Pillar 3 Regulatory Disclosures

For the quarterly period ended December 31, 2021

CITIZENS FINANCIAL GROUP, INC.

December 31, 2021 Pillar 3 Regulatory Disclosures

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GLOSSARY OF ACRONYMS AND TERMS

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

AACL	Adjusted Allowance for Credit Losses
ACL	Allowance for Credit Losses: Allowance for Loan and Lease Losses plus Allowance for Unfunded Lending Commitments
AFS	Available for Sale
AOCI	Accumulated Other Comprehensive Income (Loss)
BHC	Bank Holding Company
Board or Board of Directors	The Board of Directors of Citizens Financial Group, Inc.
CBNA	Citizens Bank, National Association
CCAR	Comprehensive Capital Analysis and Review
CCMI	Citizens Capital Markets, Inc.
CECL	Current Expected Credit Losses (ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments)
CET1	Common Equity Tier 1
CET1 capital ratio	Common Equity Tier 1 capital divided by total risk-weighted assets as defined under the U.S. Basel III Standardized approach
Citizens, CFG, the Company, we, us, or our	Citizens Financial Group, Inc. and its Subsidiaries
COVID-19 pandemic	Coronavirus Disease 2019 Pandemic
CRA	Community Reinvestment Act
CSA	Credit Support Annex
CVA	Credit Valuation Adjustment
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
FDIA	Federal Deposit Insurance Act
FHLB	Federal Home Loan Bank
FHA	Federal Housing Administration
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 or Federal Reserve	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
HSBC	HSBC Bank U.S.A., N.A.
HSBC branches	HSBC's East Coast branches and National Online deposit business
Investors	Investors Bancorp, Inc.
JMP	JMP Group LLC
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
Modified AACL Transition	The Day-1 CECL adoption entry booked to ACL plus 25% of subsequent CECL ACL reserve build

Modified CECL Transition	The Day-1 CECL adoption entry booked to retained earnings plus 25% of subsequent CECL ACL reserve build
MSRs	Mortgage Servicing Rights
New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
NRSRO	Nationally Recognized Statistical Ratings Organizations
OCC	Office of the Comptroller of the Currency
OTC	Over the Counter
Parent Company	Citizens Financial Group, Inc. (the Parent Company of Citizens Bank, National Association and other subsidiaries)
RWA	Risk-Weighted Assets
SCB	Stress Capital Buffer
SSFA	Simplified Supervisory Formula Approach
Tailoring Rules	Rules establishing risk-based categories for determining prudential standards for large U.S. and foreign banking organizations, consistent with the Dodd-Frank Act, as amended by the Economic Growth, Regulatory Relief and Consumer Protection Act
Tier 1 capital ratio	Tier 1 capital, which includes Common Equity Tier 1 capital plus non-cumulative perpetual preferred equity that qualifies as additional tier 1 capital, divided by total risk-weighted assets as defined under the U.S. Basel III Standardized approach
Tier 1 leverage ratio	Tier 1 capital, which includes Common Equity Tier 1 capital plus non-cumulative perpetual preferred equity that qualifies as additional tier 1 capital, divided by quarterly adjusted average assets as defined under the U.S. Basel III Standardized approach
Total capital ratio	Total capital, which includes Common Equity Tier 1 capital, tier 1 capital and allowance for credit losses and qualifying subordinated debt that qualifies as tier 2 capital, divided by total risk-weighted assets as defined under the U.S. Basel III Standardized approach
USDA	United States Department of Agriculture
VA	United States Department of Veterans Affairs
VaR	Value at Risk

CITIZENS FINANCIAL GROUP, INC.

December 31, 2021 Pillar 3 Regulatory Disclosures

INTRODUCTION

Citizens Financial Group, Inc. is one of the nation's oldest and largest financial institutions with $188.4 billion in assets as of December 31, 2021. 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 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, the convenience of approximately 3,000 ATMs and approximately 900 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 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, mergers and acquisitions, and debt and equity capital markets capabilities. More information is available at www.citizensbank.com.

On May 26, 2021, CBNA entered into an agreement to acquire 80 East Coast branches and the national online deposit business from HSBC. The HSBC branch acquisition provides an attractive entry into important metro markets and supports our national expansion strategy. The acquisition closed on February 18, 2022.

On July 28, 2021 Citizens entered into a definitive agreement and a plan of merger under which we will acquire all of the outstanding shares of Investors for a combination of stock and cash. The acquisition of Investors enhances Citizens' banking franchise, adding an attractive middle market, small business and consumer customer base while building our physical presence in the northeast with the addition of 154 branches located in the greater New York City and Philadelphia metropolitan areas and across New Jersey. The merger is expected to close in early second quarter 2022, subject to regulatory approvals and other customary closing conditions.

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." The U.S. banking regulators refer 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, including information on the methodologies used to calculate RWA. This report is unaudited and should be read in conjunction with our 2021 Form 10-K, which includes important information on risk management policies and practices, and our December 31, 2021 FR Y-9C. Appendix 1 of this report contains references to specific sections of our 2021 Form 10-K to facilitate location of applicable information.

