accepted accounting principles (GAAP) basis. As of December 31, 2015, Citizens' actual liquidity, consisting of its net cash position at the Federal Reserve (\$2.0 billion) and unencumbered liquid securities (\$17.1 billion), was \$19.1 billion or 16.1% of total liabilities. Citizens' contingent liquidity, consisting of actual liquidity and available Federal Home Loan Bank (FHLB)

borrowing capacity (\$4.1 billion) was \$23.1 billion or 19.5% of total liabilities. Citizens maintains a diversified network of funding sources, which reduces reliance on any one particular source in the event that certain segments of the wholesale funding markets become impaired. Unsecured funding sources available include interbank Fed Funds, term unsecured debt and institutional CDs. Secured funding sources include high-quality debt securities that can be readily sold or repurchased and high-quality real estate loans that can be pledged against advances from the FHLB. Securities and consumer and commercial loans can be pledged against borrowings from the Federal Reserve's discount window.

CFG's primary funding sources are dividends and interest received from its banking subsidiaries (CBNA and CBPA) and externally issued debt. CFG's uses of liquidity include routine cash flow requirements for a bank holding company, such as payments of dividends, interest and expenses; needs of subsidiaries for additional equity and debt financing; and extraordinary requirements for cash, such as acquisitions. As of December 31, 2015, cash and cash equivalents were approximately \$400 million, which should be viewed as a liquidity reserve.

CFG's liquidity risk is low as it has no material nonbanking subsidiaries and the banking subsidiaries are self-funding. There was no outstanding senior debt at the CFG level as of December 31, 2015. As of December 31, 2015, the double leverage ratio (the combined equity of CFG's subsidiaries divided by CFG's equity) was 101.4% and operating expenses are relatively small.

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

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

4. Derivative and Hedging Activities

Derivatives Activities

CFG may enter into derivative transactions to hedge debt capital market-related activity, including hedge transactions to support anticipated debt issuances, and fair value hedges of fixed rate debt capital market instruments.

In the normal course of business, CBNA and CBPA enter into a variety of derivative transactions, both to meet the financing needs of their customers and to reduce their own exposure to fluctuations in interest rates and foreign currency exchange rates. CBNA and CBPA sell interest rate swaps and foreign exchange transactions to commercial customers, offsetting those transactions with unaffiliated financial institutions and clearing houses. The Citizens IDIs also use interest rate swaps to manage their exposure to their interest rate risk, typically executing these transactions with unaffiliated financial institutions (which may also be cleared). They also buy and sell interest rate forwards to manage the interest rate risk of the residential loan rate locks they commit to customers. The Citizens IDIs do not use derivatives for speculative purposes. The derivative instruments are recognized on the consolidated balance sheet at fair value.

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

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

Exhibit 3 identifies derivative instruments included on the Citizens consolidated balance sheets in derivative assets and liabilities.

Exhibit 3: Consolidated Citizens Financial Group, Inc. Derivative Assets and Liabilities

As of December 31, 2015 (\$ in millions)

	Notional Amount ^(a)	Derivative Assets	Derivative Liabilities
Derivatives Designated as Hedging Instruments:			
Interest Rate Contracts	\$ 16,750	\$ 96	\$ 50
Derivatives Not Designated as Hedging Instruments:			
Interest Rate Contracts	33,719	540	455
Foreign Exchange Contracts	8,366	163	156
Other Contracts	981	8	5
Total Derivatives Not Designated as Hedging Instruments		711	616
Gross Derivative Fair Values		807	666
Less: Gross Amounts Offset in the Consolidated Balance Sheets ^(b)		(178)	(178)
Less: Cash Collateral Applied ^(b)		(4)	(3)
Total Net Derivative Fair Values Presented in the Consolidated Balance Sheets ^(c)		\$ 625	\$ 485

(a) The notional or contractual amount of interest rate derivatives and foreign exchange contracts is the amount upon which interest and other payments under the contract are based. Notional amounts are typically not exchanged. Therefore, notional amounts should not be taken as the measure of credit or market risk, as they tend to greatly overstate the true economic risk of these contracts.

(b) Amounts represent the impact of legally enforceable master netting agreements that allow Citizens to settle positive and negative positions.

(c) Citizens also offsets assets and liabilities associated with repurchase agreements on the Consolidated Balance Sheets.

5. Membership in Material Payment, Clearing and Settlement Systems

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

Exhibit 4: FMU Memberships

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

6. Foreign Operations

Citizens has no material operations outside of the U.S.

7. Material Supervisory Authorities

CFG, as a bank holding company, is supervised by the FRB. CBNA is supervised by the OCC under the National Bank Act, and the FDIC has supervisory authority over CBNA as the provider of federal deposit insurance. CBPA’s primary regulators are the FDIC and the Pennsylvania Department of Banking.

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

8. Principal Officers

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

Exhibit 5: Principal Officers	
As of December 31, 2015	
Executive	Title
Bruce Van Saun	Chairman and Chief Executive Officer
Eric Aboaf ^(a)	Executive Vice President, Chief Financial Officer
David Bowerman ^(b)	Vice Chairman, Business Services
Brad Conner	Vice Chairman, Consumer Banking
Stephen Gannon	Executive Vice President, General Counsel and Chief Legal Officer
Beth S. Johnson	Executive Vice President, Chief Marketing Officer and Head of Consumer Strategy
Susan LaMonica	Executive Vice President, Chief Human Resources Officer
Don McCree	Vice Chairman, Commercial Banking
Robert Nelson ^(c)	Executive Vice President, Chief Compliance Officer
Brian O'Connell	Executive Vice President, Head of Technology Services
Nancy Shanik ^(d)	Executive Vice President, Chief Risk Officer

(a) Eric Aboaf left Citizens on December 16, 2016. He was replaced on an interim basis by John Fawcett, retired Citizens CFO, who will be succeeded by John F. Woods, permanent CFO, effective March 4, 2017.

