

# MADE READY

ANNUAL REVIEW  
2019

# FOR THE FUTURE

# MADE READY FOR THE FUTURE TO HELP DRIVE SUSTAINABLE, LONG-TERM FINANCIAL PERFORMANCE

## HIGHLIGHTS\*

**\$165.7 billion**  
assets

**+17%**  
noninterest income

**\$119.1 billion**  
loans and leases

**+6%**  
pre-provision  
net revenue

**\$125.3 billion**  
deposits

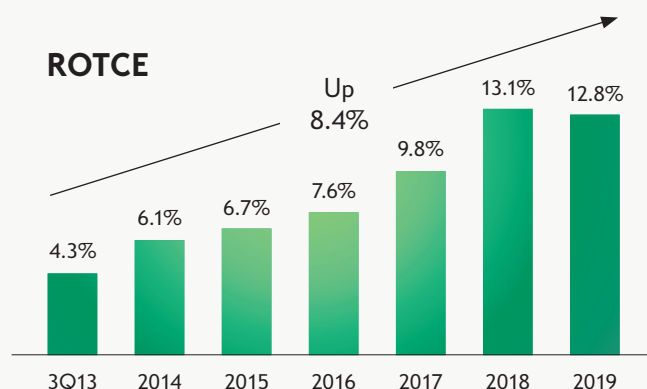
**+8%**  
earnings per share

**10.0%**  
CET1 ratio

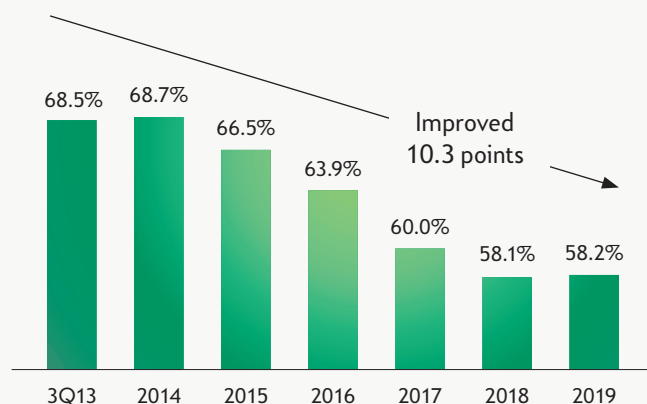
**+23%**  
total common  
dividends and  
share repurchases

**+12%**  
tangible book value

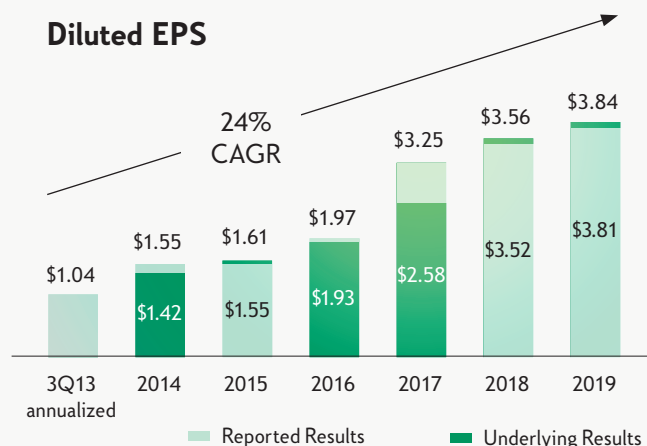
## ROTCE



## Efficiency Ratio



## Diluted EPS



\* Throughout this Annual Review, results presented on an Underlying basis exclude the impact of notable items. Please see important information on Key Performance Metrics and Non-GAAP Financial Measures at the end of this presentation for an explanation of our use of these metrics and non-GAAP financial measures and their reconciliation to GAAP financial measures. References to average loans and leases exclude loans held for sale unless otherwise noted. 3Q13 represents reported results. Annualized calculation based on reported results for 3Q13 multiplied by four. CAGR is compound annual growth rate. ROTCE is return on average tangible common equity. Percentage increases on a year-over-year basis versus 2018.

# TO MY FELLOW SHAREHOLDERS:



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

As we enter the new decade, I am proud of the work our colleagues have done in the five-plus years since our IPO to run the bank better and position us well for the future. While our focus on strong financial performance has been an important part of our journey, that focus has been underscored by an unwavering commitment to improving how we serve all of our stakeholders. The Citizens of today is delivering value for shareholders, enhancing the experiences of our customers, investing

in colleagues, and giving back to our communities, while developing the foundational capabilities needed to serve these stakeholders exceptionally well going forward.

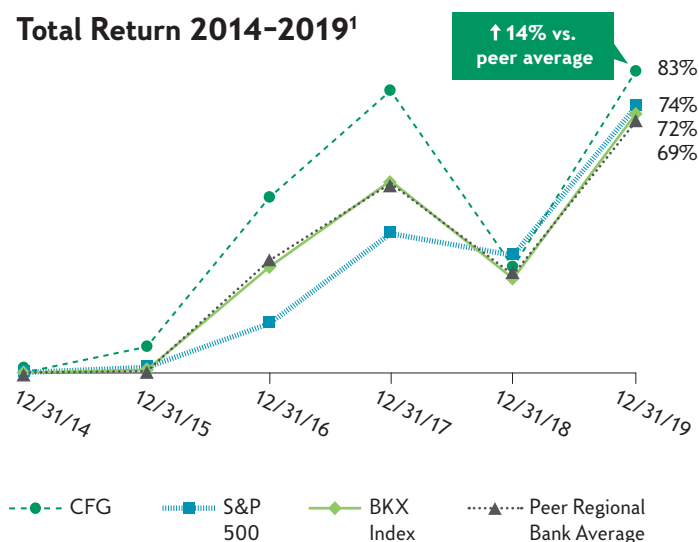
Since our IPO, we have worked tirelessly to transform virtually every aspect of the company. Marrying disciplined execution with a customer-first approach and mindset of continuous improvement has enabled us to deliver higher-than-market growth rates, advance key profitability metrics, and continue to raise the bar on our medium-term financial targets. Leveraging capacity freed up through our successful series of Tapping Our Potential (TOP) efficiency programs has allowed us to make further investments to build out fee-based capabilities, while deploying significant digital assets backed by cutting-edge data analytics. The result is a well-performing, growing company with the right strategy and team to advance with assurance into the future.