This report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statement that does not describe historical or current facts is a forward-looking statement, as discussed further in Appendix 2 of this report.

Scope of Application

The U.S. Basel III framework applies to CFG and its subsidiary bank, CBNA. 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. Refer to Note 1 in our 2021 Form 10-K for more information on the basis for consolidation for financial reporting purposes.

Restrictions on transfers between CFG and CBNA

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. Applicable statutes and regulations that may pertain either to CFG, CBNA, and 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 the primary restrictors of lending, borrowing, and otherwise transacting business between affiliates. Refer to "Business - Regulation and Supervision - Transactions with Affiliates and Insiders" in our 2021 Form 10-K for a discussion of these regulations. Restrictions on the payment of dividends and other capital distributions weigh most heavily on CBNA. The FRB expects a BHC to act as a "source of strength" to each individual subsidiary bank it owns by providing capital and liquidity as needed. Consistent with this view, bank regulators ensure that a bank does not return capital to the BHC in a manner that would undermine its overall "safety and soundness." Therefore, CBNA is subject to specific qualitative and quantitative tests and examinations that may restrict it from paying dividends or otherwise returning capital to the Parent Company. For more information, refer to "Business - Regulation and Supervision" in our 2021 Form 10-K for an overview of the general controls and restrictions imposed on distributions of capital by CBNA and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters" in our 2021 Form 10-K for details of CBNA's status versus its applicable regulatory minimums.

CFG and CBNA are subject to capital adequacy and liquidity standards. If CFG or CBNA fail to meet these standards, it could have an adverse effect on our financial condition and operations. Refer to "Risk Factors - Risks Related to Regulations Governing Our Industry" in our 2021 Form 10-K.

RISK GOVERNANCE

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

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

Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Governance" in our 2021 Form 10-K for additional information on our risk governance practices.

CAPITAL STRUCTURE AND ADEQUACY

Capital Structure

We manage capital to ensure consistency with all applicable regulations and statutes, as well as with 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. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters" in our 2021 Form 10-K for additional information. As of December 31, 2021, 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. Table 1 below presents our regulatory capital instruments for the period ended December 31, 2021.

Table 1	
(in millions, except share and per share data)	
Common Equity	
Common stock and related surplus, net of treasury stock	$14,093
$.01 par value, 1,000,000,000 shares authorized, 571,259,135 shares issued, and 422,137,197 shares outstanding	
Preferred Equity	
Preferred stock and related surplus	
$25.00 par value, 100,000,000 shares authorized, liquidation preference of $1,000 per share:	
Series B: 300,000 shares issued and outstanding	296
Series C: 300,000 shares issued and outstanding	297
Series D: 300,000[1] shares issued and outstanding	293
Series E: 450,000[2] shares issued and outstanding	437
Series F: 400,000 shares issued and outstanding	395
Series G: 300,000 shares issued and outstanding	296
Total preferred stock and related surplus	$2,014
Qualifying Subordinated Debt	
4.150% fixed-rate subordinated debt, due September 2022 (non-qualifying $168)[3]	—
3.750% fixed-rate subordinated debt, due July 2024 (non-qualifying $54)[3]	36
4.023% fixed-rate subordinated debt, due October 2024 (non-qualifying $10)[3]	7
4.350% fixed-rate subordinated debt, due August 2025 (non-qualifying $53)[3]	80
4.300% fixed-rate subordinated debt, due December 2025 (non-qualifying $135)[3]	201
4.300% fixed-rate reset subordinated debt, due February 2031	135
3.750% fixed-rate reset subordinated debt, due February 2031	69
4.350% fixed-rate reset subordinated debt, due February 2031	60
2.638% fixed-rate subordinated debt, due September 2032	550
Total qualifying subordinated debt	$1,138

(1) Represented by 12,000,000 depositary shares each representing a 1/40th interest and a liquidation preference of $25 per depositary share.
(2) Represented by 18,000,000 depositary shares each representing a 1/40th interest and a liquidation preference of $25 per depositary share.
(3) Per the U.S. Basel III Standardized rules, tier 2 capital instrument eligibility for inclusion in regulatory capital is phased out 20% per year, beginning five years prior to the applicable maturity date.

Our regulatory deductions from CET1 capital include goodwill and intangible assets net of deferred tax liabilities associated with goodwill and intangible assets. The U.S. Basel III capital rules also require additional capital deductions for MSRs, certain deferred tax assets ("DTAs") and investments in the capital of unconsolidated financial institutions.

Under the U.S. Basel III rules, the CET1 deduction threshold for MSRs, certain DTAs and investments in the capital of unconsolidated financial institutions is 25%. As of December 31, 2021, we did not meet the threshold for these additional capital deductions. MSRs or DTAs not deducted from CET1 capital are assigned a 250% risk weight and investments in the capital of unconsolidated financial institutions not deducted from CET1 capital are assigned an exposure category risk weight.