(b) David Bowerman left Citizens on September 30, 2016. He was replaced as Head of Business Services by Mary Ellen Baker, effective August 8, 2016.

(c) Robert Nelson retired from Citizens on October 31, 2016. His successor, Scott Essex, is not an ExCo member.

(d) Nancy Shanik retired from Citizens on May 31, 2016. She was replaced as Chief Risk Officer by Malcolm Griggs effective April 1, 2016.

9. Resolution Planning Corporate Governance, Structure and Processes

A comprehensive governance and management process has been established to oversee the creation and maintenance of the CFG 165(d) Resolution Plan. The process relies on a combination of existing corporate governance (which includes the boards of directors of CFG, CBNA and CBPA, as well as executive management committees) and a centralized function established to provide oversight, control and ongoing management of the plan.

The boards received progress updates on the Resolution Plan's preparation, and the 2016 CFG 165(d) Resolution Plan was reviewed and approved by the CFG board on October 20, 2016.

10. Material Management Information Systems

Citizens' Management Information Systems (MIS) consist of the information and technology used by Citizens to effectively manage its business line and support function activities. These activities include loan and deposit origination, account opening, portfolio management, trading and investment

management, customer analytics, risk management, accounting, finance, operations and regulatory reporting.

Citizens' MIS reporting is generated from systems that are aligned to a business line, support function or the enterprise. Software applications used include those that are internally developed and proprietary, as well as those acquired from third-party vendors. Citizens adheres to corporate policies that ensure the systems are reliable and provide the information needed to manage the business.

Citizens continues to make significant investments in information technology systems. Recent and planned investments will improve MIS and reporting in both the normal course of business and a resolution situation.

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

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

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

11. High Level Description of Citizens' Resolution Strategy

The CFG 165(d) Resolution Plan describes the strategy for rapid and orderly resolution in the event of material financial distress or failure of CFG and its two IDI subsidiaries as required by the Title I Rule. The Resolution Plan considers strategies for a hypothetical resolution of CFG under bankruptcy law and the Citizens IDIs under the Federal Deposit Insurance Act. Citizens has developed strategies under the assumption that sudden, unexpected catastrophic losses cause the failure of CFG, CBNA and CBPA. The Resolution Plan also assumes that the company is operating in an economic environment consistent with the severely adverse scenarios developed by the FRB and used in Citizens' 2016 CCAR submission.

The failure scenario, assumptions and resolution strategies described in the CFG 165(d) Resolution Plan are hypothetical and do not reflect events to which Citizens is or may reasonably become subject to. The resolution strategies described in the Resolution Plan are not binding on the FDIC, bankruptcy court or any other resolution authority. In the event of an actual resolution of Citizens, the strategies implemented by Citizens, the FDIC or any other resolution authority could differ materially from the strategy described in the Resolution Plan.

Preferred Resolution Strategy for CFG

In the unlikely and hypothetical event of failure, the CFG 165(d) Resolution Plan assumes that CFG would file for protection and be resolved under Chapter 11 of the U.S. Bankruptcy Code (Chapter 11). Under Chapter 11, CFG would continue to operate as a debtor-in-possession (DIP). Given that CFG does not engage in any material business activity other than holding assets, management's primary focus would be on liquidating its remaining assets and arranging for payments to creditors pursuant to priorities set forth in the U.S. Bankruptcy Code to maximize the value for all stakeholders. A Chapter 11 proceeding is preferred to an immediate liquidation under Chapter 7 of the U.S. Bankruptcy Code as it provides CFG more time to execute its plan.

Preferred Resolution Strategy for CBNA and CBPA

In the unlikely and hypothetical event of failure, the CFG 165(d) Resolution Plan assumes that the Citizens IDIs are placed into receivership under the FDIC. As the receiver of the two Citizens IDIs, it is assumed that the FDIC would form a single bridge bank to maintain the operations of the IDIs while a single purchaser is pursued, given the highly-integrated operating model of CBNA and CBPA. While it is possible that Citizens or the FDIC may be able to effect a sale of CBNA and CBPA prior to resolution, Citizens views such sales as unlikely due to the assumed rapid onset of the hypothetical stress event.

Citizens believes that even under a hypothetical stress event, there exist numerous financial institutions that could act as potential acquirers in purchasing the Citizens IDIs. Potential buyers of the Citizens IDIs could include national banks, regional banks, international banks, other financial institutions or private equity funds.

Citizens' CBLs, Consumer Banking and Commercial Banking, are entirely housed within CBNA and CBPA. As a result, the resolution strategies outlined above would maintain these CBLs intact and operational, without disruption to customers. The CFG 165(d) Resolution Plan also provides for continued access to critical services from affiliates and suppliers including MIS, operations, technology, employees, facilities and intellectual property.

The CFG 165(d) Resolution Plan does not rely on the provision of extraordinary support by the U.S. to Citizens or its affiliates to prevent failure. The plan illustrates how Citizens can be resolved in the event of material financial distress or failure in a manner that ensures that depositors have access to insured deposits within one business day of failure; maximizes the net present value return from the sale or disposition of Citizens' assets; and minimizes the amount of loss realized by creditors in the resolution.