

Below in the Public Exhibit are the responses of Citizens Financial Group, Inc. (“CFG”) to the public follow-up questions received from the Federal Reserve Board (“FRB”) in a letter dated November 10, 2021 relating to CFG’s application under Sections 3(a)(3) and (5) of the Bank Holding Company Act of 1956, as submitted on September 2, 2021 (the “Application”), requesting prior approval for CFG to acquire Investors Bancorp, Inc. (“Investors”) and its wholly owned subsidiary bank, Investors Bank, a New Jersey state-chartered bank. The responses to the confidential questions included to such letter are included in a separate Confidential Appendix (the “Confidential Materials”). The FRB’s questions are repeated in each of the Public Appendix and Confidential Materials, in bold type, and the responsive information immediately follows each question. The information in the Public Appendix and in the Confidential Materials has been provided by CFG and, where relevant, Investors.

### **Confidential Treatment Request**

Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, and the regulations of the FRB, 12 C.F.R. Part 261, CFG hereby respectfully requests that the Confidential Materials be treated confidentially and not be made available for inspection or copying.

The Confidential Materials include nonpublic commercial or financial information that is privileged or confidential within the meaning of Section 261.15(a)(4) of the FRB’s regulations or information that is otherwise exempt from disclosure under Section 261.15(a) of the FRB’s regulations.<sup>1</sup> At this time, the Confidential Materials will not be publicly disclosed and are not required to be publicly disclosed. The information has been actually and customarily kept confidential by CFG and, where relevant, Investors, and their respective subsidiaries, and this information is being provided to the FRB under an expectation and implied assurance of privacy.<sup>2</sup> Disclosure of this information would reveal to competitors the internal strategies, transactions and competitive position of CFG and, where relevant, Investors and their respective subsidiaries and would place CFG, Investors and their respective subsidiaries at a competitive disadvantage with respect to competitors who do not publicly reveal such information.<sup>3</sup> For

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<sup>1</sup> Under 5 U.S.C. § 552(b)(4), information that a private party has provided to a government agency is exempt from disclosure if it consists of information that is “trade secrets and commercial or financial information obtained from a person and privileged or confidential.” *Accord* 12 C.F.R. § 261.15(a)(4). The United States Supreme Court recently clarified that commercial information submitted to the federal government qualifies as “confidential” under 5 U.S.C. § 552(b)(4) when, at a minimum, it is “actually” and “customarily” “kept private” and the federal government provides assurances to the submitter that the information will be maintained in confidence. *Food Mktg. Inst. v. Argus Leader Media*, 139 S. Ct. 2356, 2363 and 2366 (2019).

<sup>2</sup> *See* 85 Fed. Reg. 57,616, 57,620 (submitters of confidential information may rely on “express or implied” assurances of confidentiality when submitting commercial or financial information to an agency); U.S. Department of Justice, Office of Information Policy, *Step-by-Step Guide for Determining if Commercial or Financial Information Obtained From a Person is Confidential Under Exemption 4 of the FOIA*, <https://www.justice.gov/oip/step-step-guide-determining-if-commercial-or-financial-information-obtained-person-confidential> (last updated Oct. 7, 2019).

<sup>3</sup> “A submitter’s request for confidentiality in reliance upon [the nonpublic commercial or financial information exemption] generally expires 10 years after the date of submission unless the submitter requests and provides justification for a longer designation period.” 12 C.F.R. § 261.17(b). CFG, on behalf of itself and its affiliates, requests that the Confidential Materials be accorded confidential treatment beyond 10 years after the date of submission of such Confidential Materials because the Confidential

these reasons, CFG believes that the Confidential Materials are privileged or confidential within the meaning of 12 C.F.R. § 261.15(a)(4).

In addition, CFG requests, pursuant to the Freedom of Information Act and the applicable Board regulations and for reasons including those set forth above, that any memoranda, notes or other writings of any kind whatsoever made by an employee, agent or any person under the control of the FRB or the Federal Reserve Bank of Boston (or any other Federal Reserve Bank or governmental agency) that incorporate, include or relate to any of the matters referred to in the Confidential Materials (1) furnished by CFG or its employees or agents to the FRB or the Federal Reserve Bank of Boston (or any other Federal Reserve Bank or governmental agency) or (2) referred to in any conference, meeting, telephone conversation or interview between (a) employees, former employees, representatives, agents or counsel of CFG and (b) employees, agents or any persons under the control of the FRB or the Federal Reserve Bank of Boston (or any other Federal Reserve Bank or governmental agency), be maintained in confidence, not be made part of any public record and not be disclosed to any person.

CFG also requests that, if the FRB or the Federal Reserve Bank of Boston should make a preliminary determination not to comply with the foregoing requests for confidential treatment, CFG be given notice thereof in ample time to permit it to make an appropriate submission as to why such information should be preserved in confidence. If the Confidential Materials or any of such memoranda, notes or writings are the subject of a Freedom of Information Act request or a request or demand for disclosure by any governmental agency, Congressional office or committee, court or grand jury, CFG requests, pursuant to the FRB's regulations, that you notify CFG prior to making such disclosure. CFG further asks that it be furnished with a copy of all written materials pertaining to such request (including but not limited to the request itself and any determination with respect to such request) and that CFG be given sufficient advance notice of any intended release so that it may, if deemed necessary or appropriate, pursue any available remedies.

If you have any questions with respect to any of the matters discussed in this submission, please contact Mitchell S. Eitel by phone at (212) 558-4960 or e-mail at [eitelms@sullcrom.com](mailto:eitelms@sullcrom.com), or Ana M. González at (212) 558-4335 or [gonzaleza@sullcrom.com](mailto:gonzaleza@sullcrom.com).

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Materials relate to internal governance and business strategies of CFG and its affiliates and disclosure of this information, whether now or in the future, would place CFG and its affiliates at a competitive disadvantage with respect to competitors who do not publicly reveal this information.

## Public Appendix

### FINANCIAL AND MANAGERIAL

- 1. Discuss the extent to which CFG and Investors provide any services to marijuana-related businesses (“MRBs”). Discuss any plans contemplated at the pro forma organization to provide services to MRBs. Discuss any policies and procedures regarding how CFG and Citizens Bank, NA would comply with relevant state laws and the guidance issued by the Financial Crimes Enforcement Network related to servicing MRB customers.<sup>4</sup>**

Investors Bank has one Tier I MRB customer and a total of three Tier II and III MRB customers. Citizens Bank, N.A. (“Citizens Bank”) currently does not provide deposit and lending services to MRBs. However, on November 15, 2021 CFG acquired a wholly owned subsidiary JMP Group LLC (JMP), which has provided investment banking advisory services to companies that do business with MRBs, but that operate in compliance with the Controlled Substances Act. Citizens Bank’s AML Policy and Program (which applies to CFG and each of its subsidiary entities, collectively referred to as “Citizens”) includes the relevant federal and state law requirements, as well as the Financial Crimes Enforcement Network (“FinCEN”) guidance related to MRBs and therefore, provides the appropriate framework for Citizens’ activities to comply with applicable laws and regulatory guidance. Further, Citizens’ AML Policy and Program defines prohibited customer types, and specifically incorporates restrictions related to MRBs. Citizens expects that the consolidated organization will refrain from providing deposit and lending services to MRBs in line with Citizens’ AML Policy and Program and will be assessing the activities conducted by JMP going forward. Citizens will continue to employ existing policies, procedures, controls, and monitoring as it relates to MRBs, and to comply with Bank Secrecy Act monitoring and reporting expectations as defined by FinCEN in FIN-2014-001. For further information, please refer to Citizen’s AML Policy and Program materials attached to the Confidential Appendix as Confidential Exhibit A.

- 2. Please update all financial and pro forma information presented in the application to reflect September 30, 2021 financial data.**

Please refer to Public Exhibit A attached hereto and Confidential Exhibit B attached to the Confidential Appendix for updated financial and pro forma information which reflects financial data as of September 30, 2021.

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<sup>4</sup> See <https://www.fincen.gov/resources/statutes-regulations/guidance/bsa-expectations-regarding-marijuana-related-businesses>.

## COMPETITION

- 3. In the response to question 14 of the first additional information request (“AI request”), CFG stated that it would provide the total loan origination amount to small businesses (a business or farm with gross annual revenues of \$1 million or less) in 2019 and 2020 associated with each branch CFG acquires from HSBC as soon as such information becomes available. Provide an estimated date by which CFG expects to provide this information.**

CFG does not yet have the information and will not be in a position to respond to this question until shortly prior to the anticipated closing of the HSBC transaction.

## LEGAL

- 4. The application states that “Investors Bank also has lending offices in Danbury, Connecticut and Charlotte, North Carolina.” Confirm, if such is the case, that these offices have not been approved as branches and are not operated as branches. Additionally, confirm, if such is the case, that Investors Bank does not operate any branches in Connecticut or North Carolina.**

Investors Bank’s lending offices in Danbury, Connecticut and Charlotte, North Carolina have not been approved, and are not operated, as branch offices, rather both the Danbury and Charlotte offices are operated as loan production offices. Investors Bank received an approval letter from the Connecticut Department of Banking on September 24, 2019, which is attached hereto as Public Exhibit B, approving Investors Bank’s request to establish a loan production office in Danbury. On October 14, 2019, Investors Bank received a non-objection letter from the North Carolina Commissioner of Banks, which is attached hereto as Public Exhibit C, approving Investors Bank’s request to establish a non-branch bank business office in Charlotte. Investors Bank does not operate any branches in Connecticut or North Carolina.

**PUBLIC EXHIBIT A**

**Updated Financial and Pro Forma Information**

## UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma combined condensed financial information combines the historical consolidated financial position and results of operations of Citizens and Investors as an acquisition by Citizens of Investors and also reflects Citizens' pending acquisition of certain branches of HSBC Bank U.S.A, N.A. (the "HSBC branch acquisition"). The merger was announced on July 28, 2021, and provides that each share of Investors common stock issued and outstanding immediately prior to the effective time, except for certain shares owned by Citizens or Investors, will be converted into the right to receive 0.297 of a share of Citizens common stock.

The unaudited pro forma combined condensed financial information has been prepared to give effect to the following:

- The HSBC branch acquisition and the acquisition of Investors by Citizens under the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, ASC 805, "Business Combinations," where the assets and liabilities of Investors will be recorded by Citizens at their respective fair values as of the date the merger is completed;
- the distribution of shares of Citizens common stock to Investors' stockholders in exchange for shares of Citizens common stock (based upon a 0.297 exchange ratio);
- certain reclassifications to conform the historical financial statement presentation of Investors to that of Citizens; and
- transaction costs in connection with the merger.

