



## **Pillar 3 Regulatory Disclosures**

*For the quarterly period ended June 30, 2018*

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# CITIZENS FINANCIAL GROUP, INC.

## June 30, 2018 Pillar 3 Regulatory Disclosures

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### GLOSSARY OF ACRONYMS AND TERMS

The following listing provides a comprehensive reference of common acronyms and terms we regularly use in our financial reporting:

ALLL	Allowance for Loan and Lease Losses
AOCI	Accumulated Other Comprehensive Income (Loss)
BHC	Bank Holding Company
Board	The Board of Directors of Citizens Financial Group, Inc.
CBNA	Citizens Bank, National Association
CBPA	Citizens Bank of Pennsylvania
CCAR	Comprehensive Capital Analysis and Review
CCB	Capital Conservation Buffer
CET1	Common Equity Tier 1
Citizens or CFG	Citizens Financial Group, Inc. and its Subsidiaries
CRA	Community Reinvestment Act
CSA	Credit Support Annex
CVA	Credit Valuation Adjustment
DFAST	Dodd-Frank Act Stress Test
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
FDIA	Federal Deposit Insurance Act
FDIC	Federal Deposit Insurance Corporation
FFCB	Federal Farm Credit Banks
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
Form 10-K	Annual Report on Form 10-K
Form 10-Q	Quarterly Report on Form 10-Q
FR Y-9C	Regulatory Financial Statements for Bank Holding Companies
FRB	Board of Governors of the Federal Reserve System and, as applicable, Federal Reserve Bank(s)
GAAP	Accounting Principles Generally Accepted in the United States of America
GNMA	Government National Mortgage Association
MBS	Mortgage-Backed Securities
Mid-Atlantic	District of Columbia, Delaware, Maryland, New Jersey, New York, Pennsylvania, Virginia, and West Virginia
Midwest	Illinois, Indiana, Michigan, and Ohio
New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
NRSRO	Nationally Recognized Statistical Ratings Organizations
OCC	Office of the Comptroller of the Currency
OTC	Over the Counter
RWA	Risk-Weighted Assets
SBO	Serviced by Others portfolio
SSFA	Simplified Supervisory Formula Approach
VaR	Value at Risk

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### INTRODUCTION

Citizens Financial Group, Inc. is one of the nation's oldest and largest financial institutions with \$155.4 billion in assets as of June 30, 2018. Our mission is to help our customers, colleagues and communities reach their potential. Headquartered in Providence, Rhode Island, we offer a broad range of retail and commercial banking products and services to individuals, small businesses, middle-market companies, large corporations and institutions. We help our customers reach their potential by listening to them and by understanding their needs in order to offer tailored advice, ideas and solutions. In Consumer Banking, we provide an integrated experience that includes mobile and online banking, a 24/7 customer contact center and the convenience of approximately 3,200 ATMs and approximately 1,150 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, we offer corporate, institutional and not-for-profit clients a full range of wholesale banking products and services including lending and deposits, capital markets, treasury services, foreign exchange and interest rate products, and asset finance. More information is available at [www.citizensbank.com](http://www.citizensbank.com).

### *Report Overview*

We produce this report quarterly to update market participants regarding risk-based capital and risk exposures as required under U.S. regulations that interpret global regulatory standards known as "Basel III," established by the Basel Committee on Banking Supervision. The Basel Committee refers to this ongoing requirement as "Pillar 3 Regulatory Disclosures." This report provides information on our capital structure, risk exposures, risk assessment processes, RWA and overall capital adequacy. This report also includes information on the methodologies used to calculate RWA. This report is unaudited and should be read in conjunction with our 2017 Form 10-K and 2Q18 Form 10-Q, which include important information on risk management policies and practices, and our June 2018 FR Y-9C. Appendix 1 of this report contains references to specific sections of our 2017 Form 10-K and 2Q18 Form 10-Q to facilitate location of applicable information.

This report contains forward-looking statements covered under the Private Securities Litigation Reform Act of 1995. Any statement that does not describe historical or current facts is a forward-looking statement, as outlined in Appendix 2 of this report.

### *Scope of Application*

The Basel III framework applies to CFG and its subsidiary banks, Citizens Bank, National Association and Citizens Bank of Pennsylvania. CFG is a "standardized approach" and "AOCI opt-out" reporting institution under the U.S. Basel III Standardized approach.

Our basis for consolidation used for regulatory financial statement reporting purposes is the same as the basis used for our financial statements prepared under GAAP. Please refer to *Financial Statements and Supplementary Data - Note 1 - Basis of Presentation: Significant Accounting Policies* in our 2017 Form 10-K for more information on the basis for consolidation for financial reporting purposes.

### *Restrictions on transfers between CFG and its subsidiary banks*

A number of regulations and statutes restrict transfers of funds and capital within CFG. CFG is a financial holding company and a BHC, regulated and supervised by the FRB. The OCC is the primary regulator and supervisor for CBNA, while the State of Pennsylvania and the FDIC regulate and supervise CBPA. Applicable statutes and regulations that may pertain either to the BHC, one or both of its subsidiary banks, or all entities as affiliates may restrict transfers of funds and capital between these entities.

Sections 23A and 23B of the Federal Reserve Act and FRB Regulation W are primary restrictors of lending, borrowing, and otherwise transacting business between affiliates. Please refer to *Business - Regulation and Supervision - Transactions with Affiliates and Insiders* in our 2017 Form 10-K for a full discussion of these regulations.

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Restrictions on the payment of dividends and other capital distributions within the group weigh most heavily on the banks. The FRB expects bank holding companies to act as a “source of strength” to each individual subsidiary bank, providing capital to the banks as needed. Consistent with this view, bank regulators ensure that banks do not return capital to the BHC in a manner that would undermine a bank’s overall “safety and soundness.” Therefore, both CBNA and CBPA are subject to specific qualitative and quantitative tests and examinations that may restrict them from paying dividends or otherwise returning capital to the BHC. Please refer to *Business - Regulation and Supervision* in our 2017 Form 10-K for an overview of the general controls and restrictions imposed on distributions of capital by the banks and *Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters* in our 2Q18 Form 10-Q for details of the current status of each bank versus its applicable regulatory restrictions.

In addition, the BHC, CBNA, and CBPA are subject to capital adequacy and liquidity standards. If either of the banks or the BHC fail to meet these standards, it could have an adverse affect on our financial condition and operations. Please refer to *Risk Factors - Risks Related to Regulations Governing Our Industry* in our 2017 Form 10-K for additional information regarding these risks.