Looking ahead, we will continue to transform our business to deliver sustainable, long-term financial performance. That is not an end unto itself. Doing so strengthens our ability to help our customers, colleagues, and communities reach their potential. Banking is a noble profession, offering a platform to help individuals, companies and communities. This sense of purpose fuels our desire to run the bank better and magnify the impact we have on our stakeholders.

## STRONG EXECUTION IN 2019

This drive to run the bank better and better each and every day continues to deliver strong financial performance. Despite a more challenging backdrop in 2019, we delivered 2% growth in net income available to common stockholders and earnings per share of \$3.81, up 8% from 2018. And we increased our common dividend twice during the year, raising it by 33% to \$1.44 on an annualized basis which helped to fuel a total shareholder return of 42%, outperforming the peer group by over 7%. In total, Citizens returned \$1.84 billion to common shareholders in dividends and share repurchases, representing a 23% increase over 2018.

### Total Return 2014-2019<sup>1</sup>

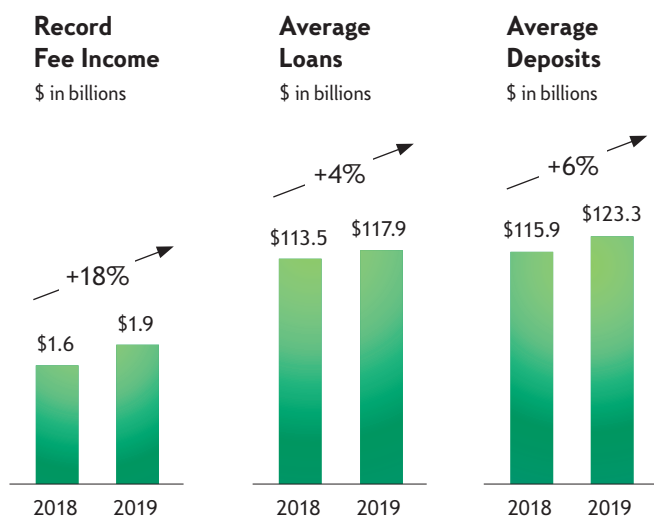


We delivered revenue growth of 6%, with net interest income growth of 2% and noninterest income growth of 18%. Our team worked diligently to smartly grow the balance sheet, generating average loan growth of 4% while continuing to optimize across lending and funding categories to improve returns and protect against declining rates. Our ongoing focus on strengthening Citizens' organic fee income capabilities through targeted acquisitions drove strong momentum during 2019. Noninterest income was a record \$1.9 billion, highlighted by record results across virtually all key strategic

1. The graph compares the cumulative total stockholder returns for our performance since December 31, 2014 relative to the performance of the Standard & Poor's 500® index, the KBW Nasdaq Bank Index (BKX), and our peer regional banks (BBT, CMA, FITB, KEY, MTB, PNC, RF, STI, and USB). The graph assumes all dividends were reinvested on the date paid for CFG common stock, the S&P 500 index, the BKX and the peer market-capitalization weighted average.

categories including mortgage banking, capital markets, foreign exchange and interest rate products, card fees and trust and investment services fees.

Additionally, we maintained our steady commitment to disciplined expense management during 2019 as we continue to self fund investments to help drive future growth. The TOP 5 program exceeded expectations in 2019, with approximately \$125 million in pre-tax run-rate benefit, and we launched a multi-year, transformational TOP 6 program that is expected to produce benefits of approximately \$300 to \$325 million on a pre-tax run-rate basis by the end of 2021. The mindset of continuous improvement embedded in these TOP programs is a key aspect of our culture at Citizens that continues to set us apart from our peers.



**In Consumer Banking**, recent investments to broaden fee-based capabilities led to strong results, with fee income growing 19% to record levels in 2019. Leading the way were mortgage banking and wealth management, up 93% and 18%, respectively. We successfully integrated Franklin American Mortgage Company while continuing to deliver a great experience for our mortgage customers, as the servicing portfolio grew 12% to nearly \$100 billion and originations increased 124% to record levels. In wealth management, the addition of Clarfled Financial Advisors expanded our ability to serve the upper-end of the wealth pyramid and more than doubled assets under management to \$16 billion.

We also continued to innovate for customers and drove year-over-year growth in attractive risk-adjusted return categories

such as unsecured lending, up 32%, and education finance, up 12%. The expertise we have created in point-of-sale financing was critical to gaining our partnership with Microsoft to finance the newly launched Xbox All Access program through Amazon.

We remain focused on delivering a simple and reliable customer experience while leveraging the power of data analytics to provide tailored advice and solutions. We have continued to advance our digital and mobile capabilities, while at the same time transitioning our branches towards an advice-driven model.

Citizens Access®, our direct-to-consumer digital bank, nearly doubled its customer base and grew deposits to nearly \$6 billion, providing greater diversification to our funding base. More importantly, we have a highly scalable national digital platform in place that can be leveraged to grow customers and deepen existing relationships with an expanding product set.

**In Commercial Banking**, our targeted investments to drive growth and diversify fee income delivered strong results. In 2019, we generated record capital markets and foreign exchange and interest rate products fees, up 21% and 23%, respectively.