The following unaudited pro forma combined condensed financial information and related notes are based on and should be read in conjunction with (i) the historical audited consolidated financial statements of Citizens and accompanying notes included in Citizens' Annual Report on Form 10-K for the year ended December 31, 2020, and the historical unaudited condensed consolidated financial statements of Citizens and accompanying notes included in Citizens' Quarterly Report on Form 10-Q for the period ended September 30, 2021, and (ii) the historical audited consolidated financial statements of Investors and accompanying notes included in Investors' Annual Report on Form 10-K for the year ended December 31, 2020, and the historical unaudited condensed consolidated financial statements of Investors and accompanying notes included in Investors' Quarterly Report on Form 10-Q for the period ended September 30, 2021.

The unaudited pro forma condensed combined statements of income for the nine months ended September 30, 2021 and the year ended December 31, 2020 combine the historical consolidated statements of income for Citizens and the expected acquisitions of HSBC branches and Investors, giving effect to the HSBC branch acquisition and the merger as if each had been completed on January 1, 2020. The accompanying unaudited pro forma condensed combined balance sheet as of September 30, 2021 combines the historical consolidated balance sheets of Citizens and the expected acquisitions of HSBC branches and Investors, giving effect to the HSBC branch acquisition and the merger as if each had been completed on September 30, 2021.

The unaudited pro forma combined condensed financial information is provided for illustrative information purposes only. The unaudited pro forma combined condensed financial information is not necessarily, and should not be assumed to be, an indication of the actual results that would have been achieved had the merger or HSBC branch acquisition been completed as of the dates indicated or that may be achieved in the future. The pro forma financial information has been prepared by Citizens in accordance with Regulation S-X Article 11, Pro Forma Financial Information, as amended by the final rule, Amendments to Financial Disclosures About Acquired and Disposed Businesses, as adopted by the SEC on May 21, 2020. The unaudited pro forma combined condensed financial information also does not consider any potential effects of changes in market conditions on revenues, expense efficiencies, asset dispositions, and share repurchases, among other factors. In addition, as explained in more detail in the accompanying notes, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma combined condensed financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon consummation of the merger. As of the date of this Application, Citizens has not completed the valuation analysis and calculations in sufficient detail necessary to arrive at the required estimates of the fair market value of the assets to be acquired or liabilities to be assumed in the HSBC branch acquisition or the Investors assets to be acquired or liabilities to be assumed in the merger (collectively, the "Acquired Assets and Assumed Liabilities"), other than a preliminary estimate for intangible assets and certain financial assets and financial liabilities. Accordingly, apart from the aforementioned, certain Acquired Assets and Assumed Liabilities are presented at their respective carrying amounts and should be treated as preliminary values. A final determination of the fair value of the Acquired Assets and Assumed Liabilities will be based on the actual assets and liabilities of the business acquired in the HSBC branch acquisition and Investors as of the respective closing dates of the HSBC branch acquisition and the merger and, therefore, cannot be made prior to the consummation of these transactions. In addition, the value of the merger consideration to be paid by Citizens in shares of Citizens common stock upon the consummation of the merger will be determined based on the closing price of Citizens common stock on the closing date and the number of issued and outstanding shares of Investors common stock immediately prior to the closing. Actual adjustments may differ from the amounts reflected in the unaudited pro forma condensed combined financial information, and the differences may be material. Further, Citizens has not identified all adjustments necessary to conform Investors' or HSBC Bank U.S.A, N.A.'s accounting policies to Citizens' accounting policies. Upon consummation of the HSBC branch acquisition and the

merger, or as more information becomes available, Citizens will perform a more detailed review of HSBC Bank U.S.A, N.A.'s and Investors' accounting policies. As a result of that review, differences could be identified between the accounting policies of the companies that, when conformed, could have a material impact on Citizens' financial information following the consummation of the HSBC branch acquisition and merger.

As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analysis is performed. The preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma condensed combined financial information. Citizens estimated the fair value of certain Acquired Assets and Assumed Liabilities based on a preliminary valuation analysis, due diligence information, information presented in Investors' SEC filings and other publicly available information. Until the HSBC branch acquisition and the merger are completed, the companies are limited in their ability to share certain information.

Upon consummation of the HSBC branch acquisition and the merger, a final determination of the fair value of the Acquired Assets and Assumed Liabilities will be performed. Any changes in the fair values of the net assets or total purchase consideration as compared with the information shown in the unaudited pro forma combined condensed financial information may change the amount of the total purchase consideration allocated to goodwill and other assets and liabilities and may impact Citizens' statement of income following the consummation of the HSBC branch acquisition and the merger. The final purchase consideration allocation for the merger may be materially different than the preliminary purchase consideration allocation for the merger presented in the unaudited pro forma combined condensed financial information.

# UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

As of September 30, 2021

(in millions, except share and per share data)	Historical Citizens	Acquired HSBC Branches	Transaction Accounting Adjustments	Note 3	Pro Forma Condensed Combined Citizens and HSBC Branches	Historical Investors	Transaction Accounting Adjustments	Note 4	Pro Forma Condensed Combined
<b>ASSETS:</b>									
Cash and cash equivalents	\$14,005	\$6,345	(\$172)	A	\$20,178	\$671	(\$353)	A	\$20,496
Debt securities	27,403	—	—		27,403	3,805	64	B	31,272
Loans held for sale	3,270	—	—		3,270	—	—		3,270
Loans and leases	123,318	1,901	(34)	B	125,185	21,888	150	C	147,223
Less: Allowance for loan and lease losses	(1,855)	—	(35)	C	(1,890)	(263)	(63)	D	(2,216)
Net loans and leases	121,463	1,901	(69)		123,295	21,625	87		145,007
Goodwill	7,065	—	149	D	7,214	116	663	E	7,993
Intangible assets	52	—	57	E	109	17	92	F	218
Other assets	13,749	81	—		13,830	1,084	(99)	G	14,815
<b>TOTAL ASSETS</b>	<b>\$187,007</b>	<b>\$8,327</b>	<b>(\$35)</b>		<b>\$195,299</b>	<b>\$27,318</b>	<b>\$454</b>		<b>\$223,071</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>									
<b>LIABILITIES:</b>									
Deposits:									
Noninterest-bearing	\$48,184	\$—	\$—		\$48,184	\$4,346	\$—		\$52,530
Interest-bearing	104,037	8,327	—		112,364	16,054	(1)	H	128,417
Total deposits	152,221	8,327	—		160,548	20,400	(1)		180,947
Short-term borrowed funds	8	—	—		8	—	—		8
Deferred taxes, net	689	—	(9)	F	680	—	(75)	I	605
Long-term borrowed funds	6,947	—	—		6,947	3,534	56	J	10,537
Other liabilities	3,719	—	—		3,719	531	137	K	4,387
<b>TOTAL LIABILITIES</b>	<b>163,584</b>	<b>8,327</b>	<b>(9)</b>		<b>171,902</b>	<b>24,465</b>	<b>117</b>		<b>196,484</b>
<b>STOCKHOLDERS' EQUITY:</b>									
Preferred stock:									
Preferred equity	2,014	—	—		2,014	—	—		2,014
Common equity	21,409	—	(26)	F	21,383	2,853	337	L	24,573
<b>TOTAL STOCKHOLDERS'</b>	<b>23,423</b>	<b>—</b>	<b>(26)</b>		<b>23,397</b>	<b>2,853</b>	<b>337</b>		<b>26,587</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$187,007</b>	<b>\$8,327</b>	<b>(\$35)</b>		<b>\$195,299</b>	<b>\$27,318</b>	<b>\$454</b>		<b>\$223,071</b>

**Per Common Share Data:**

Common shares outstanding <sup>(1)</sup>	426,199,576				237,145,108	(165,407,709)			497,936,975
Book value per common share	\$50.23				\$12.03				\$49.35

<sup>(1)</sup> Pro forma combined shares were calculated by eliminating Investor shares and adding shares of Citizens common stock expected to be issued in conjunction with the transaction. See note 2 below for more information.



# UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT

Nine months ended September 30, 2021

(in millions, except share and per share data)	Historical Citizens	Acquired HSBC Branches	Transaction Accounting Adjustments	Note 5	Pro Forma Condensed Combined Citizens and HSBC Branches	Historical Investors	Transaction Accounting Adjustments	Note 5	Pro Forma Condensed Combined
<b>INTEREST INCOME</b>									
Interest and fees on loans and leases <sup>(1)</sup>	\$3,269	\$53	\$6	A	\$3,328	\$621	(\$23)	C	\$3,926
Investment securities <sup>(2)</sup>	368	32	—		400	63	(18)	D	445
Interest-bearing deposits in banks	12	—	—		12	—	—		12
<b>Total interest income</b>	<b>3,649</b>	<b>85</b>	<b>6</b>		<b>3,740</b>	<b>684</b>	<b>(41)</b>		<b>4,383</b>
<b>INTEREST EXPENSE</b>									
Deposits	127	6	—		133	53	—		186
Borrowed funds	136	—	—		136	61	(9)	F	188
<b>Total interest expense</b>	<b>263</b>	<b>6</b>	<b>—</b>		<b>269</b>	<b>114</b>	<b>(9)</b>		<b>374</b>
<b>Net interest income</b>	<b>3,386</b>	<b>79</b>	<b>6</b>		<b>3,471</b>	<b>570</b>	<b>(32)</b>		<b>4,009</b>
Provision for credit losses <sup>(3)</sup>	(386)	—	—		(386)	(26)	—		(412)
<b>Net interest income after provision for credit losses</b>	<b>3,772</b>	<b>79</b>	<b>6</b>		<b>3,857</b>	<b>596</b>	<b>(32)</b>		<b>4,421</b>
<b>NONINTEREST INCOME</b>									
Mortgage banking fees	358	—	—		358	—	—		358
Service charges and fees	309	21	—		330	16	—		346
Capital markets fees	244	—	—		244	—	—		244
Card fees	185	—	—		185	—	—		185
Trust and investment services fees	179	—	—		179	—	—		179
Letter of credit and loan fees	115	—	—		115	—	—		115
Foreign exchange and interest rate products	85	—	—		85	—	—		85
Securities gains, net	9	—	—		9	—	—		9
Other income	57	—	—		57	33	—		90
<b>Total noninterest income</b>	<b>1,541</b>	<b>21</b>	<b>—</b>		<b>1,562</b>	<b>49</b>	<b>—</b>		<b>1,611</b>
<b>NONINTEREST EXPENSE</b>									
Salaries and employee benefits	1,581	30	—		1,611	184	—		1,795
Equipment and software and occupancy	711	42	—		753	88	—		841
Outside services	420	—	—		420	21	—		441
Other operating expense	308	12	5	B	325	52	17	H	394
<b>Total noninterest expense</b>	<b>3,020</b>	<b>84</b>	<b>5</b>		<b>3,109</b>	<b>345</b>	<b>17</b>		<b>3,471</b>
<b>Income (loss) before income tax</b>	<b>2,293</b>	<b>16</b>	<b>1</b>		<b>2,310</b>	<b>300</b>	<b>(49)</b>		<b>2,561</b>
Income tax expense	504	3	—		507	81	1	I	589
<b>Net income (loss)</b>	<b>\$1,789</b>	<b>\$13</b>	<b>\$1</b>		<b>\$1,803</b>	<b>\$219</b>	<b>(\$50)</b>		<b>\$1,972</b>
<b>Weighted average common shares outstanding<sup>(4)</sup>:</b>									
Basic	425,996,867				235,106,490	(163,369,091)			497,734,266
Diluted	427,679,885				236,088,254	(164,350,855)			499,417,284
<b>Earnings per common share:</b>									
Basic	\$4.01				\$0.93				\$3.85
Diluted	3.99				0.93				3.84