### RISK GOVERNANCE

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

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

There have been no significant changes in our risk governance practices, risk framework, risk appetite, or credit risk as described in *Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Governance* in our 2017 Form 10-K.

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### CAPITAL STRUCTURE AND ADEQUACY

#### Capital Structure

We manage capital to ensure consistency with all applicable regulations and statutes, as well as with robust Board-approved internal policies established to ensure that the quantity and quality of current and projected capital will be adequate in relation to the risks that we assume across all lines of business. Please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters* in our 2Q18 Form 10-Q for additional information. As of June 30, 2018, our regulatory capital instruments consisted of common equity that qualifies as CET1 capital, preferred stock that qualifies as additional tier 1 capital, and subordinated debt that qualifies as tier 2 capital. Under U.S. Basel III Standardized rules, tier 2 capital instrument eligibility is phased out by 20% per year, beginning five years from the applicable maturity date. In May 2018, we issued 300,000 shares of Series B preferred stock for net proceeds of \$296 million and in June 2018, we redeemed \$333 million of our 5.158% fixed-to-floating rate callable subordinated notes due 2023. Our regulatory capital instruments are referenced below in Table 1.

Table 1 - CFG Regulatory Capital Instruments	
(in millions)	As of June 30, 2018
<b>Common Equity</b>	
Common stock and related surplus, net of treasury stock	\$16,379
\$0.01 par value, 1,000,000,000 shares authorized, 566,579,431 shares issued, and 484,055,194 shares outstanding	
<b>Preferred Equity</b>	
Preferred stock and related surplus	\$543
\$25.00 par value, 100,000,000 shares authorized, liquidation preference of \$1,000 per share; 250,000 shares Series A issued and outstanding and 300,000 shares Series B issued and outstanding	
<b>Qualifying Subordinated Debt</b>	
4.150% fixed-rate subordinated debt, due 2022 <sup>(1)</sup>	278
3.750% fixed-rate subordinated debt, due 2024	250
4.023% fixed-rate subordinated debt, due 2024	42
4.350% fixed-rate subordinated debt, due 2025	249
4.300% fixed-rate subordinated debt, due 2025	749
<b>Total qualifying subordinated debt</b>	<b>\$1,568</b>
<sup>(1)</sup> As of June 30, 2018, the amount of non-qualifying subordinated debt excluded from regulatory capital was \$70 million.	

Our exposure to other potential deductions and adjustments to capital is minimal. We do not invest in our own regulatory capital instruments, directly or indirectly, except in relation to treasury stock, which is deducted from regulatory capital in accordance with regulatory rules. We have not elected to measure liabilities at fair value on our balance sheet and we do not hold material interests in unconsolidated financial institutions. Our subsidiary banks do not issue capital instruments to third parties, which would expose us to a “minority interest” deduction for third-party capital. Lastly, we had \$217 million of mortgage servicing rights as of June 30, 2018, which is below the threshold that requires these assets to be deducted from capital.

We are subject to the U.S. Basel III capital rule and the standardized approach for risk weighting of assets. As an “AOCI opt-out” institution, we are not required to recognize in regulatory capital the impacts of net unrealized gains and losses included within AOCI for debt and equity securities that are available for sale or held to maturity, accumulated net gains and losses on cash flows hedges and defined benefit pension plan assets.

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As of June 30, 2018, CET1 capital represented 81% of our total regulatory capital. The following table presents our regulatory capital composition:

Table 2 - CFG Regulatory Capital Composition	
(in millions)	As of June 30, 2018
Common stock and related surplus, net of treasury stock	\$16,379
Retained earnings	4,755
Accumulated other comprehensive loss	(1,210)
Total common shareholders' equity	19,924
<b>Exclusions:</b> <sup>(1)</sup>	
Net unrealized losses recorded in accumulated other comprehensive loss, net of tax:	
Debt securities	575
Derivatives	200
Unamortized net periodic benefit costs	435
<b>Deductions:</b>	
Goodwill	(6,887)
Deferred tax liability associated with goodwill	359
Other intangible assets	(2)
Total common equity tier 1 capital	14,604
Qualifying preferred stock	543
Total tier 1 capital	15,147
Qualifying subordinated debt <sup>(2)</sup>	1,568
Allowance for loan and lease losses	1,253
Allowance for credit losses for off-balance sheet exposure	88
Total tier 2 capital	2,909
Total capital	\$18,056
<sup>(1)</sup> As a U.S. Basel III Standardized approach institution, CFG and its subsidiary banks selected the one-time election to opt-out of the requirements to include all components of AOCI.	
<sup>(2)</sup> As of June 30, 2018, the amount of non-qualifying subordinated debt excluded from regulatory capital was \$70 million.	

### Capital Adequacy Process

Our assessment of capital adequacy begins with our risk appetite and risk management framework. This framework provides for the identification, measurement and management of material risks. Capital requirements are determined for actual and forecasted risk portfolios using applicable regulatory capital methodologies. The assessment also considers the possible impacts of approved and proposed changes to regulatory capital requirements. Key analytical frameworks including stress testing, which enable the assessment of capital adequacy versus unexpected loss under a variety of stress scenarios, supplement our base case forecast. A robust governance framework supports our capital planning process. This process includes capital management policies and procedures that document capital adequacy metrics and limits, as well as our comprehensive capital contingency plan and the active engagement of both the legal entity boards and senior management in oversight and decision making.

Forward-looking assessments of capital adequacy feed development of a single capital plan covering us and our banking subsidiaries that is submitted to the FRB and to the bank regulators. We prepare this plan in full compliance with the FRB's Capital Plan Rule and we participate annually in the FRB's horizontal capital review ("HCR"), which is the FRB's assessment of specific capital planning areas as part of their normal supervisory process. In addition to the stress test requirements under CCAR, we also perform semi-annual company-run stress tests required by the Dodd-Frank Act.

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The FRB may either object to our capital plan, on a quantitative basis, in whole or in part, or provide a notice of non-objection. If the FRB objects to our capital plan, we may not make any capital distributions other than those with respect to which the FRB has indicated its non-objection. On June 28, 2018, the FRB informed us that it did not object to our 2018 Capital Plan or our proposed capital actions for the period beginning July 1, 2018 and ending June 30, 2019.

