

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attached.](#)

18 Can any resulting loss be recognized? ▶ [See attached.](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attached.](#)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 3/22/2021

Paid Preparer Use Only	Print your name ▶ <u>Yanina S Reid</u>	Preparer's signature	Title ▶ <u>SVP & Head of Corporate Tax</u>	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶	
	Firm's address ▶				Phone no.	

CITIZENS FINANCIAL GROUP, INC.

EIN: 05-0412693

Date of Action: February 11, 2021

Attachment to Internal Revenue Service Form 8937

The information herein is provided pursuant to Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”). The information herein does not constitute tax advice. Note holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the exchanges described herein and the tax basis resulting from the exchanges.

Line 10 – CUSIP Numbers:

<u>Old Notes:</u>	<u>New Notes:</u>
75524RAA7 / U7535RAA4 174610AC9 174610AK1	174610AZ8
174610AL9	174610AX3
174610AJ4	174610BB0

14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.

On February 11, 2021 (the “Settlement Date”), holders of 5 outstanding series of notes of Citizens Financial Group, Inc. (“CFG”) listed below (collectively, the “Old Notes”) exchanged their Old Notes for newly issued 4.300% Fixed Rate Reset Subordinated Notes due 2031, 3.750% Fixed Rate Reset Subordinated Notes due 2031 and 4.350% Fixed Rate Reset Subordinated Notes due 2031 of CFG (the “New Notes”) and, with respect to the 4.300% Subordinated Notes due 2025, also cash (the “Exchange”).

The following is the list of Exchanges.

- Exchange of 4.150% Subordinated Notes due 2022 or 4.023% Subordinated Notes due 2024 for 4.300% Fixed Rate Reset Subordinated Notes due 2031.
- Exchange of 4.300% Subordinated Notes due 2025 for 4.300% Fixed Rate Reset Subordinated Notes due 2031 plus cash.
- Exchange of 3.750% Subordinated Notes due 2024 for 3.750% Fixed Rate Reset Subordinated Notes due 2031.
- Exchange of 4.350% Subordinated Notes due 2025 for 4.350% Fixed Rate Reset Subordinated Notes due 2031.

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The tax treatment of an exchange of Old Notes for New Notes pursuant to the Exchange depends on whether the Exchange qualifies as a recapitalization for U.S. federal income tax purposes. In order for the Exchange to qualify as a recapitalization, the Old Notes and the New Notes must both be treated as “securities” under the relevant provisions of the Code. CFG believes that the Old Notes and New Notes should be treated as securities for this purpose, and that accordingly the Exchange of the Old Notes for New Notes (and, with respect to the 4.300% Subordinated Notes due 2025, also cash) should be treated as a recapitalization for U.S. federal income tax purposes.

Under the rules that govern a recapitalization, a U.S. holder of Old Notes generally did not recognize gain or loss in respect of the exchange of any Old Notes other than as described below with respect to an exchange of the 4.300% Subordinated Notes due 2025. Accordingly, except as described below with respect to an exchange of the 4.300% Subordinated Notes due 2025 and dispositions of fractional New Notes, a U.S. holder has a tax basis in the New Notes that is equal to the holder’s tax basis in the Old Notes that the holder exchanged for the New Notes.

A U.S. holder that exchanged the 4.300% Subordinated Notes due 2025 for New Notes generally recognized gain (but not loss), if any, in an amount equal to the lesser of (i) the excess of (a) the issue price of the 4.300% Fixed Rate Reset Subordinated Notes due 2031 (including any fractional New Notes for which the holder received cash) that the holder received in the Exchange plus the cash (excluding cash received for accrued interest and in lieu of fractional amounts of New Notes) that the holder received in the Exchange over (b) the holder’s tax basis in the Old Notes and (ii) the cash (other than cash for accrued interest and cash in lieu of fractional amounts of New Notes) that the holder received in the Exchange. The issue price of the New Notes is set forth under line 16 below.

Holders of the 4.300% Subordinated Notes due 2025 have a tax basis in the New Notes received in exchange for such Old Notes equal to the holder’s adjusted tax basis in the Old Notes, increased by any gain that the holder recognized in the Exchange and decreased by any cash that the holder received in the Exchange (excluding cash received for accrued interest in lieu of fractional amounts of New Notes).

In addition, a U.S. holder that received cash in lieu of fractional New Notes recognized gain or loss in an amount equal to the difference between the holder’s tax basis in the fractional New Notes and the cash that the holder received for the fractional New Notes. A holder’s tax basis in the New Notes was reduced by the tax basis that was allocated to the fractional New Notes.

If a holder held Old Notes with differing tax bases and/or holding periods, the preceding rules applied separately to each identifiable block of Old Notes.

16. Describe the calculation of the change in basis and the data that support the calculation, such as the market values of securities and the valuation dates.

As described in line 15 above, a holder's initial tax basis in the New Notes (including any fractional New Notes for which the holder received cash) is equal to the holder's adjusted tax basis in such Old Notes exchanged for the New Notes, and in the case of New Notes received in exchange for 4.300% Subordinated Notes due 2025 increased by any gain that the holder recognized in the Exchange, and decreased by any cash that the holder received in the Exchange (excluding cash received in respect of accrued interest or in lieu of fractional amounts of New Notes).

As discussed in line 15 above, the gain that a U.S. holder of 4.300% Subordinated Notes due 2025 recognized in the Exchange depends upon the "issue price" of the 4.300% Fixed Rate Reset Subordinated Notes due 2031. For this purpose, we have determined that (a) the 4.300% Fixed Rate Reset Subordinated Notes due 2031 were "traded on an established market" as of the Settlement Date, and (b) the 4.300% Fixed Rate Reset Subordinated Notes due 2031 had a fair market value as of the Settlement Date of \$1,121.033 per \$1,000 face amount of such New Notes. Accordingly, we have determined that the issue price of the 4.300% Fixed Rate Reset Subordinated Notes due 2031 is equal to \$1,121.033 per \$1,000 face amount of such New Notes.

In addition, a holder that received cash in lieu of fractional New Notes recognized gain or loss in an amount equal to the difference between the holder's tax basis in the fractional New Notes and the cash that the holder received for the fractional New Notes. A holder's tax basis in the New Notes was then reduced by the tax basis that was allocated to the fractional New Notes.

17. List the applicable Internal Revenue Code section(s) upon which the tax treatment is based.

Section 354; Section 356; Section 358; Section 368; Section 1001; Section 1273.

18. Can any resulting loss be recognized?

If, as we believe should be the case, each Exchange is treated as a recapitalization for tax purposes, then no loss will be recognized upon an exchange of Old Notes for New Notes, except with respect to cash received in lieu of fractional New Notes, as described above in line 15.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Exchange was completed on February 11, 2021. For a holder whose taxable year is the calendar year, the reportable tax year is 2021.

As described in line 16 above, we have determined that (a) the 4.300% Fixed Rate Reset Subordinated Notes due 2031 were "traded on an established market" as of the Settlement Date, and (b) the 4.300% Fixed Rate Reset Subordinated Notes due 2031 had a fair market value

as of the Settlement Date of \$112.1033 per \$100 face amount of such New Notes. Accordingly, we have determined that the issue price of the 4.300% Fixed Rate Reset Subordinated Notes due 2031 is equal to \$1,121.033 per \$1,000 face amount of such New Notes.