<sup>(1)</sup> Interest Income: Interest and fees on loans and leases for Acquired HSBC Branches reflects the average yield on loans

<sup>(2)</sup> Interest Income: Investment securities income for Acquired HSBC Branches reflects deposits in excess of loans invested in government agency mortgage-backed securities consistent with HSBC's historical practice, with yields equal to CFG's applicable reinvestment rates

<sup>(3)</sup> Provision for credit losses for Acquired HSBC Branches reflects immaterial amount of provision expense

<sup>(4)</sup> Pro forma combined shares were calculated by eliminating Investor shares and adding shares of Citizens common stock expected to be issued in conjunction with the transaction. See note 2 below for more information

# UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT (CONTINUED)

For the year ended December 31, 2020

(in millions, except share and per share data)	Historical Citizens	Acquired HSBC Branches	Transaction Accounting Adjustments	Note 5	Pro Forma Condensed Combined Citizens and HSBC Branches	Historical Investors	Transaction Accounting Adjustments	Note 5	Pro Forma Condensed Combined
<b>INTEREST INCOME</b>									
Interest and fees on loans and leases <sup>(1)</sup>	\$4,827	\$71	\$8	A	\$4,906	\$871	(\$30)	C	\$5,747
Investment securities <sup>(2)</sup>	519	151	—		670	108	(25)	D	753
Interest-bearing deposits in banks	11	—	—		11	2	—		13
Total interest income	5,357	222	8		5,587	981	(55)		6,513
<b>INTEREST EXPENSE</b>									
Deposits	509	8	—		517	155	1	E	673
Borrowed funds	262	—	—		262	100	(47)	F	315
Total interest expense	771	8	—		779	255	(46)		988
Net interest income	4,586	214	8		4,808	726	(9)		5,525
Provision for credit losses <sup>(3)</sup>	1,616	—	35	G	1,651	70	163	G	1,884
Net interest income after provision for credit losses	2,970	214	(27)		3,157	656	(172)		3,641
<b>NONINTEREST INCOME</b>									
Mortgage banking fees	915	—	—		915	—	—		915
Service charges and fees	403	28	—		431	18	—		449
Capital markets fees	250	—	—		250	—	—		250
Card fees	217	—	—		217	—	—		217
Trust and investment services fees	203	—	—		203	—	—		203
Letter of credit and loan fees	140	—	—		140	—	—		140
Foreign exchange and interest rate products	120	—	—		120	—	—		120
Securities gains, net	4	—	—		4	—	—		4
Other income	67	—	—		67	73	—		140
Total noninterest income	2,319	28	—		2,347	91	—		2,438
<b>NONINTEREST EXPENSE</b>									
Salaries and employee benefits	2,123	41	—		2,164	241	—		2,405
Equipment and software and occupancy	896	55	—		951	114	—		1,065
Outside services	553	—	—		553	16	—		569
Other operating expense	419	16	7	B	442	79	97	H / J	618
Total noninterest expense	3,991	112	7		4,110	450	97		4,657
Income (loss) before income tax	1,298	130	(34)		1,394	297	(269)		1,422
Income tax expense	241	26	—		267	75	(58)	I	284
Net income (loss)	\$1,057	\$104	(\$34)		\$1,127	\$222	(\$211)		\$1,138
Weighted average common shares outstanding <sup>(4)</sup> :									
Basic	427,062,537					235,761,457	(164,024,058)		498,799,936
Diluted	428,157,780					235,838,808	(164,101,409)		499,895,179
Earnings per common share:									
Basic	\$2.22					\$0.94			\$2.07
Diluted	2.22					0.94			2.06

<sup>(1)</sup> Interest Income: Interest and fees on loans and leases for Acquired HSBC Branches reflects the average yield on loans

<sup>(2)</sup> Interest Income: Investment securities income for Acquired HSBC Branches reflects deposits in excess of loans invested in government agency mortgage-backed securities consistent with HSBC's historical practice, with yields equal to CFG's applicable reinvestment rates

<sup>(3)</sup> Provision for credit losses for Acquired HSBC Branches reflects immaterial amount of provision expense

<sup>(4)</sup> Pro forma combined shares were calculated by eliminating Investor shares and adding shares of Citizens common stock expected to be issued in conjunction with the transaction. See note 2 below for more information

## Note 1. Basis of Presentation

The accompanying unaudited pro forma condensed combined financial statements and related notes were prepared in accordance with Article 11 of Regulation S-X. The unaudited pro forma condensed combined statements of income for the nine months ended September 30, 2021 and the year ended December 31, 2020 combine the historical consolidated statements of income for Citizens and the expected acquisition of HSBC Branches and Investors, giving effect to the acquisitions as if they had been completed on January 1, 2020. The accompanying unaudited pro forma condensed combined balance sheet as of September 30, 2021 combines the historical consolidated balance sheets of Citizens and the expected acquisitions of HSBC Branches and Investors, giving effect to the acquisitions as if they had been completed on September 30, 2021.

Citizens', HSBC Branches' and Investors' historical financial statements were prepared in accordance with U.S. GAAP and presented in U.S. dollars. As discussed in Note 3, Note 4, and Note 5, certain reclassifications were made to align financial statement presentation. Citizens has not identified all adjustments necessary to conform Investor's accounting policies to Citizens' accounting policies. Upon completion of the merger, or as more information becomes available, Citizens will perform a more detailed review of Investors' accounting policies. As a result of that review, differences could be identified between the accounting policies of the two companies that, when conformed, could have a material impact on the combined company's pro forma financial information.

The accompanying unaudited pro forma condensed combined financial statements and related notes were prepared using the acquisition method of accounting under the provisions of ASC 805, with Citizens considered the acquirer of Investors and HSBC Branches. ASC 805 requires, among other things, that the assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date. For purposes of the unaudited pro forma condensed combined balance sheet, the purchase consideration has been allocated to the assets acquired and liabilities assumed based upon management's preliminary estimate of their fair values as of September 30, 2021. Citizens has not completed the valuation analysis and calculations in sufficient detail necessary to arrive at the final estimates of the fair market value of these assets to be acquired or liabilities assumed. Assets and liabilities presented are based on preliminary estimates for intangible assets and certain financial assets and financial liabilities. Accordingly, apart from the aforementioned, certain assets and liabilities are presented at their respective carrying amounts and should be treated as preliminary values. Any differences between the fair value of the consideration transferred and the fair value of the assets acquired and liabilities assumed will be recorded as goodwill. Accordingly, the purchase price allocation and related adjustments reflected in these unaudited pro forma condensed combined financial statements are preliminary and subject to revision based on a final determination of fair value.

All dollar amounts presented within these Notes to Unaudited Pro Forma Condensed Combined Financial Statements are in millions, except common stock share and per share data.

## Note 2. Preliminary Purchase Price Allocation

Refer to the table below for the preliminary calculation of the Investors' estimated merger consideration:

### Preliminary calculation of estimated merger consideration

(Dollars in millions, except per share data)

Amount

Share consideration:

Shares of Investors common stock (September 30, 2021)	247,684,887
Estimated share reduction <sup>1</sup>	(6,144,823)
Estimated shares of Investors common stock	241,540,064
Exchange ratio	0.297
Shares of Citizens common stock to be issued	71,737,399
Citizens stock price on September 30, 2021	\$46.98
Total share consideration	\$3,370

Cash consideration:

Exchange ratio	0.034
Price per share of common stock	\$1.46
Total cash consideration	\$353

Preliminary fair value of estimated total merger consideration \$3,723

<sup>(1)</sup> Share reduction represents estimated share repurchase to liquidate employee stock ownership program

The preliminary estimated merger consideration as shown in the table above is allocated to the tangible and intangible assets acquired and liabilities assumed of Investors based on their preliminary estimated fair values. As mentioned above in Note 1, Citizens has not completed the valuation analysis and calculations in sufficient detail necessary to arrive at the final estimates of fair market value of the Investors assets to be acquired or liabilities assumed. Assets and liabilities presented are based on preliminary estimates for intangible assets and certain financial assets and financial liabilities. Accordingly, apart from the aforementioned, certain assets acquired and liabilities assumed are presented at their respective carrying amounts and should be treated as preliminary values. The fair value assessments are preliminary and are based upon available information and certain assumptions, which Citizens believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the unaudited pro forma condensed combined financial statements.

The following table sets forth a preliminary allocation of the Investors' estimated merger consideration to the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed of Investors using Investors' unaudited consolidated balance sheet as of September 30, 2021:

(in millions)

September 30, 2021

Preliminary fair value of estimated total merger consideration	\$3,723
<b>Assets</b>	
Cash and cash equivalents	671
Investment securities	3,869
Loans and leases, net	21,875
Intangibles	109
Other assets	985
Total assets	27,509
<b>Liabilities</b>	
Deposits	20,399
Borrowed funds	3,590
Other liabilities	576
Total liabilities	24,565
Net assets acquired	2,944
Goodwill recognized	\$779

The estimated total merger consideration with a sensitivity analysis assuming a 15% increase and 15% decrease in the price per share of Citizens common stock from the baseline price of \$46.98, which is the closing price per share of Citizens common stock reported on the NYSE on September 30, 2021, reflects total consideration of \$4,229 million and \$3,218 million, respectively, and goodwill of \$1,285 million and \$273 million, respectively.

### Note 3. Transaction Accounting Adjustments to Balance Sheet for Acquisition of HSBC Branches

Refer to the items below for a reconciliation of the transaction accounting adjustments reflected in the unaudited pro forma condensed combined balance sheet:

- A. Adjustment to cash and cash equivalents to reflect premium paid on deposits of approximately 2%.
- B. Adjustment to loans to reflect acquired loans at the preliminary estimated fair market value.
- C. Adjustment for allowance for credit losses for estimate of lifetime credit losses for non-credit deteriorated loans and leases.
- D. Adjustment to goodwill to reflect preliminary estimated goodwill from acquisition of branches from HSBC.
- E. Adjustment to intangible assets to reflect preliminary core deposit intangible asset.
- F. Adjustment to net deferred taxes to reflect the preliminary estimated after-tax impact of provision expense recorded on the income statement, and related impact on equity, resulting in a deferred tax asset for the allowance for credit losses on acquired loans.