On January 30, 2017, the FRB published a final rule that modifies the CCAR Capital Plan and stress test rules. Under the final rule, we continue to be classified as a large and non-complex firm; a BHC with total consolidated assets of at least \$50 billion but less than \$250 billion, non-bank assets of less than \$75 billion, and that is not classified as a global systematically important bank holding company under the FRB's capital rules. As a result of the final rule, the FRB may no longer object to our capital plans on qualitative grounds as of the 2017 CCAR cycle. The FRB's qualitative assessment of our capital planning processes is now incorporated into regular, ongoing supervisory activities, with targeted horizontal assessments of particular aspects of capital planning. We remain subject to the FRB's quantitative assessment of our ability to meet capital requirements under stress. Please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters* in our 2018 Form 10-Q for additional information related to our CCAR and stress testing process.

We develop capital plans and conduct routine capital management activities in compliance with internal limits and operating targets that are established for each regulatory capital ratio. These limits and targets are intended to meet both regulatory and market expectations, while also ensuring an efficient return to shareholders. We set these internal limits and targets to comply with the fully phased-in U.S. Basel III minimum, which includes the fully phased-in capital conservation buffer of 2.5% for each risk-based capital ratio. Please refer to the related discussion in the *Capital Conservation Buffer* section of this report. The process to establish internal limits and targets also considers internally defined buffers for stress uncertainty and other strategic considerations, which are calibrated annually.

In November 2017, the federal banking regulators issued a final rule that extended the 2017 transition provisions for certain U.S. Basel III capital rules for non-advanced approaches banking organizations, such as us. Effective January 1, 2018, the final rule retains the 2017 U.S. Basel III transitional treatment of certain deferred tax assets ("DTAs"), mortgage servicing assets, investments in non-consolidated financial entities and minority interests. As a result, effective January 1, 2018, our mortgage servicing assets will retain their 2017 risk weight treatment until the federal banking regulators revise the extended transitional treatment under the November 2017 final rule, which may occur in connection with the finalization of the related September 2017 proposal to simplify the capital treatment of certain DTAs, mortgage servicing assets, investments in non-consolidated financial entities and minority interests.



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The U.S. Basel III Standardized capital ratios for CFG, CBNA and CBPA as of June 30, 2018 are presented in Table 3 - *Capital Ratios*. All ratios remained well above the U.S. Basel III minima. Please refer to *Financial Statements and Supplementary Data- Note 17 - Regulatory Matters* in our 2Q18 Form 10-Q for additional information related to the calculation of our capital ratios.

Table 3 - Capital Ratios			
Citizens Financial Group, Inc.			
	Ratio	Required Minimum plus Required CCB for Non- Leverage Ratios	FDIA Required Well-Capitalized Minimum for Purposes of Prompt Corrective Action <sup>(1)</sup>
CET1	11.2%	6.375%	6.5%
Tier 1	11.6	7.875	8.0
Total	13.8	9.875	10.0
Tier 1 Leverage	10.2	4.000	5.0
Citizens Bank, National Association			
	Ratio	Required Minimum plus Required CCB for Non- Leverage Ratios	FDIA Required Well-Capitalized Minimum for Purposes of Prompt Corrective Action
CET1	11.0%	6.375%	6.5%
Tier 1	11.0	7.875	8.0
Total	13.1	9.875	10.0
Tier 1 Leverage	10.1	4.000	5.0
Citizens Bank of Pennsylvania			
	Ratio	Required Minimum plus Required CCB for Non- Leverage Ratios	FDIA Required Well-Capitalized Minimum for Purposes of Prompt Corrective Action
CET1	12.8%	6.375%	6.5%
Tier 1	12.8	7.875	8.0
Total	13.7	9.875	10.0
Tier 1 Leverage	8.5	4.000	5.0

<sup>(1)</sup> Presented for informational purposes. Prompt corrective action provisions apply only to insured depository institutions, CBNA and CBPA.

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The table below reports the composition of our RWA as of June 30, 2018. Please refer to *Schedule HC-R - Part II Risk-Weighted Assets* in our June 2018 FR Y-9C for details on adjustments and deductions to calculate total RWA.

Table 4 - CFG Standardized Risk-Weighted Assets	
(in millions)	As of June 30, 2018
Corporate exposures	\$67,542
Other retail exposures	35,641
Residential mortgage exposures	10,141
Other assets	7,456
Mortgage backed securities - FNMA & FHLMC	2,437
Letters of credit	2,043
High volatility commercial real estate	2,002
Equities	1,640
Securitization	824
Past due loans (excluding Sovereigns, Guarantees & Home Lending)	679
Exposures to sovereign entities	114
Exposures to depository institutions, foreign banks, and credit unions	72
Cleared transactions	18
Exposures to public sector entities	11
Default fund contributions	1
Total standardized risk-weighted assets for credit risk exposure	\$130,621
Market risk	—
Total risk-weighted assets	\$130,621

Please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters* in our 2Q18 Form 10-Q for more information regarding capital ratios and the capital adequacy process, including a review of current capital plan strategies and planned capital actions.

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### *Capital Conservation Buffer*

The U.S. Basel III rules impose a CCB on top of the regulatory minimum established for each of the three risk-weighted asset ratios. The implementation of the CCB began on January 1, 2016 at the 0.625% level, and increases by 0.625% on each subsequent January 1, until the buffer reaches 2.5% on January 1, 2019. As such, the CCB for 2018 increased to 1.875% on January 1, 2018.

Under the U.S. Basel III Standardized Transitional rules, the minimum capital ratios effective as of January 1, 2018 are:

- 6.375% CET1 to RWA (minimum 4.5% plus 1.875% CCB);
- 7.875% Tier 1 capital (CET1 plus Additional Tier 1 capital) to RWA (minimum 6% plus 1.875% CCB);
- 9.875% Total capital (Tier 1 capital plus Tier 2 capital) to RWA (minimum 8% plus 1.875% CCB); and
- The minimum leverage ratio of 4.00% is not impacted by the CCB.

As of June 30, 2018, CFG's CCB was 5.60%, well above the current required minimum of 1.875% and the fully phased-in CCB level of 2.5%. As a result, we are not subject to payout ratio limitations on our distributions or certain discretionary executive compensation. Eligible retained income<sup>(1)</sup> at June 30, 2018 was \$482 million, consisting of aggregate net income of \$1.7 billion, net of aggregate distributions of \$1.2 billion, reflecting repurchases of common stock and common and preferred stock dividends.