We further strengthened our coverage model and client-focused geographic reach by investing in our Southeast, Texas and California coverage teams. In early 2019, we closed on the acquisition of Bowstring Advisors, a middle market mergers and acquisitions advisory firm, which helped drive higher M&A advisory fees and added 30 new M&A professionals. Additionally, we completed the implementation of our new cash management platform, accessOptima®, which offers industry-leading capabilities and positions us well to serve the bigger end of our client base.

Our Commercial bankers invest the time to understand a client's needs, and then bring all of the bank's capabilities together to deliver ideas that help the client be more successful. As a result, we continued our progress toward becoming an industry leading trusted advisor, ending the year third in the league tables for middle market loan syndications and achieving a record number of lead left transactions, up 11% from 2018.

Commercial clients continued to recognize the value we bring to their business, as we received an overall 95% client satisfaction score in Barlow's 2019 Voice of the Client survey. And for the second year in a row we were ranked by *Global Finance* magazine as best Treasury and Cash Management Bank in the Northeast, Mid-Atlantic and Midwest regions.



## READY TO FACE THE FUTURE

As we look to the future, it's clear that the banking industry is evolving rapidly and dramatically, driven by customer demands for great experiences, simple solutions and innovative ideas. Traditional and non-traditional players are increasingly seeking to make inroads into our core businesses. At the same time, industry tailwinds are beginning to slow, with a more modest economic growth outlook and tougher rate environment. While these shifting conditions create challenges for the industry, they also present enormous opportunities for firms that are able to harness the power of technology and innovation for the benefit of customers.

With that in mind, we began work in 2019 on a major cost and operating model program designed to transform key aspects of our business model to enable a long-term strategy to meet the challenges and seize the opportunities presented by a transforming financial services market. This has meant looking across the organization to identify ways to reduce complexity, deploy the latest technology, and improve how we operate, while positioning us to fund key strategic revenue initiatives to help us deliver best-in-class customer experiences and drive revenue growth well into the future.

Our current plans are to reinvest capacity unlocked by our transformation and efficiency programs into several innovative longer-term strategic revenue initiatives. These include expanding our digital direct bank, Citizens Access®, to provide digitally native customers with a comprehensive suite of products, further innovating our point-of-sale financing capabilities to help customers better optimize their spending; and creating advanced digital capabilities for Business Banking customers and smaller, underserved Middle Market clients.

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### Innovating to grow our bank by expanding digital banking and point-of-sale capabilities

We are confident that these programs will enable us to continue to grow our revenues and customer base, while delivering positive operating leverage and competing effectively into the future. We have had historical success in growing new revenue streams through innovation, in areas such as student loan refinancing, the Apple iPhone upgrade program, and our nationwide digital bank, and believe this is another unique aspect of the Citizens culture that positions us well for future success.

## PROGRESS IN CORPORATE RESPONSIBILITY

Key to realizing our vision of becoming a top-performing bank and delivering enhanced shareholder returns is a commitment to robust corporate governance based on a culture of strong ethics and transparency, as well as environmental and social principles that reflect our core values. Over the past five years, we have worked diligently to build out a robust corporate governance framework. Our commitment in this area begins with an active and informed board of directors. With their leadership and shareholder support and feedback, we have continued to institute best practices in corporate governance, including fostering board independence and expertise, committing to strong financial transparency, refining compensation practices to align director and management interests with those of shareholders, making a commitment to pay equity and creating a culture of strong risk management.

We have also sought to enhance shareholder rights and significantly improve shareholder communications by instituting a majority voting standard for director elections, initiating proxy access, and submitting a proposal this year to grant shareholders the right to call a special meeting.

In early 2020, the Nominating and Corporate Governance Committee was given formal responsibility for the oversight of our commitment to environmental, social and governance (ESG) matters and reporting. We have commenced a formal ESG materiality assessment to identify the issues that represent the most significant opportunities to help further guide our efforts to continue to drive strong corporate governance and responsible, sustainable growth.

In the area of environmental sustainability, we measure, track and report our progress and performance through an annual CDP disclosure. We continue to collaborate with various climate change leaders with a goal of developing innovative ways to mitigate our environmental impact. Further, we actively manage environmental risk through our Enterprise Risk Management Governance Framework, which is overseen by the Risk Committee of the Board.

Another area where we have made progress is helping to fund renewable energy. We have invested in seven U.S. wind farm projects since mid-2015, which totaled more than \$355 million at the end of 2019 up 11% from the prior year.

Making Citizens a great place to work, grow and build a career is a key driver of our ESG focus. During 2019, we once again

improved our Organizational Health Index score, approaching the top quartile for this important measure. We continue to attract great talent into the bank, have enhanced the training and development opportunities available to colleagues, and have begun to deploy agile work structures in our mortgage business and other key areas. New resources made available to colleagues include an internal career site, colleague-wellness hub and the rollout of Myca, an AI-powered virtual career coach.

In 2019, colleagues completed more than 432,000 hours of training, and more than 1,200 managers participated in leadership development programs. Additionally, 4,600 colleagues were promoted or took on new roles within the company.

Helping drive this progress is TalentUp™, a broad-based program launched in 2019, through which we are investing in both internal and external talent to prepare them for the continual innovation, growth, and disruption of the marketplace. This approach serves to help position Citizens well as we transform for the future while further strengthening workforce capabilities within the communities we serve.