### Note 4. Transaction Accounting Adjustments to Balance Sheet for Acquisition of Investors

Refer to items below for a reconciliation of the transaction accounting adjustments reflected in the unaudited pro forma condensed combined balance sheet:

- A. Adjustment to cash and cash equivalents for preliminary purchase consideration.
- B. Adjustment to debt securities to reflect preliminary fair value estimate of acquired investment securities.

- C. Adjustment to loans to reflect acquired loans at the preliminary estimated fair market value, which includes lifetime credit loss expectations and current interest rates, and gross-up for estimate of lifetime credit losses for purchased-credit deteriorated loans
- D. Adjustments to allowance for credit losses as follows:

(in millions)	September 30, 2021
Eliminate allowance for credit losses	\$263
Recognize allowance for credit losses on credit-deteriorated loans	(163)
Recognize allowance for credit losses on non-credit deteriorated loans	(163)
<b>Total</b>	<b>(\$63)</b>

- E. Adjustments to goodwill as follows:

(in millions)	September 30, 2021
Eliminate goodwill	(\$116)
Recognize goodwill as a result of the acquisition of Investors	779
<b>Total</b>	<b>\$663</b>

- F. Adjustments to intangibles as follows:

(in millions)	September 30, 2021
Eliminate intangibles	(\$6)
Reclassification of mortgage servicing rights to other assets	(11)
Recognize core deposit intangible	93
Recognize naming rights associated with sponsorship agreements	16
<b>Total</b>	<b>\$92</b>

- G. Adjustments to other assets as follows:

(in millions)	September 30, 2021
Reclassification of mortgage servicing rights from intangibles	\$11
Reclassification of deferred tax asset to deferred taxes, net	(110)
<b>Total</b>	<b>(\$99)</b>

- H. Adjustment to deposits to reflect preliminary fair value estimate of acquired interest-bearing deposits.

- I. Adjustments to deferred taxes, net as follows:

(in millions)	September 30, 2021
Reclassification of deferred tax asset from other assets	(\$110)
Recognize deferred tax effect of other pro forma adjustments	35
<b>Total</b>	<b>(\$75)</b>

- J. Adjustment to long-term borrowed funds to preliminary estimate of fair market value of FHLB advances.

- K. Adjustments to other liabilities as follows:

(in millions)	September 30, 2021
Recognize adjustments for certain other liabilities resulting from acquisition	\$78
Recognize liability for merger-related transaction costs, net of tax	59
<b>Total</b>	<b>\$137</b>

L Adjustments to stockholders' equity as follows:

(in millions)	September 30, 2021
Eliminate common equity	(\$2,853)
Issue Citizens common stock to Investors shareholders	3,370
Recognize provision expense for non-credit deteriorated loans, net of tax	(121)
Recognize impact of merger-related transaction costs, net of tax	(59)
<b>Total</b>	<b>\$337</b>

#### Note 5. Transaction Accounting Adjustment to Income Statement for Acquisition of HSBC Branches and Investors

Refer to the items below for a reconciliation of the transaction accounting adjustments reflected in the unaudited pro forma condensed combine statement of income:

- A. Net adjustment to interest income to record estimated amortization of premiums and accretion of discounts on acquired loans.
- B. Core deposit intangible asset will be amortized over 7.5 years.

#### Year ended December 31, 2020

(in millions)

	Useful Life	Amortization expense (annual)
Core deposit intangible	7.5 years	\$7
Amortization expense for the nine months ended September 30, 2021		5
Amortization for the next 5 years		
2021		\$7
2022		7
2023		7
2024		7
2025		7

- C. Net adjustment to interest income to record estimated amortization of premiums and accretion of discounts on acquired loans and leases.
- D. Net adjustment to interest income record estimated amortization of premiums and accretion of discounts on acquired investment securities.
- E. Net adjustment to interest expense to record estimated amortization of premiums and accretion of discounts on acquired deposits.
- F. Net adjustments to interest expense to record estimated accretion on acquired debt.
- G. Adjustment to record the provision for credit losses on non-credit deteriorated loans.
- H. Pro forma amortization expense includes amortization expense for the newly identified intangible assets less the amortization expense of Investors' historical intangible assets. The core deposit intangible asset and the sponsorship intangible assets will be amortized over 7.5 years and 2 to 5 years, respectively.

**Year ended December 31, 2020****(in millions)**

	<b>Useful Life</b>	<b>Amortization expense (annual)</b>
Core deposit intangible	7.5 years	\$19
Sponsorship intangibles	2-5 years	5
Historic amortization expense		(1)
Net adjustment to amortization		<u>\$23</u>
Amortization expense for the nine months ended September 30, 2021		\$17
Amortization for the next 5 years		
2021		\$24
2022		24
2023		20
2024		17
2025		13

- I. Adjustment to record the income tax impact on the adjustments utilizing the Citizens' statutory income tax rate of for the nine months ended September 30, 2021 and the year ended December 31, 2020.
- I. Adjustment to record merger-related transaction costs of \$74 million.



## COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA

	<u>As of and for the nine months ended September 30, 2021</u>	<u>For the year ended December 31, 2020</u>
<b>Citizens Historical Data</b>		
Net income available to common shareholders per share:		
Basic (utilizing 425,996,867 and 427,062,537 shares, respectively)	\$4.01	\$2.22
Diluted (utilizing 427,679,885 and 428,157,780 shares, respectively)	3.99	2.22
Dividends declared per common share	1.17	1.56
Book value per share (utilizing 426,199,576 shares)	50.23	
<b>Investors Historical Data</b>		
Net income available to common shareholders per share:		
Basic (utilizing 235,106,490 and 235,761,457 shares, respectively)	\$0.93	\$0.94
Diluted (utilizing 236,088,254 and 235,838,808 shares, respectively)	0.93	0.94
Dividends declared per common share	0.42	0.48
Book value per share (utilizing 237,145,108 shares)	12.03	
<b>Unaudited Pro Forma Combined</b>		
Net income available to common shareholders per share:		
Basic (utilizing 497,734,266 and 498,799,936 shares, respectively)	\$3.85	\$2.07
Diluted (utilizing 499,417,284 and 499,895,179 shares, respectively)	3.84	2.06
Dividends declared per common share	n/a	n/a
Book value per share (utilizing 497,824,116 shares)	49.36	

**CITIZENS FINANCIAL GROUP, INC. AND INVESTORS BANCORP, INC. REGULATORY CAPITAL**

As of September 30, 2021

(\$ in millions)	Actual Citizens	HSBC Branch Acquisition	Acquisition Adjustments	Pro Forma Citizens and HSBC Combined	Actual Investors	Acquisition Adjustments	Pro Forma Combined
Total common shareholders' equity	\$21,409	\$—			\$2,853		
<b>Exclusion:</b>							
Modified CECL transitional amount	401	—			19		
Net unrealized (gains)/losses in AOCI	507	—			22		
<b>Deductions:</b>							
Goodwill	(7,065)	(149)			(116)		
Deferred tax liability associated with goodwill	384	—			—		
Other intangible assets	(53)	(57)			(7)		
Other	—	—			—		
<b>Total common equity tier 1</b>	<b>15,583</b>	<b>(206)</b>			<b>2,771</b>		
Qualifying preferred stock	2,014	—			—		
<b>Total tier 1 capital</b>	<b>17,597</b>	<b>(206)</b>			<b>2,771</b>		
Qualifying subordinated debt	1,207				14		
Allowance for credit losses	2,004				270		
<b>Exclusion from tier 2 capital:</b>							
Modified AACL transitional amount	(515)				(8)		
<b>Total capital</b>	<b>\$20,293</b>	<b>(\$206)</b>			<b>\$3,047</b>		
Risk weighted assets	\$151,796	\$1,578			\$21,584		
Quarterly adjusted average assets	\$180,528	\$1,605			\$27,038		
<b>Capital Ratios:</b>							
Common equity tier 1	10.3 %				12.8 %		
Tier 1 capital	11.6 %				12.8 %		
Total capital	13.4 %				14.1 %		
Tier 1 leverage	9.7 %				10.2 %		

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**CITIZENS BANK, NATIONAL ASSOCIATION AND INVESTORS BANK**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS<sup>(1)</sup>**

As of September 30, 2021

(in millions)	Historical CBNA	Historical Acquired HSBC Branches	Pro Forma Adjustments	Pro Forma Condensed Combined CBNA and HSBC Branches	Historical Investors Bank	Transaction Accounting Adjustments	Pro Forma Condensed Combined
<b>ASSETS:</b>							
Cash and cash equivalents	\$14,040	\$6,345			\$670		
Debt securities	27,403	—			3,784		
Loans held for sale	3,197	—			—		
Loans and leases	123,413	1,901			21,891		
Less: Allowance for loan and lease losses	(1,855)	—			(263)		
Net loans and leases	121,558	1,901			21,628		
Goodwill	6,998	—			116		
Intangible assets	46	—			17		
Other assets	13,861	81			1,071		
<b>TOTAL ASSETS</b>	<b>187,103</b>	<b>8,327</b>			<b>27,286</b>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>							
<b>LIABILITIES:</b>							
<b>Deposits:</b>							
Noninterest-bearing	49,349	—			4,713		
Interest-bearing	106,012	8,327			16,043		
Total deposits	155,361	8,327			20,756		
Short-term borrowed funds	—	—			450		
Deferred taxes, net	689	—			—		
Long-term borrowed funds	5,004	—			3,157		
Other liabilities	3,413	—			405		
<b>TOTAL LIABILITIES</b>	<b>164,467</b>	<b>8,327</b>			<b>24,768</b>		
<b>STOCKHOLDERS' EQUITY:</b>							
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>22,636</b>	<b>—</b>			<b>2,518</b>		
<b>TOTAL LIABILITIES AND STOCKHOLDERS'</b>	<b>\$187,103</b>	<b>\$8,327</b>			<b>\$27,286</b>		

<sup>(1)</sup> Condensed Combined Balance Sheet reflects Reports of Condition from CBNA and Investors Bank Call Reports. Difference in line-item balances between this presentation and Condensed Combined Balance sheet for CFG and Investors represent both exclusion of non-bank assets and liabilities as well as differences in regulatory reporting classification versus Generally Accepted Accounting Principles classification of certain items, including Cash and cash equivalents

**CITIZENS BANK, NATIONAL ASSOCIATION AND INVESTORS BANK**  
**UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT<sup>(1)</sup>**