In reaction to the COVID-19 pandemic, the FRB and the other federal banking regulators adopted a final rule relative to regulatory capital treatment of ACL under CECL. This rule allowed electing banking organizations to delay the estimated impact of CECL on regulatory capital for a two-year period ending January 1, 2022, followed by a three-year transition period ending January 1, 2025 to phase-in the aggregate amount of the capital benefit provided during the initial two-year delay. As of December 31, 2021, the aggregate capital benefit provided during the initial two-year delay was $384 million.

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 securities that are available for sale or held to maturity, accumulated net gains and losses on cash flow hedges and certain defined benefit pension plan assets.

As of December 31, 2021, CET1 capital represented 77% of our total regulatory capital. Table 2 below presents our regulatory capital composition for the period ended December 31, 2021.

Table 2

(in millions)	
Common stock and related surplus, net of treasury stock	$14,093
Retained earnings	7,978
Accumulated other comprehensive loss	(665)
Total common shareholders' equity	21,406
Exclusions:	
Modified CECL transitional amount	384
Net unrealized (gains)/losses recorded in accumulated other comprehensive income, net of tax:	
Debt securities	156
Derivatives	160
Unamortized net periodic benefit costs	349
Deductions:	
Goodwill	(7,116)
Deferred tax liability associated with goodwill	383
Other intangible assets	(66)
Total common equity tier 1 capital	15,656
Qualifying preferred stock	2,014
Total tier 1 capital	17,670
Qualifying subordinated debt[1]	1,138
Allowance for credit losses	1,934
Exclusions from tier 2 capital:	
Modified AACL transitional amount	(498)
Adjusted allowance for credit losses	1,436
Total tier 2 capital	2,574
Total capital	$20,244

[1] Non-qualifying subordinated debt excluded from regulatory capital is $420 million.

Capital Adequacy Process

Our assessment of capital adequacy begins with our board-approved risk appetite and risk management framework. This framework provides for the identification, measurement and management of material risks. For more information on our capital adequacy risk appetite and risk management framework, refer to “Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters” in our 2021 Form 10-K.

Under the FRB’s Tailoring Rules, Category IV firms, such as us, are subject to biennial supervisory stress testing and are exempt from company-run stress testing and related disclosure requirements. The FRB supervises Category IV firms on an ongoing basis, including evaluation of the capital adequacy and capital planning processes during off-cycle years. Annually, the FRB requires us to submit a capital plan approved by our board of directors or one of its committees. On April 2, 2021, we submitted our 2021 Capital Plan to the FRB under the FRB’s 2021 CCAR process. For more information, see the “Tailoring of Prudential Requirements” section in Item 1 of our 2021 Form 10-K.

Under the FRB’s Capital Plan Rule, a firm must update and resubmit its capital plan prior to the next annual submission date under certain circumstances, which includes a material change in the firm’s risk profile, financial condition or corporate structure since its last capital plan submission. On July 28, 2021, we announced an agreement to acquire Investors, requiring us to resubmit our capital plan to the FRB. We submitted our updated capital plan on September 15, 2021.

We develop a capital plan and conduct routine capital management activities in compliance with internal limits and operating targets that we establish for each regulatory capital ratio. The intent of these limits and targets is 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 U.S. Basel III minimums, which include applicable buffer requirements. Refer to the related discussion in the “Stress Capital Buffer” section of this report.

In light of the heightened uncertainty related to the COVID-19 pandemic and associated lockdowns, the FRB took certain actions to preserve capital at banks beginning in the third quarter of 2020 through the second quarter of 2021. Beginning July 1, 2021, the FRB lifted all temporary restrictions on capital distributions and authorized firms, like us, that are on a two-year cycle and not subject to supervisory stress testing in 2021 to make capital distributions that are consistent with the regulatory capital rules, including normal restrictions under the FRB stress capital buffer framework. In addition, we temporarily suspended share repurchases in connection with entering into the agreement to acquire Investors. We resumed share repurchases after the Investors shareholder vote on November 19, 2021. In January 2021, our board of directors authorized us to repurchase up to $750 million of our common stock, of which $455 million is available as of December 31, 2021. All future capital distributions are subject to consideration and approval by our board of directors prior to execution. The timing and amount of future dividends and share repurchases will depend on various factors, including our capital position, financial performance, risk-weighted assets, capital impacts of strategic initiatives, market conditions and regulatory considerations.

Regulations relating to capital planning, regulatory reporting, stress testing and capital buffer requirements applicable to firms like us are presently subject to rule-making and potential further guidance and interpretation by the applicable federal regulators. We will continue to evaluate the impact of these and any other prudential regulatory changes, including their potential resultant changes in our regulatory and compliance costs and expenses. For additional information, see “Business - Regulation and Supervision” and “Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters” in our 2021 Form 10-K.

Table 3 below presents the U.S. Basel III Standardized capital ratios for CFG and CBNA as of December 31, 2021. All ratios remained well above the U.S. Basel III minimums. Refer to “Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters” in our 2021 Form 10-K for additional information related to the calculation of our capital ratios.