Under the U.S. Basel III Standardized Fully Phased-In rules, the effective minimum capital ratios at January 1, 2019 will be:

- 7.0% CET1 to RWA (minimum 4.5% plus 2.5% CCB);
- 8.5% Tier 1 capital (CET1 plus Additional Tier 1 capital) to RWA (minimum 6% plus 2.5% CCB); and
- 10.5% Total capital (Tier 1 capital plus Tier 2 capital) to RWA (minimum 8% plus 2.5% CCB).

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<sup>(1)</sup> Eligible retained income as defined by regulations is net income for the four calendar quarters preceding the current calendar quarter, net of any distributions and associated tax effects not already reflected in net income, per 12 CFR 217.11 and 12 CFR 217.2.

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### CREDIT RISK

#### *Credit Risk Exposure*

The following table presents total credit risk exposures for our loans, loans held for sale, leases, contractual commitments to extend credit, and letters of credit. This table is categorized by counterparty types (commercial and retail) and loan products. Note, for these types of defined credit risk exposures throughout our Pillar 3 Regulatory Disclosures, the SBO portfolio consists of purchased home equity loans and lines that were originally serviced by others, which we now service a portion of internally.

Please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Governance - Credit Risk* in our 2017 Form 10-K for more information on credit risk governance.

Table 5 - CFG Credit Risk Exposures - Loans, Loans Held for Sale, Leases, Credit Commitments and Letters of Credit	
(in millions)	As of June 30, 2018
Commercial	\$73,333
Commercial real estate	18,447
Leases	3,260
Total commercial	95,040
Residential mortgages	19,159
Home equity loans	1,215
Home equity lines of credit	28,308
Home equity loans serviced by others	465
Home equity lines of credit serviced by others	124
Automobile	12,517
Education	8,730
Credit cards	11,906
Other retail	4,192
Total retail	86,616
Total	\$181,656

Our loan and lease credit related accounting policies are presented in *Financial Statements and Supplementary Data - Note 4 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk* in our 2017 Form 10-K.

Our investment securities portfolio includes U.S. Treasury and agency securities, agency mortgage-backed securities, and non-agency mortgage-backed securities. The most important element management relies on when assessing credit risk for U.S. Treasury and agency securities and agency mortgage-backed securities is the guarantee of the Federal Government or one of its agencies. When applicable, we consider geography as a factor when managing our investments in securities issued by state and political subdivisions. The credit risk for non-agency mortgage-backed securities is assessed based on senior to subordinated credit support levels and an analysis of the bond's underlying collateral characteristics. As a secondary measure, ratings by NRSRO are considered, but not solely relied upon, to determine the creditworthiness of the issuance.

Please refer to *Financial Statements and Supplementary Data - Note 2 - Securities* and *Financial Statements and Supplementary Data - Note 8 - Derivatives* in our 2Q18 Form 10-Q and the *Counter Party Credit Risk-Related Disclosures* section of this report for more information on our credit risk exposures related to investment securities and derivatives. Please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations - Net Interest Income* in our 2Q18 Form 10-Q for average balances of our loans and investment securities. The average credit risk exposure related to our OTC derivatives for the quarter ended June 30, 2018 was \$238 million.

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Please refer to *Financial Statements and Supplementary Data - Note 11 - Commitments and Contingencies* in our 2Q18 Form 10-Q for more information on the credit risk exposure related to our off-balance sheet commitments (including contractual commitments to extend credit and letters of credit). The average credit risk exposure associated with our off-balance sheet credit commitments and letters of credit for the quarter ended June 30, 2018 was \$66 billion.

The following table presents the geographic distribution of our loans, loans held for sale, leases, credit commitments and letters of credit. The geographic distribution presented in this table uses the address of the customer as the basis for classification. Amounts reported as “Other” include loans, loans held for sale, leases, credit commitments and letters of credit to customers outside of the Mid-Atlantic, Midwest, and New England regions, as well as certain exposures that we do not manage on a geographic basis.

Table 6 - CFG Geographic Distribution of Loans, Loans Held for Sale, Leases, Credit Commitments and Letters of Credit					
(in millions)	As of June 30, 2018				
	Mid-Atlantic <sup>(1)</sup>	Midwest <sup>(1)</sup>	New England <sup>(1)</sup>	Other	Total
Commercial	\$26,472	\$8,799	\$16,742	\$21,320	\$73,333
Commercial real estate	6,496	1,955	2,875	7,121	18,447
Leases	681	523	225	1,831	3,260
Total commercial	33,649	11,277	19,842	30,272	95,040
Residential mortgages	8,938	1,587	3,828	4,806	19,159
Home equity loans	511	171	476	57	1,215
Home equity lines of credit	11,543	3,236	12,397	1,132	28,308
Home equity loans serviced by others	135	53	36	241	465
Home equity lines of credit serviced by others	33	13	9	69	124
Automobile	3,588	1,696	1,610	5,623	12,517
Education	2,635	914	1,502	3,679	8,730
Credit cards	4,654	1,771	4,398	1,083	11,906
Other retail	826	292	393	2,681	4,192
Total retail	32,863	9,733	24,649	19,371	86,616
Total	\$66,512	\$21,010	\$44,491	\$49,643	\$181,656

<sup>(1)</sup> See Glossary of Acronyms and Terms for states included in each region.

The gross commercial and retail charge-offs for the quarterly period ending June 30, 2018 were \$14 million and \$106 million, respectively. Please refer to *Financial Statements and Supplementary Data - Note 4 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk* in our 2Q18 Form 10-Q for the following loan-related information by counterparty type:

- Amount of impaired loans for which there was a related allowance under GAAP,
- Amount of impaired loans for which there was no related allowance under GAAP, and
- ALLL balances and related year-to-date charge-off information.

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The following table presents loans and leases past due 90 days and on nonaccrual and loans past due 90 days and still accruing.

Table 7 - CFG Amount of Loans and Leases Past Due 90 Days or More				
As of June 30, 2018				
(in millions)	90+ Days Past Due and Accruing	90+ Days Past Due and Nonaccruing	Total 90+ Days Past Due	
Commercial	\$3	\$75	\$78	
Commercial real estate	—	28	28	
Leases	—	—	—	
Total commercial loans and leases	3	103	106	
Residential mortgages	14	100	114	
Home equity loans	—	44	44	
Home equity lines of credit	—	189	189	
Home equity loans serviced by others	—	16	16	
Home equity lines of credit serviced by others	—	7	7	
Automobile	—	52	52	
Education	3	9	12	
Credit cards	—	17	17	
Other retail	6	6	12	
Total retail loans	23	440	463	
Total	\$26	\$543	\$569	

The following table presents impaired loan amounts categorized by geographic area. Impaired loans include nonaccruing larger balance commercial loans (greater than \$3 million carrying value), non-homogeneous commercial and commercial real estate loans, and restructured loans that are deemed TDRs.