One way to ensure we have a diverse workforce is by targeting college students and recent grads, and our program offerings give us an edge in attracting these workers. Gen Z talent looks for companies that offer more than a competitive compensation, which make Citizens' workplace flexibility, career development opportunities and values-driven approach an excellent place to work and build a career. Our highly-rated internship and recent graduate programs are tailored to each colleague, giving them the opportunity to shape their experience alongside Wall Street veterans and innovators. These efforts are being recognized, with Forbes naming Citizens to its list of America's Best Employers for New Graduates for the second year in a row. Citizens ranked number 16 on the 2019 list of 250 companies, up 27 places over 2018.

Our colleagues are at the heart of everything we do, and key to our success is celebrating the diversity that we all bring to the table. As we align our actions to our values, I am especially pleased with our inclusive culture, which is based on ensuring

that colleagues and customers alike are valued, respected and heard. We scored 100% on the Human Rights Campaign's 2020 Corporate Equality Index, which evaluates company culture and benefits as they relate to LGBTQ rights. The perfect score is the culmination of our trajectory of progress, up from 90% in 2019 and 80% in prior years.



Further, we ranked in the top third of 500 on the *Forbes* 2020 list of Best Employers for Diversity, which puts us ahead of 68% of companies on the list and above many prominent financial services names. We are proud to be recognized for the progress we've made, which

is supported by a robust diversity and inclusion agenda that includes six rapidly growing Business Resource Groups, as well as programs that bring outside voices into the bank to further strengthen colleague appreciation for the power of an inclusive approach.

Strengthening the communities we serve is central to the Citizens Credo and we demonstrated that commitment once again in 2019 with colleagues volunteering a record 144,000 hours, up from 133,000 hours in 2018.

**In 2019 colleagues volunteered more than 144,000 hours and served on 1,200 community boards and committees**

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We also leveraged our national partnerships to broaden and magnify the impact of our corporate giving in the areas of financial literacy, fighting hunger and strengthening communities and made more than \$1 million in matching gifts to amplify the generosity of colleague charitable giving. Our approach in this area underscores the importance and effectiveness of connecting the company's actions to its mission and values in meaningful ways.

## CLOSING COMMENTS

While we are seeing some challenges in the rate environment as we enter 2020, we are well situated to deliver strongly for all our stakeholders again this year. The key, as always, is to focus on the things we can control and keep customers at the center of everything we do.

I would like to thank you, my fellow shareholders, as well as our customers and nearly 18,000 dedicated colleagues for your support over the past year. I would also like to thank our board of directors for their guidance and valuable contributions. I would especially like to thank Mark Casady, who has chosen not to stand for reelection to the board in 2020 due to time constraints, for his strong counsel and service. Additionally, I would like to thank Brad Conner, who retired as Vice Chairman of Consumer Banking early in 2020. Brad has been an essential partner and outstanding leader in positioning the Consumer Bank for future success, and we wish him well in the next phase of his life's journey. We were pleased to be able to promote from within to fill this important leadership role, a sign of the strong talent we've assembled at Citizens.

Looking to the year ahead and beyond, we will continue to "aim for excellence" across key dimensions. We have further work to do before we can realize our vision of being top-performing. However, our clear vision and proven ability to execute with excellence while looking to the opportunities ahead enables us to face the future with confidence.

Kind regards,



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



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

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Forbes ranked Citizens as the **2nd highest-rated financial institution** "Best Employer for New Grads"

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**BEST**  
**ADOPTION-FRIENDLY**  
**WORKPLACE**

signature program

Dave Thomas  
Foundation for Adoption

Citizens ranked 4th in financial institutions for its **adoption-friendly employee programs**

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DiversityInc included Citizens in the list of **Noteworthy companies**

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# CONSUMER BANKING: DELIVERING A SIMPLE, RELIABLE EXPERIENCE FOR CUSTOMERS

## 2019 KEY HIGHLIGHTS

### Completed integration of Franklin American Mortgage Company

Mortgage originations **up 124%**

Servicing over **480,000 households**

### Completed acquisition of Clarfeld Financial Advisors

Trust and investment services fees **up 18%**

Wealth advisors **up 7%**

### Increasing digital & mobile capabilities

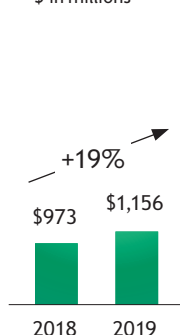
Digital sales **up 17%**

Active mobile users **up 13%**

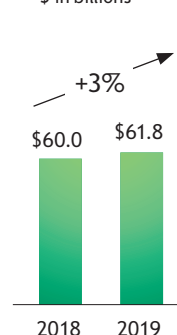
Citizens Access® deposits, **up 92%** to \$5.8 billion

### Average DDA balances **up 7%**

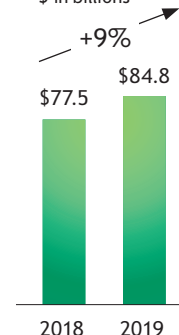
**Record  
Fee Income**  
\$ in millions



**Average  
Loans**  
\$ in billions



**Average  
Deposits**  
\$ in billions



Our focus is on providing tailored advice and solutions that support customers in their own unique journey to help them reach their potential. We are advancing our digital and mobile capabilities to enhance the customer experience and we're determined to be bold, innovative and results-oriented as we work to exceed expectations.