Table 3			
Citizens Financial Group, Inc.			
	Ratio	**Required Minimum plus Required SCB for Non-Leverage Ratios[1]**	**FDIA Required Well-Capitalized Minimum for Purposes of Prompt Corrective Action[2]**
CET1 capital	9.9 %	7.9 %	N/A
Tier 1 capital	11.1	9.4	N/A
Total capital	12.7	11.4	N/A
Tier 1 leverage	9.7	4.0	N/A
Citizens Bank, National Association			
	Ratio	**Required Minimum plus Required CCB for Non-Leverage Ratios[1]**	**FDIA Required Well-Capitalized Minimum for Purposes of Prompt Corrective Action**
CET1 capital	10.7 %	7.0 %	6.5 %
Tier 1 capital	10.7	8.5	8.0
Total capital	12.4	10.5	10.0
Tier 1 leverage	9.4	4.0	5.0

[1] The minimum non-leverage capital ratio includes our stress capital buffer of 3.4% and CBNA includes the capital conservation buffer of 2.5%.

[2] Prompt corrective action provisions apply only to our insured depository institution, CBNA.

Table 4 below presents the composition of our RWA for the period ended December 31, 2021. Refer to “Schedule HC-R - Part II Risk-Weighted Assets” in our December 31, 2021 FR Y-9C report for details on adjustments and deductions to calculate total RWA.

Table 4	
(in millions)	
Corporate exposures	$77,411
Other retail exposures	42,087
Other assets	14,918
Residential mortgage exposures	12,762
Mortgage backed securities - FNMA & FHLMC	3,503
Equities	2,681
Letters of credit	1,885
Securitization exposures	1,367
High volatility commercial real estate	542
Past due loans (excluding Sovereigns, Guarantees & Home Lending)	519
Exposures to sovereign entities	195
Exposures to depository institutions, foreign banks, and credit unions	58
Cleared transactions	25
Default fund contributions	1
Total standardized RWA for credit risk exposure	$157,954
Market risk	877
Total RWA	$158,831

Refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Capital and Regulatory Matters” in our 2021 Form 10-K for more information regarding capital ratios and the capital adequacy process.

Stress Capital Buffer

We are subject to the firm-specific risk sensitive Stress Capital Buffer ("SCB"). The SCB is based on the projected losses under the supervisory severely adverse scenario of each firm subject to CCAR plus four quarters of planned common stock dividends, subject to a floor of 2.5 Under the SCB framework, the FRB will not object to capital plans on quantitative grounds and each firm is required to maintain capital ratios above the sum of its minimum and SCB requirements to avoid restrictions on capital distributions and discretionary bonus payments.

Under the U.S. Basel III Standardized rules, the effective minimum capital ratios are:

- 7.9% CET1 capital to RWA (minimum 4.5% plus 3.4% SCB);
- 9.4% Tier 1 capital (CET1 plus Additional Tier 1 capital) to RWA (minimum 6% plus 3.4% SCB); and
- 11.4% Total capital (Tier 1 capital plus Tier 2 capital) to RWA (minimum 8% plus 3.4% SCB).

As of December 31, 2021, the lowest of our three risk-based capital ratios less applicable minimum was 4.7%, well above our SCB of 3.4%. As a result, we are not subject to payout ratio limitations on our capital distributions or certain discretionary bonus payments. Eligible retained income(1) at December 31, 2021 was $1.2 billion, consisting of net income for the preceding four quarters, net of any distributions and associated tax effects not already in net income.

Effective April 5, 2021, the FRB adopted a final rule to make conforming changes to its Capital Plan Rule and stress capital buffer and capital planning requirements to be consistent with the Tailoring Rules framework. Under the final rule, for Category IV firms, like us, the SCB will be re-calibrated with each biennial supervisory stress test and updated annually to reflect our planned common stock dividends. In addition, Category IV firms may elect to participate in the supervisory stress test and receive an updated SCB requirement in a year in which they are not subject to the supervisory stress test. We did not elect to participate in the 2021 supervisory stress test and on August 5, 2021, the FRB announced that our SCB will remain unchanged at 3.4% from October 1, 2021 through September 30, 2022.

(1) Eligible retained income is defined by regulations as the greater of (1) net income for the four preceding calendar quarters, net of any distributions and associated tax effects not already reflected in net income, and (2) the average of a banking organization's net income over the preceding four quarters.

CREDIT RISK

Credit Risk Exposure

Table 5 below presents total credit risk exposures for our loans, loans held for sale, leases, contractual commitments to extend credit, and letters of credit for the period ended December 31, 2021. This table is categorized by counterparty types for both commercial and retail loan products.

Table 5

(in millions)	
Commercial and industrial	$90,509
Commercial real estate	21,917
Leases	1,711
Total commercial	114,137
Residential mortgages	26,271
Home equity	31,088
Automobile	14,549
Education	13,217
Other retail	18,573
Total retail	103,698
Total	$217,835

Refer to “Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Governance - Credit Risk” in our 2021 Form 10-K for more information on credit risk governance.