Table 8 - CFG Amount of Impaired Loans by Geographic Area					
As of June 30, 2018					
(in millions)	Mid-Atlantic <sup>(1)</sup>	Midwest <sup>(1)</sup>	New England <sup>(1)</sup>	Other	Total
Commercial	\$85	\$70	\$68	\$168	\$391
Commercial real estate	10	1	24	—	35
Leases	—	—	—	—	—
Total commercial loans and leases	95	71	92	168	426
Residential mortgages	59	30	34	33	156
Home equity loans	35	27	43	6	111
Home equity lines of credit	61	53	83	5	202
Home equity loans serviced by others	13	4	4	25	46
Home equity lines of credit serviced by others	2	1	1	5	9
Automobile	7	4	2	11	24
Education	30	15	6	112	163
Credit cards	8	3	7	6	24
Other retail	1	—	—	6	7
Total retail loans	216	137	180	209	742
Total	\$311	\$208	\$272	\$377	\$1,168

<sup>(1)</sup> See Glossary of Acronyms and Terms for states included in each region.

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Please refer to *Financial Statements and Supplementary Data - Note 4 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk* in our 2Q18 Form 10-Q for reconciliations of changes in our ALLL.

The following table presents a summary of loans, loans held for sale and leases by remaining maturity or repricing date.

Table 9 - CFG Loans, Loans Held for Sale and Leases by Remaining Maturity or Repricing Date				
(in millions)	As of June 30, 2018			
	One Year or Less <sup>(1)</sup>	Over One Year Through Five Years	Over Five Years	Total
Commercial	\$35,119	\$2,874	\$1,630	\$39,623
Commercial real estate	12,307	93	128	12,528
Leases	603	1,844	635	3,082
Total commercial loans and leases	48,029	4,811	2,393	55,233
Residential mortgages	1,516	1,841	14,822	18,179
Home equity loans	27	278	906	1,211
Home equity lines of credit	12,829	60	125	13,014
Home equity loans serviced by others	1	436	28	465
Home equity lines of credit serviced by others	124	—	—	124
Automobile	145	7,768	4,604	12,517
Education	14	739	7,697	8,450
Credit cards	1,539	338	—	1,877
Other retail	377	1,815	855	3,047
Total retail loans	16,572	13,275	29,037	58,884
Total	\$64,601	\$18,086	\$31,430	\$114,117
<sup>(1)</sup> Loans held for sale are included in One Year or Less category.				

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The following table presents a summary of credit commitments and letters of credit by remaining maturity or repricing date.

Table 10 - CFG Credit Commitments and Letters of Credit by Remaining Maturity or Repricing Date			
As of June 30, 2018			
(in millions)	One Year or Less	Greater than One Year	Total
<b>Credit commitments</b>			
Commercial	\$8,594	\$22,966	\$31,560
Commercial real estate	814	5,105	5,919
Leases	127	51	178
Total commercial loans and leases	9,535	28,122	37,657
Residential mortgages	980	—	980
Home equity loans	4	—	4
Home equity lines of credit	521	14,773	15,294
Home equity loans serviced by others	—	—	—
Home equity lines of credit serviced by others	—	—	—
Automobile	—	—	—
Education	280	—	280
Credit cards	10,029	—	10,029
Other retail	707	438	1,145
Total retail loans	12,521	15,211	27,732
Total credit commitments	22,056	43,333	65,389
<b>Letters of credit <sup>(1)</sup></b>			
Financial standby	903	1,071	1,974
Performance	94	26	120
Commercial	32	24	56
Total letters of credit	1,029	1,121	2,150
Total credit commitments and letters of credit	\$23,085	\$44,454	\$67,539
<sup>(1)</sup> Net of participations sold.			

Please refer to *Financial Statements and Supplementary Data - Note 2 - Securities* in our 2Q18 Form 10-Q for a summary of securities by contractual maturity.

Please refer to *Schedule HC-R - Part II Risk-Weighted Assets* in our June 2018 FR Y-9C for a summary of OTC derivative notional amounts by remaining maturity.

### Counterparty Credit Risk-Related Disclosures

Counterparty exposure arises primarily from the OTC derivative transactions in our customer and institutional derivative portfolios. The amount of this exposure depends on the value of underlying market factors (e.g., interest rates), which can be volatile and uncertain in nature. Counterparty exposure also arises (to a lesser extent) from our securities lending and borrowing activities, which includes entering into repurchase agreements.

The customer derivative portfolio consists of interest rate swap agreements and option contracts transacted to meet the financing needs of our customers. Swap agreements and interest rate options agreements are transacted to effectively minimize our market risk associated with the customer derivative products. The customer derivative portfolio also includes foreign exchange forward agreements and option contracts entered into on behalf of customers for the purpose of hedging exposure related to cash orders and loans and deposits denominated in foreign currencies. Customer trades are primarily unsecured and are not subject to daily margin or posting of financial collateral. We commonly execute these trades concurrently with new loan transactions, with any business collateral received from a counterparty applied to both the derivative and loan. Accordingly, the underwriting process for establishing



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customer derivative credit limits is equivalent to the process used for corporate loan exposure. We establish these limits based on potential future exposure using stochastic models developed by F.I.S., a third party risk management software solution provider. The models utilize Monte Carlo methods consistent with industry practice and are subject to risk governance for model risk management and validation. We manage the credit risk of our customer derivative positions by diversifying our positions among various counterparties and in certain cases, transferring the counterparty credit risk related to interest rate swaps to third parties using risk participation agreements. When measuring the fair value of our customer derivative portfolio for GAAP financial reporting purposes, we include a CVA that reflects the credit quality of the swap counterparty. Please refer to *Financial Statements and Supplementary Data - Note 12 - Fair Value Measurements* in our 2Q18 Form 10-Q for more information on our valuation methodologies.