For the nine months ended September 30, 2021

(in millions)	Historical CBNA	Historical Acquired HSBC Branches	Pro Forma Adjustments	Pro Forma Condensed Combined CBNA and HSBC Branches	Historical Investors Bank	Transaction Accounting Adjustments	Pro Forma Condensed Combined
<b><u>INTEREST INCOME</u></b>							
Interest and fees on loans and leases	\$3,271	\$53			\$623		
Investment securities	365	32			61		
Interest-bearing deposits in banks	16	—			—		
<b>Total interest income</b>	<b>3,652</b>	<b>85</b>			<b>684</b>		
<b><u>INTEREST EXPENSE</u></b>							
Deposits	130	6			53		
Borrowed funds	68	—			60		
<b>Total interest expense</b>	<b>198</b>	<b>6</b>			<b>113</b>		
<b>Net interest income</b>	<b>3,454</b>	<b>79</b>			<b>571</b>		
Provision for credit losses	(386)	—			(26)		
<b>Net interest income after provision for credit losses</b>	<b>3,840</b>	<b>79</b>			<b>597</b>		
<b><u>NONINTEREST INCOME</u></b>							
Mortgage banking fees	358	—			—		
Service charges and fees	309	21			9		
Capital markets fees	133	—			—		
Card fees	181	—			—		
Trust and investment services fees	178	—			—		
Letter of credit and loan fees	114	—			—		
Foreign exchange and interest rate products	85	—			—		
Securities gains, net	9	—			—		
Other income	57	—			36		
<b>Total noninterest income</b>	<b>1,424</b>	<b>21</b>			<b>45</b>		
<b><u>NONINTEREST EXPENSE</u></b>							
Salaries and employee benefits	1,525	30			184		
Equipment and software and occupancy	484	42			58		
Other operating expense	957	12			99		
<b>Total noninterest expense</b>	<b>2,966</b>	<b>84</b>			<b>341</b>		
<b>Income (loss) before income tax expense</b>	<b>2,298</b>	<b>16</b>			<b>301</b>		
Income tax expense	353	3			81		
<b>Net income (loss)</b>	<b>\$1,945</b>	<b>\$13</b>			<b>\$220</b>		

<sup>(1)</sup> Condensed Combined Income Statement reflects Income Statement from CBNA and Investors Bank Call Reports. Difference in line-item totals between this presentation and Condensed Combined Income Statements for CFG and Investors represent both exclusion of non-bank financial results as well as differences in regulatory reporting classification versus Generally Accepted Accounting Principles classification of certain items, including noninterest income and noninterest expense.

**CITIZENS BANK, NATIONAL ASSOCIATION AND INVESTORS BANK REGULATORY CAPITAL**

As of September 30, 2021

(\$ in millions)	Actual CBNA	HSBC Branch Acquisition	Acquisition Adjustments	Pro Forma CBNA and HSBC Branches	Actual Investors	Acquisition Adjustments	Pro Forma Combined
Total common shareholders' equity	\$22,636	\$—			\$2,518		
<b>Exclusion:</b>							
Modified CECL transitional amount	401	—			19		
Net unrealized (gains)/losses in AOCI	472	—			22		
<b>Deductions:</b>							
Goodwill	(6,998)	(149)			(116)		
Deferred tax liability associated with goodwill	383	—			—		
Other intangible assets	(47)	(57)			(7)		
Other	(55)	—			(1)		
<b>Total common equity tier 1</b>	<b>16,792</b>	<b>(206)</b>			<b>2,435</b>		
Qualifying preferred stock	—	—			—		
<b>Total tier 1 capital</b>	<b>16,792</b>	<b>(206)</b>			<b>2,435</b>		
Qualifying subordinated debt	1,125				—		
Allowance for credit losses	2,004				270		
<b>Exclusion from tier 2 capital:</b>							
Modified AACL transitional amount	(515)				(7)		
<b>Total capital</b>	<b>\$19,406</b>	<b>(\$206)</b>			<b>\$2,698</b>		
Risk weighted assets	\$151,438	\$1,578			\$21,518		
Quarterly adjusted average assets	\$180,034	\$1,605			\$26,997		
<b>Capital Ratios:</b>							
Common equity tier 1	11.1 %				11.3 %		
Tier 1 capital	11.1 %				11.3 %		
Total capital	12.8 %				12.5 %		
Tier 1 leverage	9.3 %				9.0 %		

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**CITIZENS FINANCIAL GROUP, INC. AND INVESTORS BANCORP, INC. – UNAUDITED PRO  
FORMA CONDENSED COMBINED ASSET QUALITY**

**For the period ended September 30, 2021**

(in millions)	CFG	HSBC Branch Acquisition	Pro Forma Adjustments	Combined CFG and HSBC Branches	Investors	Pro Forma Adjustments	Pro Forma Condensed Combined
<b>Other assets specially mentioned:</b>							
Special mention	\$1,780	\$ -			\$671		
<b>Classified assets:</b>							
Substandard	2,145	-			800		
Doubtful	147	-			-		
Loss	-	-			-		
<b>Total classified assets</b>	<b>\$2,292</b>	<b>\$ -</b>			<b>\$800</b>		
<b>Nonperforming assets:</b>							
Nonaccrual loans	\$747	\$ -			\$58		
OREO and other repossessed assets	21	-			6		
<b>TDRs:</b>							
Current	716	-			8		
30-89 days past due	45	-			-		
90+ days past due	81	-			-		
<b>Nonperforming</b>	<b>247</b>	<b>-</b>			<b>18</b>		
<b>Total nonperforming assets</b>	<b>\$1,857</b>	<b>\$ -</b>			<b>\$90</b>		
<b>Accruing loans:</b>							
90+ days past due	\$312	\$ -			-		
Tier 1 capital & ALLL	19,453	(206)			3,033		
Gross loans & OREO	123,339	1,901			21,894		
Criticized assets <sup>(1)</sup> / Tier 1 capital & ALLL	20.9%				48.5%		
Classified assets <sup>(1)</sup> / Tier 1 capital & ALLL	11.8%				26.4%		
Nonperforming assets / gross loans & OREO	1.5%				0.4%		

<sup>(1)</sup> Criticized and classified assets exclude Consumer related loans

**CITIZENS BANK, NATIONAL ASSOCIATION AND INVESTORS BANK – UNAUDITED PRO  
FORMA CONDENSED COMBINED ASSET QUALITY**

**For the period ended September 30, 2021**

(in millions)	CBNA	HSBC Branch Acquisition	Pro Forma Adjustments	Combined CFG and HSBC Branches	Investors Bank	Pro Forma Adjustments	Pro Forma Condensed Combined
<b>Other assets specially mentioned:</b>							
Special mention	\$1,780	\$ -			\$671		
<b>Classified assets:</b>							
Substandard	2,145	-			800		
Doubtful	147	-			-		
Loss	-	-			-		
<b>Total classified assets</b>	<b>\$2,292</b>	<b>\$ -</b>			<b>\$800</b>		
<b>Nonperforming assets:</b>							
Nonaccrual loans	\$747	\$-			\$58		
OREO and other repossessed assets	21	-			6		
<b>TDRs:</b>							
Current	716	-			8		
30-89 days past due	45	-			-		
90+ days past due	81	-			-		
<b>Nonperforming</b>	<b>247</b>	<b>-</b>			<b>18</b>		
<b>Total nonperforming assets</b>	<b>\$1,857</b>	<b>\$ -</b>			<b>\$90</b>		
<b>Accruing loans:</b>							
90+ days past due	\$312	\$ -			\$ -		
Tier 1 capital & ALLL	16,792	(206)			2,699		
Gross loans & OREO	123,339	1,901			21,894		
Criticized assets <sup>(1)</sup> / Tier 1 capital & ALLL	24.2%				54.5%		
Classified assets <sup>(1)</sup> / Tier 1 capital & ALLL	13.6%				29.6%		
Nonperforming assets / gross loans & OREO	1.5%				0.4%		

<sup>(1)</sup> Criticized and classified assets exclude Consumer related loans

CITIZENS FINANCIAL GROUP, INC. AND INVESTORS BANCORP, INC.  
 UNAUDITED PRO FORMA CONDENSED COMBINED RISK-WEIGHTED ASSETS  
 For the period ended September 30, 2021

(in millions)					Pro Forma Condensed Combined		
	CFG, Inc.	HSBC Branch Acquisition	ISBC	Pro Forma Adjustments	Risk- Weighted Assets	Assets	RWA as a Percentage of Assets
<b>On Balance Sheet:</b>							
Cash and due from banks	\$ 235	\$ -	\$ 18				
Securities (excludes securitizations)	3,325	-	907				
Loans held for sale	1,690	-	0				
Loans held for investment (excludes securitizations)	106,626	1,497	18,529				
Other assets	12,267	81	938				
Trading assets	-	-	-				
Securitizations	738	-	-				
<b>Total on balance sheet</b>	<b>124,881</b>	<b>1,578</b>	<b>20,393</b>				
<b>Off Balance Sheet</b>							
Standby letters of credit	1,828	-	30				
Unfunded commitments	21,492	-	1,127				
Derivatives	2,132	-	34				
Other	53	-	-				
Securitizations	438	-	-				
<b>Total off balance sheet</b>	<b>25,942</b>	<b>-</b>	<b>1,191</b>				
Market risk assets	973	-	-				
Less: excess allowance for loans & leases	-	-	-				
<b>Risk-weighted assets</b>	<b>\$ 151,796</b>	<b>\$ 1,578</b>	<b>\$ 21,584</b>	<b>\$</b>			

A – Adjustment to reflect preliminary fair value estimate:

	Balance	Risk Weight %	Risk Weighted Assets
Securities (excludes securitizations)	\$ 64		
Loans held for investment (excludes securitizations)	150		

**CITIZENS BANK, NATIONAL ASSOCIATION AND INVESTORS BANK**  
**UNAUDITED PRO FORMA CONDENSED COMBINED RISK-WEIGHTED ASSETS**  
**For the period ended September 30, 2021**

(in millions)					<u>Pro Forma Condensed Combined</u>		
	CBNA	HSBC Branch Acquisition	IB	Pro Forma Adjustments	Risk- Weighted Assets	Assets	RWA as a Percentage of Assets
<b>On Balance Sheet:</b>							
Cash and due from banks	\$ 190	\$ -	\$ 19				
Securities (excludes securitizations)	3,315	-	885				
Loans held for sale	1,690	-	0				
Loans held for investment (excludes securitizations)	106,626	1,497	18,529				
Other assets	12,048	81	894				
Trading assets	-	-	-				
Securitizations	738	-	-				
<b>Total on balance sheet</b>	<b>124,607</b>	<b>1,578</b>	<b>20,327</b>				
<b>Off Balance Sheet</b>							
Standby letters of credit	1,828	-	30				
Unfunded commitments	21,492	-	1,127				
Derivatives	2,132	-	34				
Other	53	-	-				
Securitizations	438	-	-				
<b>Total off balance sheet</b>	<b>25,942</b>	<b>-</b>	<b>1,191</b>				
Market risk assets	889	-	-				
Less: excess allowance on loans & leases	-	-	-				
<b>Risk-weighted assets</b>	<b>\$ 151,438</b>	<b>\$ 1,578</b>	<b>\$ 21,518</b>	<b>\$</b>			