Our loan and lease credit related accounting policies are presented in Note 6 in our 2021 Form 10-K.

Our investment securities portfolio includes U.S. Treasury and agency securities, agency mortgage-backed securities, non-agency mortgage-backed securities and asset-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. We assess the credit risk for non-agency mortgage-backed securities and asset-backed securities based on senior to subordinated credit support levels and an analysis of the bond’s underlying collateral characteristics. As a secondary measure, the non-agency mortgage-backed securities consider ratings by NRSRO, but not solely relied upon, to determine the creditworthiness of the issuance.

Refer to Note 4 and Note 14 in our 2021 Form 10-K and the “Counterparty Credit Risk-Related Disclosures” section of this report for more information on our credit risk exposures related to investment securities and derivatives. Refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Net Interest Income” in our 2021 Form 10-K for average balances of our loans and leases and investment securities. The average credit risk exposure related to our OTC derivatives for the quarter ended December 31, 2021 was $1.5 billion.

Refer to Note 19 in our 2021 Form 10-K 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 December 31, 2021 was $84 billion.

Table 6 below 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 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, such as merchant point-of-sale financing.

Table 6

	As of December 31, 2021				
(in millions)	Mid-Atlantic	Midwest	New England	Other	Total
Commercial and industrial	$31,059	$10,806	$18,301	$30,343	$90,509
Commercial real estate	7,337	1,700	3,250	9,630	21,917
Leases	553	314	113	731	1,711
Total commercial	38,949	12,820	21,664	40,704	114,137
Residential mortgages	13,637	1,311	5,281	6,042	26,271
Home equity	13,072	3,406	13,781	829	31,088
Automobile	4,666	2,221	1,964	5,698	14,549
Education	4,384	1,558	2,138	5,137	13,217
Other retail	4,979	1,829	4,139	7,626	18,573
Total retail	40,738	10,325	27,303	25,332	103,698
Total	$79,687	$23,145	$48,967	$66,036	$217,835

Our gross commercial and retail charge-offs for the quarter-to-date period ended December 31, 2021 were $22 million and $78 million, respectively. We measure the ACL reserve based on groups of loans with similar risk characteristics and it is not disaggregated on the basis of impairment method.

Refer to Note 6 in our 2021 Form 10-K for more information on ACL including ACL balances and related charge-off information for the period ended December 31, 2021. ACL and AACL are the same for the period ended December 31, 2021 since we did not have credit loss allowances on AFS debt securities or purchased credit deteriorated assets.

Table 7 below presents our loans and leases past due 90 days and on nonaccrual and loans past due 90 days and still accruing.

Table 7

	As of December 31, 2021		
(in millions)	90+ Days Past Due and Accruing	90+ Days Past Due and Nonaccruing	Total 90+ Days Past Due
Commercial and industrial	$9	$61	$70
Commercial real estate	—	10	10
Leases	—	1	1
Total commercial	9	72	81
Residential mortgages[1]	549	192	741
Home equity	—	187	187
Automobile	—	17	17
Education	1	11	12
Other retail	16	18	34
Total retail	566	425	991
Total	$575	$497	$1,072

(1) 90+ days past due and accruing includes $544 million of loans fully or partially guaranteed by the FHA, VA, and USDA.

Table 8 below presents our nonaccrual loans and leases categorized by geographic area.

Table 8					
	As of December 31, 2021				
(in millions)	Mid-Atlantic	Midwest	New England	Other	Total
Commercial and industrial	$54	$4	$31	$82	$171
Commercial real estate	1	1	9	—	11
Leases	—	—	—	1	1
Total commercial	55	5	40	83	183
Residential mortgages[1]	122	17	39	23	201
Home equity	111	26	68	15	220
Automobile	15	8	5	27	55
Education	7	2	3	11	23
Other retail	8	3	5	4	20
Total retail	263	56	120	80	519
Total	$318	$61	$160	$163	$702

[1]Loans fully or partially guaranteed by the FHA, VA or USDA are classified as accruing.

Table 9 below presents a summary of our nonaccrual loans and leases with and without a related allowance.

Table 9			
	As of December 31, 2021		
(in millions)	Nonaccrual Loans With a Related Allowance	Nonaccrual Loans Without a Related Allowance	Total Recorded Investment in Nonaccrual Loans
Commercial and industrial	$135	$36	$171
Commercial real estate	10	1	11
Leases	1	—	1
Total commercial	146	37	183
Residential mortgages[1]	64	137	201
Home equity	34	186	220
Automobile	33	22	55
Education	21	2	23
Other retail	18	2	20
Total retail	170	349	519
Total	$316	$386	$702

[1] Loans fully or partially guaranteed by the FHA, VA or USDA are classified as accruing.

Table 10 below presents a summary of our loans, loans held for sale and leases by remaining maturity.