The institutional derivative portfolio primarily consists of interest rate swap agreements used to hedge the interest rate risk associated with our loans and financing liabilities (i.e., borrowed funds, deposits, etc.). Institutional swaps and swaps executed to eliminate the market risk associated with our customer derivative products include bilateral trades with dealers and cleared trades with central counterparties. These trades must comply with daily margin requirements where we post financial collateral based on pre-defined “posting thresholds”. Posting thresholds represent the amount of exposure that counterparties are willing to accept on an unsecured basis. We post collateral only when the market value of any outstanding swaps exceeds that threshold. Changes in our own creditworthiness do not generally have an impact on the amount of collateral posted given zero thresholds have become the market convention. Bilateral trades with dealers are subject to counterparty credit limits that cover replacement costs, and potential changes in market value based on a ten day close out period. Cleared trades with central counterparties are subject to counterparty credit limits for initial margin requirements where we post collateral, but where the collateral is operationally commingled with initial margin owed to other clients of the clearing broker.

Our repurchase agreements are typically short-term transactions (e.g., overnight), but they may be extended to longer terms-to-maturity. We fully collateralize such transactions and account for them as secured borrowings on our financial statements. We establish counterparty credit limits to monitor our over-collateralized position, which represents the difference between the market value of what we pledge and the amount we borrow. When permitted by GAAP, we offset short-term receivables with short-term payables associated with our reverse repurchase agreements.

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On a daily basis we monitor counterparty credit exposures for counterparties with an established CSA to ensure appropriately sized collateral levels to cover risk. We manage collateral received from third parties and held pursuant to the terms of the governing CSA agreement for the counterparty, in either a tri-party custodial, segregated or an omnibus account. Collateral types that are “acceptable” (as defined in the CSA) generally include the following:

Acceptable collateral types		Valuation %
Cash		100%
Treasury Bills	Negotiable debt obligations issued by the U.S. Treasury Department having a remaining maturity of not more than one year.	98%
Treasury Notes	Negotiable debt obligations issued by the U.S. Treasury Department having a remaining maturity of more than one year but not more than ten years.	98%
Treasury Bonds	Negotiable debt obligations issued by the U.S. Treasury Department having a remaining maturity of more than ten years but not more than 30 years.	98%
Agency Securities	Negotiable debt obligations of the FNMA, FHLMC, FHLB, or FFCB having a remaining maturity of not more than 30 years.	92%
FHLMC Certificates	Mortgage participation certificates issued by FHLMC evidencing undivided interests or participations in pools of first lien conventional or FHA/VA residential mortgages or deeds of trust, guaranteed by FHLMC, and having a remaining maturity of not more than 30 years.	92%
FNMA Certificates	Mortgage-backed pass-through certificates issued by FNMA evidencing undivided interests in pools of first lien mortgages or deeds of trust on residential properties, guaranteed by FNMA, and having a remaining maturity of not more than 30 years.	92%
GNMA Certificates	Mortgage-backed pass-through certificates issued by private entities, evidencing undivided interests in pools of first lien mortgages or deeds of trust on single family residences, guaranteed by the GNMA with the full faith and credit of the United States, and having a remaining maturity of not more than 30 years.	92%
Other Eligible Collateral	With respect to a party, as may be agreed in writing between the parties for a particular CSA, together with the applicable Valuation Percentage.	

Please refer to *Financial Statements and Supplementary Data - Note 8 - Derivatives* in our 2Q18 Form 10-Q for fair value of our derivative transactions. This disclosure presents these fair values both on a gross and net basis. As of June 30, 2018, we held an immaterial amount of collateral from third parties. Therefore, the net basis presented represents the impact of enforceable master netting agreements.

Please refer to *Financial Statements and Supplementary Data - Consolidated Balance Sheets* and *Financial Statements and Supplementary Data - Note 2 - Securities* in our 2Q18 Form 10-Q for information on our repurchase agreements. Please refer to *Financial Statements and Supplementary Data - Note 12 - Fair Value Measurements* in our 2Q18 Form 10-Q for the fair value of our repurchase agreements.

### Credit Risk Mitigation

Our credit risk mitigation that is recognized for the purposes of reducing capital requirements is limited to implicit and explicit credit guarantees provided by the U.S. Government. We do not use collateral as a source of credit risk mitigation for the purposes of reducing capital requirements.

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The following table presents the total exposure covered by guarantees and the risk-weighted amounts associated with each exposure.

Table 11 - CFG Total Exposure Covered by Guarantees and Associated RWA			
(dollars in millions)		As of June 30, 2018	
Guarantor	Guaranteed Exposure Amount	RWA	RW %
FNMA & FHLMC	\$12,237	\$2,447	20%
Federal Housing Administration (FHA)	220	44	20
Small Business Administration (SBA)	161	32	20
Federal Family Education Loan Program (FFELP) where 97% of exposure is guaranteed	50	10	20
Federal Family Education Loan Program (FFELP) where 98% of exposure is guaranteed	18	4	20
Veteran Affairs (VA)	16	3	20
Total implicit guarantees	\$12,702	\$2,540	20%
US Treasury & GNMA securities	\$12,021	\$—	0%
Export/Import	6	—	0
Total explicit guarantees	\$12,027	\$—	0%

### SECURITIZATION

A securitization exposure is a transaction in which the credit risk of the underlying exposure transfers to third parties and is separated into two or more tranches. The performance of a securitization depends upon the performance of the underlying exposures or reference assets, all or substantially all of which are financial exposures.

We participate in the securitization market as an investor and a lender in traditional securitization exposures, however not as an originator or sponsor. We invest in securitization exposures of third party issued non-agency mortgage-backed securities. We also may act as a securitization lender by entering into asset-backed securitization loans with third party sponsored special purpose entities that are designed to meet client needs for long-term financing of assets or working capital.

We do not apply credit risk mitigation to our securitized exposures and do not have exposure to securitization guarantors. We do not have synthetic securitization exposure and all securitization exposures are held on-balance sheet in the banking book, with no trading book securitization exposures.

We calculate the regulatory capital requirement for securitization exposure in accordance with the U.S. Basel III Standardized approach. RWA for securitization exposures is determined using SSFA. The SSFA framework considers our seniority in the securitization structure and risk factors inherent in the underlying assets.

### Risk Management

We manage the risks related to securitization positions in accordance with the investment, credit, and interest rate risk management policies. Please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Governance* in our 2017 Form 10-K for more information on our credit risk and interest rate risk (i.e., non-trading risk) governance.

For each securitization position, we perform due diligence on the credit worthiness of each position prior to entering into that position. Our due diligence procedures provide a comprehensive understanding of the features that would materially affect the performance of a securitization, and are commensurate with the complexity of each securitization position held.

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The following table presents banking book exposures receiving securitization capital treatment by collateral type and capital treatment method.