A – Adjustment to reflect preliminary fair value estimate:

	Balance	Risk Weight %	Risk Weighted Assets
Securities (excludes securitizations)	\$ 64		
Loans held for investment (excludes securitizations)	150		

## PRO FORMA PROJECTIONS FOR CFG BALANCE SHEET

Citizens Financial Group, Inc.  
Forecast

(in millions)	Pro Forma Consolidated	2021		2022				2023				2024		
	September 30, 2021	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
<b>ASSETS:</b>														
Cash <sup>(1)</sup>														
Securities														
Loans held for sale														
Loans and leases														
Less: Allowance for loan and lease losses														
Net loans and leases														
Goodwill & intangibles														
Other assets (1)														
<b>TOTAL ASSETS</b>														
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>														
<b>LIABILITIES:</b>														
Deposits:														
Noninterest-bearing														
Interest-bearing														
Total deposits														
Borrowed funds (2)														
Other liabilities (3)														
<b>TOTAL LIABILITIES</b>														
<b>STOCKHOLDERS' EQUITY:</b>														
Preferred equity														
Common equity														
<b>TOTAL STOCKHOLDERS' EQUITY</b>														
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>														

(1) Cash includes interest-bearing cash only. Non-interest bearing cash is included in other assets.

(2) Borrowed funds includes short-term and long-term borrowed funds.

(3) Other liabilities includes deferred taxes, net.

# PRO FORMA PROJECTIONS FOR CBNA BALANCE SHEET

CBNA  
Forecast

(in millions)	Pro Forma	2021				2022				2023				2024		
	Consolidated September 30, 2021	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q			
ASSETS:																
Cash <sup>(1)</sup>																
Securities																
Loans held for sale																
Loans and leases																
Less: Allowance for loan and lease losses																
Net loans and leases																
Goodwill & intangibles																
Other assets <sup>(1)</sup>																
<b>TOTAL ASSETS</b>																
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>																
<b>LIABILITIES:</b>																
Deposits:																
Noninterest-bearing																
Interest-bearing																
Total deposits																
Borrowed funds <sup>(2)</sup>																
Other liabilities <sup>(3)</sup>																
<b>TOTAL LIABILITIES</b>																
<b>STOCKHOLDERS' EQUITY:</b>																
Preferred equity																
Common equity <sup>(4)</sup>																
<b>TOTAL STOCKHOLDERS' EQUITY</b>																
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>																

(1) Cash includes interest-bearing cash only. Non-interest bearing cash is included in other assets.

(2) Borrowed funds includes short-term and long-term borrowed funds.

(3) Other liabilities includes deferred taxes, net.

(4) Stockholders' equity reflects assumed asset and liability growth rates and not necessarily projected changes in additional paid-in capital, retained earnings, and accumulated other comprehensive income.

## PRO FORMA PROJECTIONS FOR CFG INCOME STATEMENT

Citizens Financial Group, Inc.  
Forecast

(in millions)	Pro Forma	2021				2022				2023				2024		
	Consolidated September 30, 2021	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q			
INTEREST INCOME																
Interest and fees on loans and leases																
Investment securities																
Total interest income																
INTEREST EXPENSE																
Deposits																
Borrowed funds																
Total interest expense																
Net interest income																
Provision for credit losses																
Net interest income after provision for credit losses																
NONINTEREST INCOME																
Mortgage banking fees																
Service charges and fees																
Other income																
Total noninterest income																
NONINTEREST EXPENSE																
Salaries and employee benefits																
Equipment and software and occupancy																
Other operating expense																
Total noninterest expense																
Income before income tax expense																
Income tax expense																
Net income																
Net income per common share																
Basic																
Diluted																
Average common shares outstanding																
Basic																
Diluted																
Preferred Dividends																



**PRO FORMA PROJECTIONS FOR CBNA INCOME STATEMENT**

**CBNA  
Forecast**

	Pro Forma Consolidated September 30, 2021	2021				2022				2023				2024		
(in millions)	40	10	20	30	40	10	20	30	40	10	20	30				
<b>INTEREST INCOME</b>																
Interest and fees on loans and leases																
Investment securities																
Total interest income																
<b>INTEREST EXPENSE</b>																
Deposits																
Borrowed funds																
Total interest expense																
Net interest income																
Provision for credit losses																
Net interest income after provision for credit losses																
<b>NONINTEREST INCOME</b>																
Mortgage banking fees																
Service charges and fees																
Other income																
Total noninterest income																
<b>NONINTEREST EXPENSE</b>																
Salaries and employee benefits																
Equipment and software and occupancy																
Other operating expense																
Total noninterest expense																
Income before income tax expense																
Income tax expense																
Net income																

## **FINANCIAL STABILITY INFORMATION**

## **Financial Stability Information**

### **Short-Term Lending Activity**

*Year-To-Date ended 9/30/2021 and ended 12/31/2020; \$ in 000s*

#### **CFG Short-Term Lending Activity**

<b>Category</b>	<b>9/30/21 (000s)</b>	<b>12/31/20 (000s)</b>	<b>Notes</b>
i. Daily Average Reverse bilateral repurchase agreements (volume)	0	0	
ii. Reverse tri-party repurchase agreements (volume)	0	0	No short-term lending activity in 3Q21 and 4Q20
iii. Daily Average Fed funds (volume)	0	0	
iv. Tri-party rep dealing (volume)	0	0	

#### **Investors Short-Term Lending Activity**

<b>Category</b>	<b>9/30/21 (000s)</b>	<b>12/31/20 (000s)</b>	<b>Notes</b>
i. Daily Average Reverse bilateral repurchase agreements (volume)	0	0	
ii. Reverse tri-party repurchase agreements (volume)	0	0	
iii. Daily Average Fed funds (volume)	0	0	
iv. Tri-party rep dealing (volume)	0	0	

## Commercial Lending Activity

*Year-To-Date ended 9/30/2021 and ended 12/31/2020; \$ in 000s*

### CFG Commercial Lending Activity

Category	9/30/21 (000s)	12/31/20 (000s)	Notes
i. Syndicated lending (volume)*	11,738,000	9,126,000	Reflects the point in time total credit exposure of syndicated loan commitments originated during the period. Includes on CFG's commitment and does not include commitments from other lenders participating in these transactions.
ii. Syndicated pipeline commitments* (volume)	4,430,000	921,000	Represents where CFG has made a commitment to an underwritten transaction or commitment to lend, regardless of expected closing date. Includes only CFG's commitment and does not include commitments from other lenders participating in these transactions
iii. Lending to small and medium-sized enterprises (volume)	4,305,790	5,798,615	Represents loans of <\$1mm per Call Report (RC-C Part II Items 3.a through 4.c).
iv. Unfunded commitments (volume)	39,149,151	35,757,879	Per Call Report (RC-L 1e1)

*Nature of Involvement - CFG participates in syndicated deals in various areas of the bank such as Middle Market Lending (Franchise, Regional Lending), Private Equity Lending, Asset Backed Finance Lending, and Commercial Real Estate Lending.*

*\*Represents preliminary data that may subsequently be updated*

*Sources: CFG/CBNA Regulatory Reports and Internal Reporting*

### Investors Commercial Lending Activity

Category	9/30/21(000s)	12/31/20 (000s)	Notes
i. Syndicated lending (volume)	N/A	N/A	
ii. Syndicated pipeline commitments (volume)	N/A	N/A	
iii. Lending to small and medium-sized enterprises (volume)	21,891,488	20,868,117	RC Balance sheet (041)
iv. Unfunded commitments (volume)	1,517,244	1,236,799	RC-L

*Sources: Investors/Investors Bank Regulatory Reports and Internal Reporting*

**Underwriting Services**  
*Year-To-Date ended 9/30/2021 and 12/31/2020; \$ in 000s*

**CFG Underwriting Services**

Category	9/30/21 (000s)	12/31/20 (000s)	Notes
Issuance of new equities (volume)	18,416	20,599	
Corporate bonds (volume)	185,289	234,477	
Commercial paper (volume)	0	0	n/a
Asset-backed securities (volume)	11,561	7,385	
Other debt securities (volume)	0	0	n/a

*Source: CFG Internal Reporting.*

*Historical balances for 6/30/2021 and 12/31/2021 are updated, as the amount previously reported were revenue, not volume.*

**Investors Underwriting Services**

Category	9/30/21 (000s)	12/31/20 (000s)	Notes
Issuance of new equities (volume)	0	0	
Corporate bonds (volume)	0	0	
Commercial paper (volume)	0	0	
Asset-backed securities (volume)	0	0	
Other debt securities (volume)	0	0	

*Source: Investors Internal Reporting*

**Total Provision of Services**  
*Year-To-Date ended 9/30/2021 and 12/31/2020; \$ in 000s*

**CFG Total Provision of Services**

Category	9/30/21 (000s)	12/31/20 (000s)	Notes
i. Prime brokerage (revenue)	0	0	n/a
ii. Securities lending (revenue)	0	0	n/a
iii. Corporate trust (managed and nonmanaged assets)*	10,166	9,602	From Call Report (Section RC-T Item 6). This does not include Clarfeld Financial Advisors, Citizens Securities, Inc. or Citizens Private Wealth Management.
iv. Correspondent banking (revenue)	0	0	n/a
v. Wealth management (total assets under management)	21,767,350	18,981,937	Total AUM includes Clarfeld Financial Advisors, Citizens Securities Inc. and Citizens Private Wealth Management.
vi. Insurance (revenues by segment, including reinsurance)	45,990	51,459	
Fixed Annuities	14,006	22,109	
Life & Disability Insurance	1,994	2,796	
Accidental Death	-	-	
Reinsurance	-	-	
Other	29,990	26,554	Indexed and variable annuities are reported as Other.