## KEY PRODUCTS & SERVICES

### In Footprint

- Retail Deposit Services
- Mobile/Online Banking
- Mortgage
- Home Equity
- Business Banking
- Card/PERL

### National

- Citizens Access®
- Auto
- Education Finance
- Card/Unsecured

## AWARDS & RECOGNITION

- Wealth Management: **Ranked #18** among America's Top Wealth Advisors in Forbes<sup>1</sup>
- Education Finance: **Ranked #1** by The College Investor<sup>2</sup>
- J.D. Power 2019 U.S. Home Mortgage Satisfaction Study: **Ranked #4**

1. Rob Clarfeld of Clarfeld Advisors ranked 18th on *Forbes'* list of America's Top Wealth Advisors in 2019.

2. The College Investor website ranking of Top Places to Refinance Student Loans in 2019.



# COMMERCIAL BANKING: DELIVERING CONTINUOUS & MEANINGFUL VALUE TO HELP COMPANIES SUCCEED

## 2019 KEY HIGHLIGHTS

Gained traction in bond and equity underwriting fees, **up 65%**

Grew commercial card fees by **15%**

Achieved a record number of lead left loan syndications transactions, **up 11%**

Ended 2019 at **#3 in the league tables** for middle market

Generated record FX & IRP revenues, **up 27%**

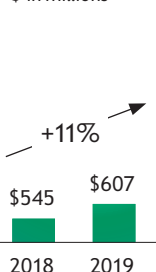
Reached record M&A fees, **up 84%**

Total M&A transactions **up 60%**

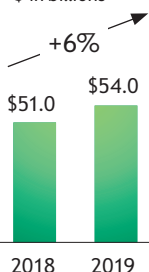
Acquired Bowstring Advisors, merger & acquisition advisory firm, and added **30 M&A professionals**

Completed migration to **accessOPTIMA®**, our powerful and secure cash management platform

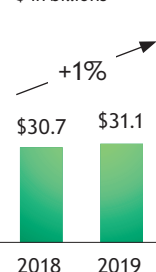
**Record Fee Income**  
\$ in millions



**Average Loans**  
\$ in billions



**Average Deposits**  
\$ in billions



We focus on bringing practical financial experience and deep industry expertise to each relationship, then listen to our clients so we can help them navigate their unique business challenges and capitalize on opportunities. We're determined to deliver unbiased advice, certainty of execution and the best possible banking experience to the companies and organizations we serve. We are committed to earning our client's trust, one relationship at a time.

## KEY PRODUCTS & SERVICES

### Coverage

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

### Capabilities

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

## AWARDS & RECOGNITION



- Overall Satisfaction **Top-2 box score 95%<sup>1</sup>**

- **Aite Impact Innovation Award**  
Customer experience in cash management and payments



- **2nd year in a row** Best Treasury and Cash Management<sup>2</sup>

1. Barlow Associates Annual Voice of Client Survey for all Corporate Banking, 2019 Top-2 box score.

2. Northeast, Mid-Atlantic and Midwest Regions of U.S.

# COMMITMENT TO OUR COLLEAGUES & COMMUNITIES

Our commitment to customers, communities, shareholders and each other is at the heart of our success, and we continue to build a culture where our colleagues live our values every day.

We strive to always:

**Exceed customer expectations — Do the right thing — Think long-term — Work together**

## OVER THE PAST 5 YEARS WE HAVE...

Contributed more than  
**\$7.3 million** to support  
financial literacy and reached  
more than **1.3 million people**

Created **6 BRGs** and added  
nearly **3,000 members**

Invested more than  
**2 million hours**  
in training for colleagues

Improved our  
Organization Health Index  
(OHI)<sup>1</sup> by **13 points**

Provided **\$2.7 billion**  
in loans and investments to  
support affordable housing  
development and economic  
revitalization efforts

Increased investment in  
renewable energy by **356%**

Completed our  
**2nd annual CDP submission**  
(formerly Carbon  
Disclosure Project)

In 2019, we reinforced our commitment to providing colleagues a unique and meaningful work experience by making new resources available including an internal career development site, colleague-wellness hub and the roll out of our Myca online career coach.

We continue to find ways to build a diverse and inclusive culture where all of our stakeholders can each reach their potential, and one where all colleagues feel valued, respected and heard. We have a strong diversity and inclusion program, which includes a commitment to interview at least two diverse candidates for senior management roles. Additionally, our colleague Business Resource Groups (BRGs) are engaged in shaping Citizens culture. In 2019, we added two new BRGs — Awake (Disabilities awareness) and Elev8 (rising professionals) — bringing the total number of BRGs to 6. BRGs offered members 120 opportunities to volunteer in their communities, over 125 speaker events and communications focused on career development and diversity topics, and supported diversity recruiting and niche customer marketing efforts.



Our corporate giving program is centered on the approach of building partnerships, volunteering our time and expertise, and supporting initiatives to increase resources and strengthen resilience across the markets where we live and work.

- Our colleagues serve on approximately **1,200** community boards and committees to help support the work that community organizations are doing to strengthen our communities
- **\$620 million** in total equity and loan commitments to Community Development initiatives, which helped provide nearly **4,500 units** of affordable housing
- We provided more than **14,800 loans totaling \$2.8 billion** for home purchases or home refinances for low- to moderate-income borrowers or for residences in low- to moderate-income census tracts.