Table 12 - CFG Securitizations by Capital Treatment and Collateral Type						
(in millions)	As of June 30, 2018					
	SSFA		1250%		Total	
	Exposure	RWA	Exposure	RWA	Exposure	RWA
Private label securities	\$1,692	\$824	\$—	\$—	\$1,692	\$824
Total securitization exposure	\$1,692	\$824	\$—	\$—	\$1,692	\$824

The following table presents banking book exposures receiving securitization capital treatment by capital treatment method and risk weight bucket.

Table 13 - CFG Securitizations by Capital Treatment and Risk Weight:						
(in millions)	As of June 30, 2018					
	SSFA		1250%		Total	
	Exposure	RWA	Exposure	RWA	Exposure	RWA
<b>Securitizations by risk weight:</b>						
= 0% to <= 20%	\$1,432	\$287	\$—	\$—	\$1,432	\$287
> 20% to <= 50%	18	6	—	—	18	6
> 50% to <= 100%	1	1	—	—	1	1
> 100% to <= 1250%	241	530	—	—	241	530
Total securitizations	\$1,692	\$824	\$—	\$—	\$1,692	\$824
<b>Re-securitizations by risk weight:</b>						
= 0% to <= 20%	\$—	\$—	\$—	\$—	\$—	\$—
Total re-securitizations	\$—	\$—	\$—	\$—	\$—	\$—
Total securitization exposure	\$1,692	\$824	\$—	\$—	\$1,692	\$824

We also invest in U.S. agency pass-through MBS and GNMA guaranteed project loan bonds. Regulatory guidance does not consider these “securitizations.” Please refer to *Financial Statements and Supplementary Data - Note 2 - Securities* in our 2Q18 Form 10-Q for more information on our investment portfolio.

### Accounting Policies

Our accounting policies for investments in securitized assets (i.e., “investments in debt securities”) are presented in *Financial Statements and Supplementary Data - Note 3 - Securities* in our 2017 Form 10-K.

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### EQUITIES (NON-TRADING)

We hold equity securities to fulfill requirements of membership and participation in U.S. banking and payments systems. Our banks hold stock in the FRB and the FHLB. Our equity holdings are limited to immaterial amounts of stock.

We also invest in fund and non-fund equities. The non-fund equities use the simple risk-weight approach and primarily consist of investments in community projects in conjunction with our commitment to the communities in which we operate. These investments also fulfill specific requirements imposed by the CRA as implemented by the U.S. regulatory agencies. In addition to CRA, we invest in renewable wind energy projects, providing benefits from returns generated by government incentives plus other tax attributes that come with ownership. We also have invested amounts in fund-related equity investments, consisting of money market mutual fund investments and bank owned life insurance - separate account. The underlying assets of bank owned life insurance - separate account consist primarily of treasuries, mortgaged-backed securities, and bonds. The fund-related equity investments use the full look through approach to determine risk weight.

Our accounting policies for equity securities (i.e., “other investment securities”) are presented in *Financial Statements and Supplementary Data - Note 3 - Securities* in our 2017 Form 10-K. We present methodologies for measuring the fair value of equity securities in *Financial Statements and Supplementary Data - Note 12 - Fair Value Measurements* in our 2Q18 Form 10-Q. The carrying value of our CRA investments are included in the other assets line in *Financial Statements - Consolidated Balance Sheets* in our 2Q18 Form 10-Q. Separate account bank-owned life insurance is included in the bank-owned life insurance line within the *Financial Statements - Consolidated Balance Sheets* in our 2Q18 Form 10-Q.

Table 14 - CFG Equities			
(dollars in millions)	As of June 30, 2018		
	Exposure	RWA	RW %
Federal Reserve stock	\$463	\$—	0%
FHLB stock	299	60	20
<b>Investments in Non-Fund Equities:</b>			
CRA	1,108	1,108	100
Windfarm	326	326	100
Other Non-Fund Equities	7	7	100
<b>Investment in Fund Equities:</b>			
Bank owned life insurance - separate account	256	105	41
Money market mutual fund investments	170	34	20
<b>Total</b>	<b>\$2,629</b>	<b>\$1,640</b>	

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### MARKET RISK

#### *Non-Trading Risk*

We are exposed to market risk as a result of non-trading bank activities. This market risk is substantially composed of interest rate risk, as we have no direct currency or commodity risk and de minimis equity risk. We also have market risk related to capital markets loan originations, as well as the valuation of our mortgage servicing rights.

Please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk - Non-Trading Risk* in our 2Q18 Form 10-Q for more information on our exposure to interest rate risk. Please refer to *Financial Statements and Supplementary Data - Note 8 - Derivatives* in our 2Q18 Form 10-Q for more information on our hedging policies and our processes for monitoring hedge effectiveness.

#### *Trading Risk*

We face market risk price volatility across a select range of interest rates, foreign exchange rates, and credit spreads through our client facilitation activities covering interest rate derivatives, foreign exchange products, and secondary loans. While we do not always meet the applicable reporting threshold of the Market Risk Rule, we nevertheless continually adhere to the Market Risk Rule covering our trading activities conducted through our two banking subsidiaries, CBNA and CBPA.

As of June 30, 2018, our calculated market risk RWA was \$767 million, reflecting general interest rate risk and specific risk. The market risk RWA included within our June 2018 FR Y-9C was zero as we did not meet the reporting threshold prescribed by the Market Risk Capital Guidelines for the second quarter 2018, and as such our covered trading activities were risk-weighted under U.S. Basel III Standardized credit risk rules.

We do not model our specific risk through the VaR based process and thus a specific risk add-on is calculated under a standardized measurement method. We do not calculate incremental risk or comprehensive risk, as we take a standardized specific risk add-on, and we do not participate in correlation trading related activities.

For further discussion related to market risk governance, risk measurements, VaR methodology and validation, and regulatory capital, please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Governance* in our 2017 Form 10-K and *Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk* in our 2Q18 Form 10-Q.

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### APPENDIX 1 - CITIZENS FINANCIAL GROUP, INC. PILLAR 3 REGULATORY DISCLOSURES MATRIX

The disclosures required by the U.S. Basel III Standardized rule<sup>(1)</sup> are listed below. Most of these disclosures have been included in other financial reporting documents, and some in this report. This matrix provides a reference to the location of each required disclosure.

<sup>(1)</sup> Code of Federal Regulations, Part 217 - Capital Adequacy of Bank Holding Companies, Savings and Loan Holding Companies, and State Member Banks (Regulation Q).