Table 10					
	As of December 31, 2021				
(in millions)	One Year or Less[1]	Over One Year Through Five Years	Over Five Years Through Fifteen Years	Over Fifteen Years	Total
Commercial and industrial	$7,583	$32,176	$5,506	$46	$45,311
Commercial real estate	3,534	9,879	841	10	14,264
Leases	142	920	524	—	1,586
Total commercial	11,259	42,975	6,871	56	61,161
Residential mortgages	3,440	56	1,150	20,833	25,479
Home equity	254	84	1,216	10,461	12,015
Automobile	517	7,105	6,927	—	14,549
Education	250	1,315	8,193	3,239	12,997
Other retail	2,875	2,475	46	34	5,430
Total retail	7,336	11,035	17,532	34,567	70,470
Total	$18,595	$54,010	$24,403	$34,623	$131,631

(1) Loans held for sale are included in One Year or Less category.

Table 11 below presents a summary of our credit commitments and letters of credit by remaining maturity.

Table 11			
	As of December 31, 2021		
(in millions)	One Year or Less	Greater than One Year	Total
Credit commitments			
Commercial and industrial	$10,549	$32,651	$43,200
Commercial real estate	699	6,954	7,653
Leases	125	—	125
Total commercial	11,373	39,605	50,978
Residential mortgages	792	—	792
Home equity	297	18,776	19,073
Automobile	—	—	—
Education	220	—	220
Other retail	11,953	1,190	13,143
Total retail	13,262	19,966	33,228
Total credit commitments	24,635	59,571	84,206
Letters of credit	1,015	983	1,998
Total credit commitments and letters of credit	$25,650	$60,554	$86,204

Refer to Note 4 in our 2021 Form 10-K for a summary of securities by contractual maturity and “Schedule HC-R - Part II Risk-Weighted Assets” in our December 31, 2021 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 and foreign exchange 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. We transact swap agreements and interest rate options agreements 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, loans, and deposits denominated in foreign currencies. We also enter into commodity swaps and option contracts on behalf of customers in our oil and gas vertical primarily, to mitigate commodity price volatility. 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 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, as well as factors in our own credit quality. For more information on our valuation methodologies, refer to Note 20 in our 2021 Form 10-K.

Residential loan derivatives include loan commitments that allow residential mortgage customers to lock in the interest rate on a residential mortgage while the loan undergoes the underwriting process. We use forward sales contracts to protect the value of residential mortgage loans and loan commitments that we underwrite for future sale to investors in the secondary market. We also hedge the fair market value movements of certain MSRs using various interest rate derivative contracts.

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 (e.g., borrowed funds, deposits, etc.). Institutional swaps and swaps executed to mitigate the market risk associated with our customer derivative products and residential loan derivatives 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 (i.e., overnight), but they may be extended to longer terms-to-maturity (not to exceed 270 days). We fully collateralize such transactions and account for them as secured borrowings in our financial statements. We establish counterparty credit limits to monitor our over-collateralized position, which represents the difference between the market value of the collateral pledged and the amount we borrow. When permitted by GAAP, we offset short-term receivables with short-term payables associated with our reverse repurchase agreements.

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. We negotiate the collateral requirements on each established CSA and primarily include cash in the form of U.S. Dollars.

Refer to Note 14 in our 2021 Form 10-K for fair value of our derivative transactions on both a gross and net basis. The net basis presented represents the impact of enforceable master netting agreements as well as collateral paid and received.

Refer to Note 4 in our 2021 Form 10-K for information on our repurchase agreements and Note 20 in our 2021 Form 10-K for the fair value of our repurchase agreements.

Credit Risk Mitigation

We limit our credit risk mitigation that is recognized for the purposes of reducing capital requirements 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. Table 12 below presents our total exposure covered by guarantees and the risk-weighted amounts associated with each exposure.

Table 12

(dollars in millions)	As of December 31, 2021		
Guarantor	**Guaranteed Exposure Amount**	**RWA**	**RW %**
FNMA & FHLMC	$17,529	$3,506	20 %
Federal Housing Administration (FHA)	1,264	253	20
Small Business Administration (SBA)	76	15	20
Federal Family Education Loan Program (FFELP) where 97% of exposure is guaranteed	31	6	20
Federal Family Education Loan Program (FFELP) where 98% of exposure is guaranteed	11	2	20
Veteran Affairs (VA)	96	19	20
United States Department of Agriculture (USDA)	61	12	20
Total implicit guarantees	$19,068	$3,813	20 %
US Treasury & GNMA securities	$8,609	$—	0 %
SBA Paycheck Protection Program	787	—	0
Export/Import	5	—	0
Total explicit guarantees	$9,401	$—	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 MBS, collateralized loan obligations and other asset-backed securities. Other asset-backed securities are collateralized by loans that we sold to a third-party sponsored VIE and we provided financing to the purchaser for a portion of the sales price of the asset-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 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. For more information on our securities portfolio, refer to Note 4 in our 2021 Form 10-K.

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 our balance sheet.