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

## EXECUTIVE COMMITTEE

**Bruce Van Saun**  
Chairman and  
Chief Executive Officer

**Mary Ellen Baker**  
Head of Business Services

**Brad L. Conner<sup>1</sup>**  
Vice Chairman  
Consumer Banking

**Brendan Coughlin**  
Head of Consumer Banking

**Stephen T. Gannon**  
General Counsel  
and Chief Legal Officer

**Malcolm Griggs**  
Chief Risk Officer

**Beth Johnson**  
Chief Experience Officer

**Susan LaMonica**  
Chief Human  
Resources Officer

**Donald H. McCree**  
Vice Chairman  
Commercial Banking

**Michael Rutledge**  
Chief Information Officer

**Ted Swimmer**  
Head of Corporate Finance  
and Capital Markets

**John F. Woods**  
Vice Chairman  
Chief Financial Officer

## BOARD OF DIRECTORS

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

**Mark Casady<sup>2</sup>**  
Retired Chairman and CEO  
LPL Financial Holdings, Inc.

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

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

**Howard W. Hanna III**  
Chairman and CEO  
Hanna Holdings, Inc.

**Leo I. Higdon**  
Past President  
Connecticut College

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

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

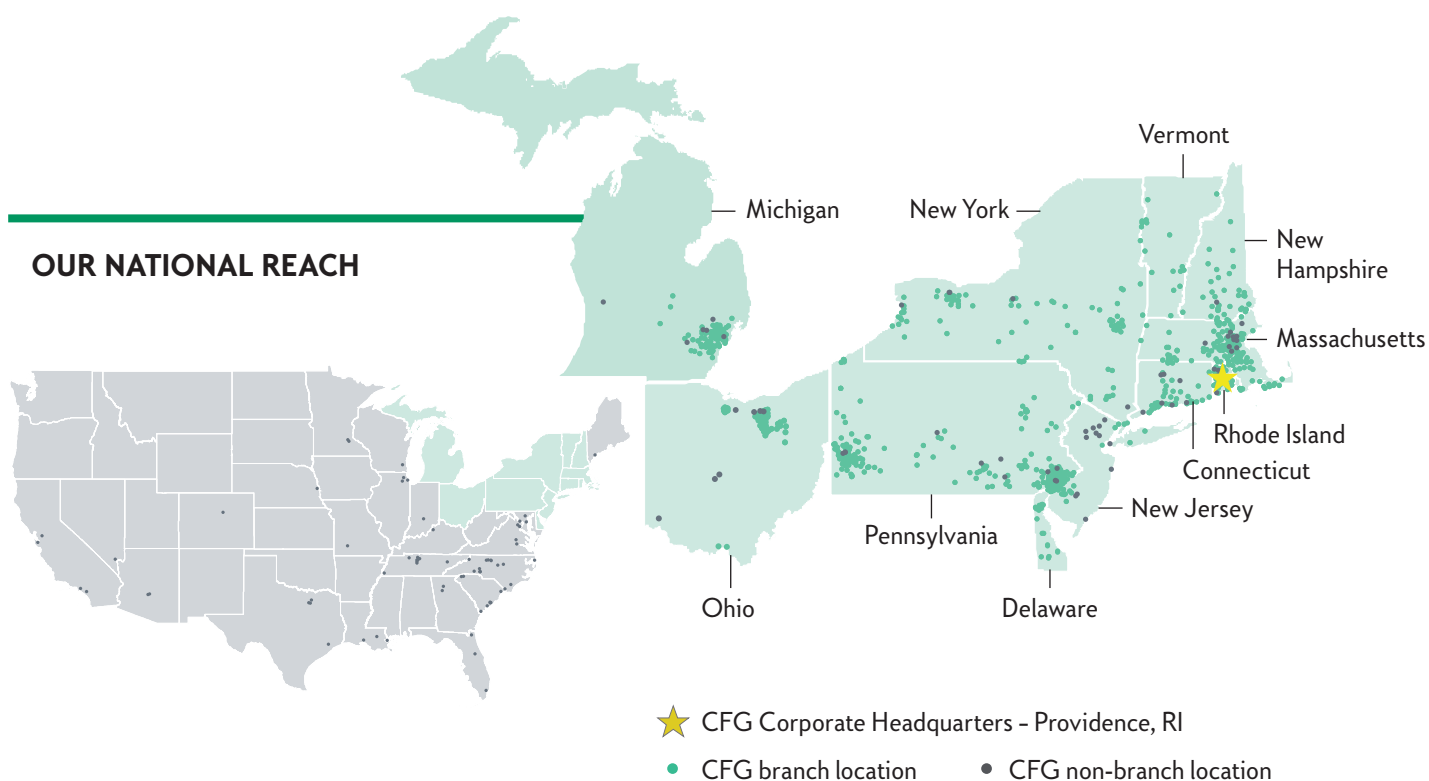
**Terrance J. Lillis**  
Retired Chief Financial Officer  
Principal Financial Group, Inc.

**Shivan S. Subramaniam**  
Retired Chairman and CEO  
FM Global

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

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

## OUR NATIONAL REACH



1. Brad L. Conner retired from Citizens in March 2020.

2. Mark Casady will no longer serve on the Board after his current term expires effective as of the conclusion of the April 2020 Annual Meeting.

# ABOUT CITIZENS FINANCIAL GROUP, INC.

Citizens Financial Group, Inc. is one of the nation's oldest and largest financial institutions, with \$165.7 billion in assets as of December 31, 2019.

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

In Consumer Banking, Citizens provides an integrated experience that includes mobile and online banking, a 24/7 customer contact center and the convenience of approximately 2,700 ATMs and

approximately 1,100 branches in 11 states in the New England, Mid-Atlantic and Midwest regions. Consumer Banking products and services include a full range of banking, lending, savings, wealth management and small business offerings.

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

More information is available at [www.citizensbank.com](http://www.citizensbank.com) or visit us on Twitter, LinkedIn or Facebook.

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## FORM 10-K

We will send Citizens Financial Group, Inc.'s 2019 Annual Report on Form 10-K (including the financial statements filed with the Securities and Exchange Commission) free of charge to any stockholder who asks for a copy in writing. Stockholders also can ask for copies of any exhibit to the Form 10-K.

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

## HEADQUARTERS

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

## CONTACT CITIZENS FOR YOUR BANKING NEEDS

Call 800.922.9999 or visit us online at [www.citizensbank.com](http://www.citizensbank.com).

## INVESTOR RELATIONS

Additional information about the company, including annual and quarterly financial information, is available at [investor.citizensbank.com](http://investor.citizensbank.com). Inquiries may also be directed to: [CFGInvestorRelations@citizensbank.com](mailto:CFGInvestorRelations@citizensbank.com).

