Citizens Bank

January 3, 2011

Mr. Robert E. Feldman, Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

File Reference: **RIN 3064-AD66 Assessments, Large Bank Pricing NPR**

Citizens Financial Group, Inc. ("CFG") appreciates the opportunity to comment on the FDIC's proposed rulemaking. CFG is a $140 billion commercial bank holding company and a wholly-owned subsidiary of The Royal Bank of Scotland Group. CFG has two subsidiaries that are insured depository institutions ("IDIs"), both of which offer a variety of products and services primarily in the northeastern United States.

While we generally support the FDIC's intent to determine insurance premium based on the level of risk each IDI poses to the Depositors Insurance Fund ("DIF"), we are concerned there is inequity in the assessment base formula. The proposed assessment base equals average consolidated total assets minus average tangible equity, defined in the proposal as Tier 1 Capital. We support using Tier 1 Capital for average tangible equity as this is an established, well understood definition that is relevant to mitigating the risk of loss to the DIF. We are opposed to using total assets instead of tangible assets because total assets include goodwill and other intangibles which are generally excluded from Tier 1 Capital. We believe the intent of the assessment is to cover all liabilities of the IDI, however, total assets minus tangible equity equals an assessment base of total liabilities plus goodwill and other intangibles.

The result is an assessment base that triggers an additional cost to those IDIs that recorded goodwill for acquisitions under U.S. generally accepted accounting principles. There is also additional cost for IDIs that have an intangible asset for mortgage servicing rights on the balance sheet.

While we recognize that the assessment base definition is the result of specific requirements in The Dodd-Frank Wall Street Reform and Consumer Protection Act, we respectfully request that the FDIC consider defining total assets as "Average total assets for leverage capital purposes," an amount already available from the FDIC Call Report Schedule RC-R on Line 27. Such a designation would remove intangible assets from the equation and thus would be symmetrical with the average tangible equity component, but more importantly, it would more effectively measure the risk profile of the IDI. Under this revised definition, IDIs with large balances of relatively less risky assets would not be punished while those with more risky balances sheets would not be rewarded. This would be more in line with the stated desire to implement a fair, risk-based assessment model. Alternatively, we ask that you consider implementing a pricing adjustment to alleviate the disproportionate burden this places on IDIs with intangible assets on the balance sheet.

I would be happy to discuss any of the above comments with you. You can reach me via telephone at 401-757-5421 or email at Ronald.S.Ohsberg@citizensbank.com .

Respectfully yours,

Ronald S. Ohsberg

Ronald S. Ohsberg
Senior Vice President and Controller
Citizens Financial Group, Inc.
1 Citizens Drive, RSD 200
East Providence, RI 02915