*Sources: CFG/CBNA Regulatory Reports and Internal Reporting*

*\*Represents preliminary data that may be subsequently updated*

### Investors Total Provision of Services

Category	9/30/21 (000s)	12/31/20 (000s)	Notes
i. Prime brokerage (revenue)	0	0	
ii. Securities lending (revenue)	0	0	
iii. Corporate trust (managed and nonmanaged assets)	0	0	
iv. Correspondent banking (revenue)	0	0	
v. Wealth management (total assets under management)	0	0	
vi. Insurance (revenues by segment, including reinsurance)	0	0	
Fixed Annuities			
Life & Disability Insurance			
Accidental Death			
Reinsurance			
Other			

*Sources: Investors/Investors Bank Regulatory Reports and Internal Reporting*



## Ten largest types of Trading Securities and Available for Sale (AFS) Securities

*As of 9/30/2021; \$ in millions*

### CFG Top Ten Largest Trading and AFS Security Types

Trading Securities Type	Fair Value \$MM	Source
US Treasury Securities	120	HC-D Line 1
All Other Debt Securities	14	HC-D Line 5b
AFS Securities Type	Fair Value \$MM	Source
Residential Pass-Through Securities Issued by FNMA and FHLMC	15,148	HC-B Line 4a2
Other Residential Mortgage-Backed Securities Issued or Guaranteed by US Government Agencies	3,860	HC-B Line 4b1
Other Commercial MBS Issued or Guaranteed by US Government Agencies	3,503	HC-B Line 4c2a
Residential Pass-Through Securities Guaranteed by GNMA	1,329	HC-B Line 4a1
Residential Pass-Through Securities Other Pass-Through Securities	239	HC-B Line 4a3
Structured Financial Products	768	HC-B Line 5b
US Treasury Securities	11	HC-B Line 1
Securities Issued by State and Political Subdivisions in the US	2	HC-B Line 3
Other Residential Mortgage-Backed Securities All Other Residential Mortgage-Backed Securities		HC-B Line 4b3
Asset-Backed Securities	1	HC-B Line 5a

*Source: CFG FR Y-9C*

### Investors Top Ten Largest Trading and AFS Security Types

Trading Securities Type	Fair Value \$MM	Source
US Treasury Securities	0	HC-D Line 1
All Other Debt Securities	0	HC-D Line 5b
AFS Securities Type	Fair Value \$MM	Source
Residential Pass-Through Securities Issued by FNMA and FHLMC	1,185	HC-B Line 4a2
Other Residential Mortgage-Backed Securities Issued or Guaranteed by US Government Agencies	554	HC-B Line 4b1
Other Commercial MBS Issued or Guaranteed by US Government Agencies	684	HC-B Line 4c2a
Residential Pass-Through Securities Guaranteed by GNMA	5	HC-B Line 4a1
Residential Pass-Through Securities Other Pass-Through Securities	0	HC-B Line 4a3
Structured Financial Products		HC-B Line 5b

US Treasury Securities	0	HC-B Line 1
Securities Issued by State and Political Subdivisions in the US	0	HC-B Line 3
Other Residential Mortgage-Backed Securities All Other Residential Mortgage-Backed Securities	0	HC-B Line 4b3
Asset-Backed Securities	0	

*Source: Investors FR Y-9C*

## Ten largest types of Held-to-Maturity (HTM) Securities

*As of 9/30/2021; \$ in millions*

### CFG Ten Largest Held-to-Maturity (HTM) Security Types

HTM Securities Type	Fair Value \$MM	Source
Other Commercial MBS Issued or Guaranteed by US Government Agencies	1,219	HC-B Line 4c2a
Asset-Backed Securities	789	HC-B Line 5a
Residential Pass-Through Securities Guaranteed by GNMA	488	HC-B Line 4a1
Residential Pass-Through Securities Issued by FNMA and FHLMC	72	HC-B Line 4a2

*Source: CFG FR Y-9C*

### Investors Ten Largest Held-to-Maturity (HTM) Security Types

HTM Securities Type	Fair Value \$MM	Source
Other Commercial MBS Issued or Guaranteed by US Government Agencies	123	HC-B Line 4c2a
Asset-Backed Securities	0	HC-B Line 5a
Residential Pass-Through Securities Guaranteed by GNMA	0	HC-B Line 4a1
Residential Pass-Through Securities Issued by FNMA and FHLMC	512	HC-B Line 4a2

*Source: Investors FR Y-9C*

## Largest Counterparties for the Following Components

*As of 9/30/2021; \$ in 000s (unless otherwise indicated)*

### CFG Largest Counterparties for the Following Components

Component	Total (in 000's)	Top Five Counterparties	Amount (Whole)	Rounded to MM
a. Total exposure (as defined by Schedule A Line item 5 in FR Y-15)	218,024,566		478,042,943	478
			350,747,473	351
			293,635,645	294
			291,014,567	291
			272,063,036	272
b. Total intra-financial system assets (as defined by Schedule B Line item 6 in FR Y-15)	4,505,804		238,639,233	239
			122,535,557	123
			114,702,878	115
			111,100,065	111
			98,728,719	99
c. Total intra-financial system liabilities (as defined by Schedule B Line Item 12 to FR Y-15)	6,545,573		2,831,021,534	2,831
			1,076,397,046	1,076
			657,145,984	657
			635,000,000	635
			326,328,242	326

d. Total securities outstanding (as defined by Schedule B Line item 20 in FR Y-15)	34,125,342		2,352,131,530	2,352
			1,943,065,177	1,943
			1,677,172,047	1,677
			1,124,932,471	1,125
			1,022,665,883	1,023
e. Payments activity (as defined by Schedule C Line item 2 in FR Y-15)	684,796,350		25,259,054,550	25,259
			21,732,334,603	21,732
			10,723,095,638	10,723
			9,422,124,576	9,422
			6,192,182,798	6,192
f. Assets held as a custodian on behalf of customers (as defined by Schedule C Line item 3 in FR Y-15)	3,143,847		787,695,562	788
			509,074,183	509
			280,848,829	281
			141,463,782	141
			122,195,783	122
g. Total underwriting activity (as defined by Schedule C Line item 6 in FR Y-15)	6,957,585		370,400,000	370
			178,791,995	179
			143,101,852	143

			140,000,000	140
			95,172,000	95
h. Total notional amount of OTC derivatives (as defined by Schedule D Line item 3 in FR Y-15)	196,325,601		99,151,946,822	99,152
			22,977,037,796	22,977
			3,444,485,277	3,444
			2,911,898,324	2,912
			1,567,589,770	1,568
i. Total adjusted trading and AFS securities (as defined by Schedule D Line item 9 in FR Y-15)	13,979,789		9,119,584,850	9,120
			4,860,204,074	4,860
j. Assets valued for accounting purposes using Level 3 measurement inputs (as defined by Schedule D Line item 11 in FR Y-15)	1,030,715		977,882,275	978
			52,833,000	53
k. Foreign claims on an ultimate-risk basis (as defined by Schedule E Line item 1 in FR Y-15)	3,108,000		149,552,084	150
			100,619,246	101
			93,793,760	94
			77,305,068	77
			75,987,836	76
l. Total cross-jurisdictional liabilities (as defined by Schedule E Line item 4 in FR Y-15)	608,000		533,104,244	533

			15,240,692	15
			7,516,784	8
			6,525,217	7
			5,020,333	5
m. Total short-term wholesale funding (as defined by Schedule G Line item 6 to FR Y-15)	17,123,250		1,038,897,624	1,039
			725,343,762	725
			691,980,526	692
			528,966,296	529
			305,916,721	306

Sources: CFG FR Y-15, FR Y-6 (total security holders) and CFG Internal Reports

**Remaining Maturity for Total Short-Term Wholesale Funding for CFG**  
*As of 9/30/21; \$ in 000s*

Component	Total (in 000's)	Top Five Counterparties	Amount (Whole)	Rounded to MM	Notes
a. Total Short-term wholesale funding, by maturity (Y890, Y891, Y892, Y893)					
Remaining Maturity of 30 Days or Less	16,551,146		1,038,897,624	1,039	
			725,343,762	725	
			528,966,296	529	
			305,916,721	306	
			302,364,570	302	
Remaining Maturity of 31 to 90 Days	312,642		691,980,526	692	
			35,000,000	35	
			35,000,000	35	
			25,000,000	25	
			15,000,000	15	
			15,000,000	15	
Remaining Maturity of 91 to 180 Days	149,501		7,532,500	8	The top positions are Term Debt so there is



			3,000,000	3	no counterparty as those represent positions that are tradeable on the market.
			778,447	1	
			432,232	0	
			111,240	0	
Remaining Maturity of 181 to 365 Days	109,960		3,288,698	3	The top positions are Term Debt so there is no counterparty as those represent positions that are tradeable on the market.
			271,922	0	
			240,041	0	
			179,236	0	
			116,377	0	
b. Average Risk-Weighted Assets (Y895)	148,739,039	N/A (Counterparty is not applicable to RWA)			
c. Short-term wholesale funding metric (Y896)	11.5123%	N/A (Counterparty is not applicable to RWA which is needed for the calculation)			

### Investors Largest Counterparties for the Following Components\*

(\*Based on available internal financial information as Investors is not a FR Y-15 filer)

Component	Total (in 000's)	Top Five Counterparties	Amount (Whole)	Rounded to MM
a. Total exposure (as defined by Schedule A Line item 5 in FR Y-15)	6,033,747		1,975,120,649	1,975
			1,435,194,857	1,435
			872,760,691	873
			624,508,088	625
			175,000,000	175
b. Total intra-financial system assets (as defined by Schedule B Line item 6 in FR Y-15)	243,604*		15,000,000	15
			10,079,000	10
			10,000,000	10
			10,000,000	10
			5,000,000	5
	*Does not include OTC derivatives with positive fair value			
	1,624,258*		449,915,000	450

c. Total intra-financial system liabilities (as defined by Schedule B Line Item 12 to FR Y-15)			200,000,000	200
			150,000,000	150
			100,000,000	100
			75,000,000	75
	*Does not include OTC derivatives with negative fair value			
d. Total securities outstanding (as defined by Schedule B Line item 20 in FR Y-15)	3,742,519		528,098,927	528
			373,821,037	374
			249,860,773	250
			227,560,437	228
		215,907,394	216	
e. Payments activity (as defined by Schedule C Line item 2 in FR Y-15)				
	N/A			
f. Assets held as a custodian on behalf of customers (as defined by Schedule C Line item 3 in FR Y-15)				
	N/A			
g. Total underwriting activity (as defined by Schedule C Line item 6 in FR Y-15)				
	N/A			
h. Total notional amount of OTC derivatives (as defined by Schedule D Line item 3 in FR Y-15)	4,457,584		4,441,391,979	4,441
			16,192,306	16,192

i. Total adjusted trading and AFS securities (as defined by Schedule D Line item 9 in FR Y-15)	2,016,000*			
	*RC – Balance sheet does not include mortgage banking hedges (\$24M designated as trading)			
			2,016,000,000	2,016
j. Assets valued using Level 3 measurement inputs (as defined by Schedule D Line item 10 in FR Y-15)	0			
k. Foreign claims on an ultimate-risk basis (as defined by Schedule E Line item 1 in FR Y-15)	0			
l. Total cross-jurisdictional liabilities (as defined by Schedule E Line item 4 in FR Y-15)	0			
m. Total short-term wholesale funding (as defined by Schedule G Line item 6 to FR Y-15)	3,299,673		2,350,000,000	2,350
			475,000,000	475
			205,518,000	206
			83,844,000	84
			75,009,000	75