## COMMON STOCK

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

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP  
Boston, MA  
617.437.2000

## TRANSFER AGENT

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

Computershare Trust Company, N.A.  
P.O. Box 505000  
Louisville, KY 40233

877.373.6374 (U.S., Canada, Puerto Rico)  
781.575.2879 (non-U.S.)

[www.computershare.com/investor](http://www.computershare.com/investor)

## **Key Performance Metrics and Non-GAAP Financial Measures and Reconciliations**

### **Key Performance Metrics:**

Our Management uses certain key performance metrics (KPMs) to gauge our progress against strategic and operational goals, as well as to compare our performance against peers. The KPMs are referred to in our Registration Statements on Form S-1 and our external financial reports filed with the Securities and Exchange Commission. The KPMs include:

- Return on average tangible common equity (ROTCE);
- Efficiency ratio;
- Operating leverage; and
- Common equity tier 1 capital ratio.

Established targets for the KPMs are based on Management-reporting results which are currently referred to by the Company as “Underlying” results. In historical periods, these results may have been referred to as “Adjusted” or “Adjusted/Underlying” results. We believe that Underlying results, which exclude notable items, provide the best representation of our underlying financial progress toward the KPMs as the results exclude items that our Management does not consider indicative of our on-going financial performance. We have consistently shown investors our KPMs on a Management-reporting basis since our initial public offering in September of 2014. KPMs that reflect Underlying results are considered non-GAAP financial measures.

### **Non-GAAP Financial Measures:**

This document contains non-GAAP financial measures denoted as Underlying results. In historical periods, these results may have been referred to as Adjusted or Adjusted/Underlying results. Underlying results for any given reporting period exclude certain items that may occur in that period which Management does not consider indicative of the Company’s on-going financial performance. We believe these non-GAAP financial measures provide useful information to investors because they are used by our Management to evaluate our operating performance and make day-to-day operating decisions. In addition, we believe our Underlying results in any given reporting period reflect our on-going financial performance in that period and, accordingly, are useful to consider in addition to our GAAP financial results. We further believe the presentation of Underlying results increases comparability of period-to-period results. The following tables present reconciliations of our non-GAAP measures to the most directly comparable GAAP financial measures.

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



# Key performance metrics, non-GAAP financial measures and reconciliations

(in millions, except share, per-share and ratio data)

		FULL YEAR						2019 Change	
		2019	2018	2017	2016	2015	2014	2018	
								\$/bps	%
<b>Noninterest income, Underlying:</b>									
Noninterest income (GAAP)		\$1,877	\$1,596	\$1,534	\$1,497	\$1,422	\$1,678	\$281	18%
Less: Special items		—	—	—	—	—	288	—	—
Less: Notable items		—	(5)	6	67	—	—	5	(100)
Noninterest income, Underlying (non-GAAP)		<u>\$1,877</u>	<u>\$1,601</u>	<u>\$1,528</u>	<u>\$1,430</u>	<u>\$1,422</u>	<u>\$1,390</u>	<u>\$276</u>	<u>17%</u>
<b>Total revenue, Underlying:</b>									
Total revenue (GAAP)	A	\$6,491	\$6,128	\$5,707	\$5,255	\$4,824	\$4,979	\$363	6%
Less: Special items		—	—	—	—	—	288	—	—
Less: Notable items		—	(5)	6	67	—	—	5	(100)
Total revenue, Underlying (non-GAAP)	B	<u>\$6,491</u>	<u>\$6,133</u>	<u>\$5,701</u>	<u>\$5,188</u>	<u>\$4,824</u>	<u>\$4,691</u>	<u>\$358</u>	<u>6%</u>
<b>Noninterest expense, Underlying:</b>									
Noninterest expense (GAAP)	C	\$3,847	\$3,619	\$3,474	\$3,352	\$3,259	\$3,392	\$228	6%
Less: Restructuring charges		—	—	—	—	26	114	—	—
Less: Special items		—	—	—	—	24	55	—	—
Less: Notable items		68	54	55	36	—	—	14	26
Noninterest expense, Underlying (non-GAAP)	D	<u>\$3,779</u>	<u>\$3,565</u>	<u>\$3,419</u>	<u>\$3,316</u>	<u>\$3,209</u>	<u>\$3,223</u>	<u>\$214</u>	<u>6%</u>
<b>Net income available to common stockholders, Underlying:</b>									
Net income available to common stockholders (GAAP)	E	\$1,718	\$1,692	\$1,638	\$1,031	\$833	\$865	\$26	2%
Add: Restructuring charges, net of tax expense (benefit)		—	—	—	—	16	72	—	—
Add: Special items, net of income tax expense (benefit)		—	—	—	—	15	(147)	—	—
Add: Notable items, net of income tax expense (benefit)		17	16	(340)	(19)	—	—	1	6
Net income available to common stockholders, Underlying (non-GAAP)	F	<u>\$1,735</u>	<u>\$1,708</u>	<u>\$1,298</u>	<u>\$1,012</u>	<u>\$864</u>	<u>\$790</u>	<u>\$27</u>	<u>2%</u>
<b>Efficiency ratio and efficiency ratio, Underlying:</b>									
Efficiency ratio	C/A	59.28 %	59.06%	60.87%	63.80%	67.56 %	68.12 %	22 bps	
Efficiency ratio, Underlying (non-GAAP)	D/B	58.23	58.13	59.96	63.92	66.52	68.70	10 bps	
<b>Return on average tangible common equity and return on average tangible common equity, Underlying:</b>									
Average common equity (GAAP)	G	\$20,325	\$19,645	\$19,618	\$19,698	\$19,354	\$19,399	\$680	3%
Less: Average goodwill (GAAP)		7,036	6,912	6,883	6,876	6,876	6,876	124	2
Less: Average other intangibles (GAAP)		71	14	2	2	4	7	57	NM
Add: Average deferred tax liabilities related to goodwill (GAAP)		371	359	534	502	445	377	12	3
Average tangible common equity	H	<u>\$13,589</u>	<u>\$13,078</u>	<u>\$13,267</u>	<u>\$13,322</u>	<u>\$12,919</u>	<u>\$12,893</u>	<u>\$511</u>	<u>4%</u>
Return on average tangible common equity	E/H	12.64 %	12.94%	12.35%	7.74%	6.45 %	6.71 %	(30) bps	
Return on average tangible common equity, Underlying (non-GAAP)	F/H	12.76	13.06	9.79	7.60	6.69	6.13	(30) bps	
<b>Net income per average common share - basic and diluted, Underlying:</b>									
Average common shares outstanding - basic (GAAP)	I	449,731,453	478,822,072	502,157,440	522,093,545	535,599,731	556,674,146	(29,090,619)	(6%)
Average common shares outstanding - diluted (GAAP)	J	451,213,701	480,430,741	503,685,091	523,930,718	538,220,898	557,724,936	(29,217,040)	(6)
Net income per average common share - basic (GAAP) <sup>(1)</sup>	E/I	\$3.82	\$3.54	\$3.26	\$1.97	\$1.55	\$1.55	\$0.28	8
Net income per average common share - diluted (GAAP) <sup>(1)</sup>	E/J	3.81	3.52	3.25	1.97	1.55	1.55	0.29	8
Net income per average common share - basic, Underlying (non-GAAP) <sup>(1)</sup>	F/I	3.86	3.57	2.59	1.94	1.61	1.42	0.29	8
Net income per average common share - diluted, Underlying (non-GAAP) <sup>(1)</sup>	F/J	3.84	3.56	2.58	1.93	1.61	1.42	0.28	8
<b>Tangible book value per common share:</b>									
Common shares - at period-end (GAAP)	K	433,121,083	466,007,984					(32,886,901)	(7%)
Common stockholders' equity (GAAP)		\$20,631	\$19,977					\$654	3
Less: Goodwill (GAAP)		7,044	6,923					121	2
Less: Other intangible assets (GAAP)		68	31					37	119
Add: Deferred tax liabilities related to goodwill (GAAP)		374	366					8	2
Tangible common equity	L	<u>\$13,893</u>	<u>\$13,389</u>					<u>\$504</u>	<u>4%</u>
Tangible book value per common share	L/K	\$32.08	\$28.73					\$3.35	12%