Disclosure Requirement	Description	Pillar 3 reference	2Q18 10-Q	2017 10-K
1. Scope of application	Name of the top corporate entity	pg. 3	MD&A - Introduction	
	Descriptions of differences in basis for consolidating entities	pg. 3		Note 1 - Basis of Presentation
	Restrictions on transfers of funds or total capital within the group	pg. 3		
	Aggregate amount of surplus capital of insurance subsidiaries	N/A		
	Aggregate amount of total capital that is less than minimum capital	N/A		
2. Capital structure	Terms and conditions of capital instruments	pg. 5		
	Capital composition	pg. 6		
3. Capital adequacy	Capital adequacy assessment process	pg. 6	MD&A - Capital Adequacy Process	MD&A - Capital Adequacy Process
	Capital ratios	pg. 8	MD&A - Capital Framework & Banking Subsidiaries' Capital	MD&A - Capital and Regulatory Matters
	Risk-weighted assets by exposure type	pg. 9		
	Market risk-weighted assets	pg. 9		
4. Capital conservation buffer	Calculation of capital conservation buffer	pg. 10	MD&A - Capital Framework	MD&A - Capital and Regulatory Matters
	Calculation of eligible retained income	pg. 10		
	Limitations of distributions and discretionary bonus payments	pg. 10		
5. Credit risk	Credit risk exposures	pg. 11		
	Policies and practices	pg. 4		MD&A - Credit Risk
	Loans and related commitments	pg. 11	Note 3 - Loans and Leases & Note 11 - Commitments and Contingencies	MD&A - Credit Risk
	Debt securities	pg. 11	Note 2 - Securities	Note 3 - Securities
	OTC derivatives	pg. 11	Note 8 - Derivatives & Note 12 - Fair Value Measurements	Note 13 - Derivatives
	Geographic distribution of exposures	pg. 12		

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Disclosure Requirement	Description	Pillar 3 reference	2Q18 10-Q	2017 10-K
	Allowance disaggregated on the basis of impairment methodology	pg. 12	Note 4 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk	Note 5 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk
	Charge-offs during the period	pg. 12	Note 4 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk	Note 5 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk
	Impaired loans by industry or counterparty	pg. 13	Note 4 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk	Note 5 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk
	Past due loans by product	pg. 13	Note 4 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk	Note 5 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk
	Impaired loans by geography	pg. 13		
	Reconciliation of changes in allowance	pg. 14	Note 4 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk	Note 5 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk
	Remaining maturity of loans and loans held for sale	pg. 14		
	Remaining maturity of credit commitments and letters of credit	pg. 15		
6. Counterparty credit risk-related exposures	Policies and practices	pg. 15	Note 8 - Derivatives	Note 13 - Derivatives
	Counterparty risk exposure	pg. 17	Note 8 - Derivatives & Note 12 - Fair Value Measurements	
	Credit derivatives purchased and sold	N/A		
7. Credit risk mitigation	Policies and processes	pg. 17		
	Exposures covered by eligible financial collateral	N/A		
	Exposures covered by guarantees/credit derivatives and related risk-weighted assets	pg. 18		
8. Securitization	Policies and practices	pg. 18		
	SPEs and affiliated entities	N/A		



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Disclosure Requirement	Description	Pillar 3 reference	2Q18 10-Q	2017 10-K
	Accounting policies for securitization activities	pg. 19		
	Exposures securitized by the bank and resecritizations	N/A		
	Securitization exposures by collateral type	pg. 19		
	Securitization exposures by risk weight	pg. 19		
9. Equities not subject to the market risk rule	Policies and practices	pg. 20	Note 6 - Variable Interest Entities	
	Amortized cost and fair value by type/nature and public versus nonpublic	pg. 20	Note 12 - Fair Value Measurements	
	Realized and unrealized gains (losses)	N/A		
	Capital requirements	pg. 20		
10. Interest rate risk for non-trading activities	Nature, assumptions and frequency of measurement	pg. 21	MD&A - Non-Trading Risk	MD&A - Market Risk
	Earnings sensitivity to rate movements	pg. 21		MD&A - Market Risk

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### APPENDIX 2 - FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the Private Securities Litigation Reform Act of 1995. Statements regarding potential future share repurchases and future dividends are forward-looking statements. Also, 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. Our statements speak as of the date hereof, and we do not assume any obligation to update these statements or to update the reasons why actual results could differ from those contained in such statements in light of new information or future events. We caution you, therefore, against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. While there is no assurance that any list of risks and uncertainties or risk factors is complete, important factors that could cause actual results to differ materially from those in the forward-looking statements include the following, without limitation:

- Negative economic and political conditions that adversely affect the general economy, housing prices, the job market, consumer confidence and spending habits which may affect, among other things, the level of nonperforming assets, charge-offs and provision expense;
- The rate of growth in the economy and employment levels, as well as general business and economic conditions, and changes in the competitive environment;
- Our ability to implement our business strategy, including the cost savings and efficiency components, and achieve our financial performance goals;
- Our ability to meet heightened supervisory requirements and expectations;
- Liabilities and business restrictions resulting from litigation and regulatory investigations;
- Our capital and liquidity requirements (including under regulatory capital standards, such as the U.S. Basel III capital rules) and our ability to generate capital internally or raise capital on favorable terms;
- The effect of changes in interest rates on our net interest income, net interest margin and our mortgage originations, mortgage servicing rights and mortgages held for sale;
- Changes in interest rates and market liquidity, as well as the magnitude of such changes, which may reduce interest margins, impact funding sources and affect the ability to originate and distribute financial products in the primary and secondary markets;
- The effect of changes in the level of checking or savings account deposits on our funding costs and net interest margin;
- Financial services reform and other current, pending or future legislation or regulation that could have a negative effect on our revenue and businesses, including the Dodd-Frank Act and other legislation and regulation relating to bank products and services;
- A failure in or breach of our operational or security systems or infrastructure, or those of our third party vendors or other service providers, including as a result of cyber-attacks; and
- Management’s ability to identify and manage these and other risks.

In addition to the above factors, we also caution that the amount and timing of any future common stock dividends or share repurchases will depend on our financial condition, earnings, cash needs, regulatory constraints, capital requirements (including requirements of our subsidiaries), and any other factors that our Board of Directors deems relevant in making such a determination. Therefore, there can be no assurance that we will repurchase shares or pay any dividends to holders of our common stock, or as to the amount of any such repurchases or dividends.

More information about factors that could cause actual results to differ materially from those described in the forward-looking statements can be found in the “Risk Factors” section in Part I, Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2017.