Risk Management

We manage the risks related to securitization positions in accordance with the investment, credit, and interest rate risk management policies. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Governance" in our 2021 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.

Table 13 below presents our exposures receiving securitization capital treatment by collateral type and capital treatment method.

Table 13

	As of December 31, 2021					
	SSFA		1250%		Total	
(in millions)	Exposure	RWA	Exposure	RWA	Exposure	RWA
Asset-backed securitization lending	$4,496	$899	$—	$—	$4,496	$899
Asset-backed securitization investment	1,945	389	—	—	1,945	389
Private label MBS	397	79	—	—	397	79
Total securitization exposure	$6,838	$1,367	$—	$—	$6,838	$1,367

Table 14 below presents our exposures receiving securitization capital treatment by method and risk weighting.

Table 14

	As of December 31, 2021					
	SSFA		1250%		Total	
(in millions)	Exposure	RWA	Exposure	RWA	Exposure	RWA
Securitizations by risk weight:						
= 0% to <= 20%	$6,838	$1,367			$6,838	$1,367
> 20% to <= 50%	—	—			—	—
> 50% to <= 100%	—	—			—	—
> 100% to <= 1250%	—	—			—	—
Total securitizations	$6,838	$1,367	$—	$—	$6,838	$1,367
Re-securitizations by risk weight:						
= 0% to <= 20%	$—	$—	$—	$—	$—	$—
Total re-securitizations	$—	$—	$—	$—	$—	$—
Total securitization exposure	$6,838	$1,367	$—	$—	$6,838	$1,367

Accounting Policies

For information on our accounting policy for investments in securitized assets (i.e., “investments in debt securities”) see Note 4 in our 2021 Form 10-K.

EQUITIES (NON-TRADING)

We hold equity securities to fulfill requirements of membership and participation in U.S. banking and payments systems. CBNA holds stock in the FRB and the FHLB. Our equity holdings include fund and non-fund equities and immaterial amounts of stock. 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 investments, 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 primarily of money market mutual fund investments, and separate account bank owned life insurance. The underlying assets of separate account bank owned life insurance 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 policy for equity securities (i.e.,“other investment securities”) is presented in Note 4 in our 2021 Form 10-K. We present methodologies for measuring the fair value of equity securities in Note 20 in our 2021 Form 10-K. The carrying value of our CRA investments are included in the other assets line in “Financial Statements - Consolidated Balance Sheets” in our 2021 Form 10-K. Separate account bank-owned life insurance is included in the bank-owned life insurance line within the “Financial Statements - Consolidated Balance Sheets” in our 2021 Form 10-K. Table 15 below presents our equity exposures and the risk-weighted amounts associated with each exposure.

Table 15

	As of December 31, 2021		
(dollars in millions)	**Exposure**	**RWA**	**RW %**
Federal Reserve stock	$577	$—	0 %
FHLB stock	17	3	20
Investments in Non-Fund Equities:			
CRA	2,064	2,064	100
Renewable energy	429	429	100
Other non-fund equities	36	36	100
Investment in Fund Equities:			
Separate account bank owned life insurance	263	123	47
Money market mutual fund investments	95	19	20
Other fund equities	7	7	100
Total	$3,488	$2,681	

MARKET RISK

Non-Trading Risk

We are exposed to market risk as a result of non-trading banking activities. This market risk is substantially composed of interest rate risk, as we have no commodity risk and de minimis direct currency and equity risk. We also have market risk related to capital markets loan originations, as well as the valuation of our MSRs. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk - Non-Trading Risk" in our 2021 Form 10-K for more information on our exposure to interest rate risk. Refer to Note 14 in our 2021 Form 10-K for more information on our hedging policies and our processes for monitoring hedge effectiveness.

Trading Risk

We are exposed to market risk primarily through client facilitation activities including derivatives and foreign exchange products, as well as underwriting and market making activities. Exposure is created as a result of changes in interest rates and related basis spreads and volatility, foreign exchange rates, equity prices, and credit spreads on a select range of interest rates, foreign exchange, commodities, equity securities, corporate bonds and secondary loan instruments.These securities underwriting and trading activities are conducted through CBNA, CCMI, and JMP. 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.

As of December 31, 2021, our market risk RWA was $877 million, reflecting general market rate/price risk and specific risk. We do not model our specific risk through the VaR based process and thus we calculate a specific risk add-on 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, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Governance" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk" in our 2021 Form 10-K .

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

The disclosures required by the U.S. Basel III Standardized rule[1] 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.