<sup>(1)</sup> Earnings per share for 3Q13 is the annualized calculation of earnings per share of \$0.26 multiplied by 4.

# Key performance metrics, non-GAAP financial measures and reconciliations

(in millions, except share, per-share and ratio data)

		FULL YEAR	QUARTERLY TREND	
				2019 Change
		2019	3Q13	3Q13
				bps
Total revenue, Underlying:				
Total revenue (GAAP)	A	\$6,491	\$1,153	
Less: Special items		—	—	
Less: Notable items		—	—	
Total revenue, Underlying (non-GAAP)	B	<u>\$6,491</u>	<u>\$1,153</u>	
Noninterest expense, Underlying:				
Noninterest expense (GAAP)	C	\$3,847	\$788	
Less: Restructuring charges		—	—	
Less: Special items		—	—	
Less: Notable items		68	—	
Noninterest expense, Underlying (non-GAAP)	D	<u>\$3,779</u>	<u>\$788</u>	
Net income available to common stockholders, Underlying:				
Net income available to common stockholders (GAAP)	E	\$1,718	\$144	
Add: Restructuring charges, net of tax expense (benefit)		—	—	
Add: Special items, net of income tax expense (benefit)		—	—	
Add: Notable items, net of income tax expense (benefit)		17	—	
Net income available to common stockholders, Underlying (non-GAAP)	F	<u>\$1,735</u>	<u>\$144</u>	
Efficiency ratio and efficiency ratio, Underlying:				
Efficiency ratio	C / A	59.28 %	68.49%	(921) bps
Efficiency ratio, Underlying (non-GAAP)	D / B	58.23	68.49	(1,026) bps
Return on average tangible common equity and return on average tangible common equity, Underlying:				
Average common equity (GAAP)	G	\$20,325	\$19,627	
Less: Average goodwill (GAAP)		7,036	6,876	
Less: Average other intangibles (GAAP)		71	9	
Add: Average deferred tax liabilities related to goodwill (GAAP)		371	325	
Average tangible common equity	H	<u>\$13,589</u>	<u>\$13,067</u>	
Return on average tangible common equity	E / H	12.64 %	4.34%	830 bps
Return on average tangible common equity, Underlying (non-GAAP)	F / H	12.76	4.34	842 bps
Net income per average common share - basic and diluted, Underlying:				
Average common shares outstanding - basic (GAAP)	I	449,731,453	559,998,324	
Average common shares outstanding - diluted (GAAP)	J	451,213,701	559,998,324	
Net income per average common share - basic (GAAP) <sup>(1)</sup>	E / I	\$3.82	\$1.04	
Net income per average common share - diluted (GAAP) <sup>(1)</sup>	E / J	3.81	1.04	
Net income per average common share - basic, Underlying (non-GAAP) <sup>(1)</sup>	F / I	3.86	1.04	
Net income per average common share - diluted, Underlying (non-GAAP) <sup>(1)</sup>	F / J	3.84	1.04	

<sup>(1)</sup> Earnings per share for 3Q13 is the annualized calculation of earnings per share of \$0.26 multiplied by 4.



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