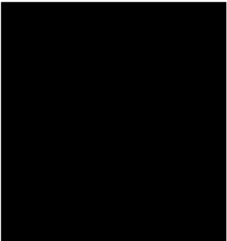
Sources: Investors Internal Reports

## Largest Counterparties for Each Component of Intra-Financial System Assets and Liabilities

*As of 9/30/2021; \$ in 000s (unless otherwise indicated)*

### CFG Largest Counterparties for Each Component of Intra-Financial Assets and Liabilities

Component	Total (in 000's)	Top Five Counterparties	Amount (Whole)	Rounded to MM
<b>a. For intra-financial system assets:</b>				
i. Funds deposited with or lent to other financial institutions				
(M351) Schedule B Line 1	792,931		238,639,233	239
			111,100,065	111
			43,229,159	43
			23,163,359	23
			15,575,841	16
ii. Unused portion of committed lines extended to other financial institution (J458) Schedule B Line 2				
	2,944,783		122,535,557	123
			114,702,878	115
			98,728,719	99
			95,000,000	95
			90,000,000	90
iii. Holdings of securities issued by other financial institutions (M352 + M353 + M354 + M345 + M356 – M357) (Schedule B lines 3a – 3f)				
	50		50,000	0

iv. Net positive current exposure of securities financial transactions (SFTs) with other financial institution (M358) Schedule B Line 4	-	N/R	N/R	
v. Over-the-counter (OTC) derivative contracts with other financial institutions that have a net positive fair value (M359 + M360) Schedule B Lines 5a and 5b	768,040	Top 5 counterparty data can be provided at a later date, if required		
<b>b. For intra-financial system liabilities:</b>				
i. Deposits due to other financial institutions (M363 + M364) Schedule B 7a and 7b	5,901,935		2,831,021,534	2,831
			1,076,397,046	1,076
			657,145,984	657
			635,000,000	635
			326,328,242	326
ii. Borrowings obtained from other financial institutions (Y833) Schedule B Line 8	-	N/R	N/R	
iii. Unused portion of committed lines obtained from other financial institutions (M365) Schedule B Line 9	-	N/R	N/R	
iv. Net negative current exposure of SFTs with other financial institution (M366) Schedule B Line 10	-	N/R	N/R	
v. OTC derivative contracts with other financial institutions that have a net negative fair value (M367 + M368) Schedule B 11a and 11b	643,638	Top 5 counterparty data can be provided at a later date, if required		

Sources: CFG FR Y-15 and CFG Internal Reports

## Investors Largest Counterparties for Each Component of Intra-Financial Assets and Liabilities\*

(\*Based on available internal financial information as Investors is not a FR Y-15 filer)

Component	Total (in 000's)	Top Five Counterparties	Amount (Whole)	Rounded to MM
<b>a. For intra-financial system assets:</b>				
i. Funds deposited with or lent to other financial institutions (M351) Schedule B Line 1	75,295	[REDACTED]	10,079	10
ii. Unused portion of committed lines extended to other financial institution (J458) Schedule B Line 2	0	[REDACTED]		
iii. Holdings of securities issued by other financial institutions (M352 + M353 + M354 + M345 + M356 – M357) (Schedule B lines 3a – 3f)	80,000	[REDACTED]	15,000	15
		[REDACTED]	10,000	10
		[REDACTED]	10,000	10
		[REDACTED]	10,000	10
		[REDACTED]	5,000	5
iv. Net positive current exposure of securities financial transactions (SFTs) with other financial institution (M358) Schedule B Line 4	0	[REDACTED]		
v. Over-the-counter (OTC) derivative contracts with other financial institutions that have a net positive fair value (M359 + M360) Schedule B Lines 5a and 5b	28,483	[REDACTED]	27,530,763	28
		[REDACTED]	952,699	1

**b. For intra-financial system liabilities:**

i. Deposits due to other financial institutions (M363 + M364)  
Schedule B 7a and 7b

0

ii. Borrowings obtained from other financial institutions (Y833)  
Schedule B Line 8

449,915,000

■

449,915,000

450

iii. Unused portion of committed lines obtained from other  
financial institutions (M365) Schedule B Line 9

0

iv. Net negative current exposure of SFTs with other financial  
institution (M366) Schedule B Line 10

0

v. OTC derivative contracts with other financial institutions that  
have a net negative fair value (M367 + M368) Schedule B 11a  
and 11b

152,123

■

152,123,000

102

*Sources: Investors Internal Reports*



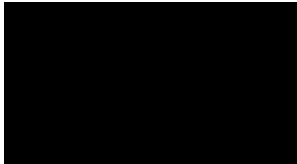

**Current Market Exposure of OTC Derivatives**  
*As of 9/30/2021*

**CFG Market Exposure of OTC Derivatives**

Component	Top Five Counterparties	Amount (Whole)	Rounded to MM
<b>a. Positive current exposure after netting arrangements.</b>			
<b>Gross</b>		22,269,091	22
		14,188,300	14
		13,144,646	13
		11,715,605	12
		10,400,544	10
<b>Net</b>		22,269,091	22
		14,188,300	14
		13,144,646	13
		11,715,605	12
		10,400,544	10
<b>b. Negative current exposure after netting arrangements.</b>			
<b>Gross</b>		(230,506,981)	(231)
		(146,633,939)	(147)
		(134,702,804)	(135)
		(88,110,170)	(88)
		(79,399,929)	(79)
<b>Net</b>		(230,506,981)	(231)
		(146,633,939)	(147)
		(134,702,804)	(135)
		(88,110,170)	(88)
		(79,399,929)	(79)

Source: CFG Internal Reports

### Investors Market Exposure of OTC Derivatives

Component	Top Five Counterparties	Amount (Whole)	Rounded to MM
<b>a. Positive current exposure after netting arrangements.</b>			
Gross 28,483,462		27,530,763	28
		952,699	1
	*includes customer swaps		
Net 28,483,462			
<b>b. Negative current exposure after netting arrangements.</b>			
Gross (152,123,000)		(152,123,000)	(152)
Net (152,123,000)	*incudes customer swaps		

Source: Investors Internal Reports

**CFG Total Deposits***As of 9/30/21*

<b>9/30/2021</b>	<b>Amount (Whole)</b>	<b>Rounded to Millions</b>	<b>Comments</b>
Total Deposits:	159,274,377,386	159,274	RC-O 1
Core Deposits:	158,189,791,018	158,190	Total less brokered
Brokered Deposits:	1,084,586,368	1,085	RCE_M_1B
Uninsured Deposits:	78,315,485,292	78,315	RC-O M2

## Investors Total Deposits

*As of 9/30/21*

<b>9/30/2021</b>	<b>Amount (Whole)</b>	<b>Rounded to Millions</b>	<b>Comments</b>
Total Deposits:	20,400,424,000	20,400	RC-O 1
Core Deposits:	19,664,707,000	19,665	Total less brokered
Brokered Deposits:	735,717,000	735	RCE_M_1B
Uninsured Deposits:	10,392,908,000	10,393	RC-O M2

**PUBLIC EXHIBIT B**

**Approval Letter from Connecticut Department of Banking**



STATE OF CONNECTICUT  
**DEPARTMENT OF BANKING**  
260 CONSTITUTION PLAZA • HARTFORD, CT 06103-1800



**Jorge L. Perez**  
Commissioner

September 24, 2019

Brian F. Doran, Esq.  
Chief Administrative Officer  
Investors Bank  
101 JFK Parkway  
Short Hills, NJ 07078

**Re: Loan Production Office Application – 100 Mill Plain Road, 3<sup>rd</sup> Floor, Danbury, CT**

Dear Mr. Doran:

I am responding to your application, received by the Department of Banking on August 20, 2019 with additional information provided on September 16, 2019, in which you request approval for Investors Bank to establish a loan production office at 100 Mill Plain Road, 3<sup>rd</sup> Floor, Danbury, CT pursuant to Connecticut General Statutes § 36a-412(d). Notice of the application was published in *The Department of Banking News Bulletin* #2897 for the week ending August 30, 2019 and no comments were received.

Pursuant to § 36a-412(d) and based on the representations in your application, I hereby approve your application to establish this loan production office. Please notify us as to the opening date of the office and the hours to be maintained.

If you have any questions concerning this letter, please contact James Clarke, Associate Financial Examiner for the Financial Institutions Division, at (860) 240-8190.

Sincerely,

**Jorge L. Perez**  
Banking Commissioner

TEL: (860) 240-8299

FAX: (860) 240-8178

*An Affirmative Action/Equal Opportunity Employer*  
website: <http://www.ct.gov/dob>

**PUBLIC EXHIBIT C**

**Non-objection Letter from the North Carolina Commissioner of Banks**



# State of North Carolina

OFFICE OF THE COMMISSIONER OF BANKS

ROY COOPER  
GOVERNOR

October 14, 2019

RAY GRACE  
COMMISSIONER OF BANKS

Brian F. Doran, Esq.  
Chief Administrative Officer  
Investors Bank  
101 JFK Parkway  
Short Hills, NJ 07078

Subject: **Notification of Non-Branch Bank Business Office; Charlotte, NC**

Dear Mr. Doran:

This letter acknowledges receipt and review of your letter and attachments dated October 3, 2019, on behalf of Investors Bank ("Bank"), Short Hills, New Jersey. The Bank intends to establish a non-branch bank business office ("NBBO") to be located at 3440 Toringdon Way, Charlotte, North Carolina. The Bank intends to operate the facility as a loan production office

Your notification is in compliance with North Carolina General Statute §53C-6-18; therefore, the Commissioner of Banks does not object to the establishment of the NBBO. As a reminder, the following activities are prohibited at NBBOs in this state:

- Deposits may not be accepted;
- Loans may not be approved; and
- Loan proceeds may not be disbursed.

If you have any questions, please contact Director of Bank Supervision Patrick D. Brennan at (919) 715-7729, or [pbrennan@nccob.gov](mailto:pbrennan@nccob.gov).

Sincerely,

for

A handwritten signature in blue ink that reads "Rowe Campbell".

Rowe Campbell  
Chief Deputy Commissioner

cc: Richard Poliner, Chief Examiner, New Jersey Department of Banking and Insurance  
Frank R. Hughes, Regional Director, Federal Deposit Insurance Corporation