[1] 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	2021 10-K
1. Scope of application	Name of the top corporate entity	pg. 4	
	Descriptions of differences in basis for consolidating entities	pg. 4	Note 1 - Basis of Presentation
	Restrictions on transfers of funds or total capital within the group	pg. 5	
	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. 6	
	Capital composition	pg. 7	
3. Capital adequacy	Capital adequacy assessment process	pg. 8	MD&A - Capital and Regulatory Matters
	Capital ratios	pg. 9	MD&A - Capital and Regulatory Matters
	Risk-weighted assets by exposure type	pg. 9	
	Market risk-weighted assets	pg. 9	
4. Stress capital buffer	Stress capital buffer	pg. 10	MD&A - Capital and Regulatory Matters
	Calculated 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. 5	MD&A - Risk Governance
	Loans and related commitments	pg. 11	Note 5 - Loans and Leases & Note 19 - Commitments and Contingencies
	Debt securities	pg. 11	Note 4 - Securities

Disclosure Requirement	Description	Pillar 3 reference	2021 10-K
	OTC derivatives	pg. 11	Note 14 - Derivatives
	Geographic distribution of exposures	pg. 12	
	Allowance disaggregated on the basis of impairment methodology	pg. 12	
	Charge-offs during the period	pg. 12	Note 6 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk
	Nonaccrual loans by industry or counterparty	pg. 13	Note 6 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk
	Past due loans by product	pg. 12	Note 6 - Allowance for Credit Losses, Nonperforming Assets, and Concentrations of Credit Risk
	Nonaccrual loans by geography	pg. 13	
	Reconciliation of changes in allowance	pg. 12	Note 6 - 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. 14	
6. Counterparty credit risk-related exposures	Policies and practices	pg. 15	Note 14 - Derivatives
	Counterparty risk exposure	pg. 15	Note 20 - Fair Value Measurements

Disclosure Requirement	Description	Pillar 3 reference	2021 10-K
	Credit derivatives purchased and sold	N/A	
7. Credit risk mitigation	Policies and processes	pg. 16	
	Exposures covered by eligible financial collateral	N/A	
	Exposures covered by guarantees/credit derivatives and related risk-weighted assets	pg. 16	
8. Securitization	Policies and practices	pg. 16	
	SPEs and affiliated entities	N/A	
	Accounting policies for securitization activities	pg. 18	
	Exposures securitized by the bank and resecuritizations	N/A	
	Securitization exposures by collateral type	pg. 17	
	Securitization exposures by risk weight	pg. 17	
9. Equities not subject to the market risk rule	Policies and practices	pg. 18	
	Amortized cost and fair value by type/nature and public versus nonpublic	pg. 18	
	Realized and unrealized gains (losses)	N/A	
	Capital requirements	pg. 18	
10. Interest rate risk for non-trading activities	Nature, assumptions and frequency of measurement	pg. 19	MD&A - Market Risk
	Earnings sensitivity to rate movements	pg. 19	MD&A - Market Risk

APPENDIX 2 - FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements regarding potential future share repurchases and future dividends as well as the potential effects of the COVID-19 disruption on our business, operations, financial performance and prospects, 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,” “guidance” or similar expressions or future conditional verbs such as “may,” “will,” “should,” “would,” and “could.”

Forward-looking statements are based upon the current beliefs and expectations of management, and on information currently available to management. Our statements speak as of the date hereof, and we do not assume any obligation to update these statements or to update the reasons why actual results could differ from those contained in such statements in light of new information or future events. We caution you, therefore, against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. While there is no assurance that any list of risks and uncertainties or risk factors is complete, important factors that could cause actual results to differ materially from those in the forward-looking statements include the following, without limitation:

- Negative economic 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 nonaccrual 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, including through the integration of Investors and the HSBC branches;
- The COVID-19 disruption and its effects on the economic and business environments in which we operate;
- Our ability to meet heightened supervisory requirements and expectations;
- Liabilities and business restrictions resulting from litigation and regulatory investigations;
- Our capital and liquidity requirements under regulatory capital standards 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;
- 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;
- An inability to complete the Investors acquisition, or changes in the current anticipated timeframe, terms or manner of such acquisition;
- Greater than expected costs or other difficulties related to the integration of our business and that of Investors and the relevant HSBC branches;
- The inability to retain existing Investors or HSBC clients and employees following the closing of the Investors and HSBC branch acquisitions;

- The occurrence of any event change or other circumstance that could give rise to the right of one or both parties to terminate the agreement to acquire Investors; and
- Management's ability to identify and manage these and other risks.

In addition to the above factors, we also caution that the actual amounts and timing of any future common stock dividends or share repurchases will be subject to various factors, including our capital position, financial performance, risk-weighted assets, capital impacts of strategic initiatives, market conditions and regulatory and accounting considerations, as well as any other factors that our Board of Directors deems relevant in making such a determination. Therefore, there can be no assurance that we will repurchase shares from or pay any dividends to holders of our common stock, or as to the amount of any such repurchases or dividends. Further, statements about the effects of the COVID-19 disruption on our business, operations, financial performance and prospects may constitute forward-looking statements and are subject to the risk that the actual impacts may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond our control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties and us. Statements about the Investors and HSBC branch acquisitions also constitute forward-looking statements and are subject to the risk that actual results could be materially different from those expressed in those statements, including if the Investors transaction is not consummated in a timely manner or at all, or if integration of the acquisitions is more costly or difficult than expected.

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, 2021.