Citizens
Financial Group, Inc.

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Providence, RI 02903

LETTER OF COMMENT NO. 160

March 30, 2009

Mr. Russell Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merrill 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Proposed Amendment to FASB Statement FSP FAS 115-a, FAS 124-a and EITF 99-20-b.

Dear Mr. Golden:

Citizens Financial Group ("CFG") is pleased to respond to the FASB's invitation to comment on the proposed standard FSP FAS 115-a, FAS 124-a, and EITF 99-20-b. CFG is a domestic super-regional bank and a wholly owned subsidiary of the Royal Bank of Scotland Group.

CFG welcomes the Board's goals of making the other-than-temporary impairment guidance more operational and improving the presentation of other-than-temporary impairments in the financial statements. The following bullet points summarize our collective view on the changes being proposed in this amendment:

- We strongly believe that the recognition of OTTI on debt securities should strictly be limited to ***probable credit losses***, which we agree should be included in an entity's periodic earnings. Unrealized losses due to non-credit-related factors (such as interest rates, liquidity, etc.) should either be (1) included in Other Comprehensive Income for securities classified as Available-for-Sale (as part of the ongoing SFAS 115 mark-to-market accounting process), or (2) disregarded for securities classified as Held-to-Maturity. This treatment is justified by the fact that unrealized losses resulting from changes in general market conditions effectively disappear over time (absent the existence of additional credit losses).

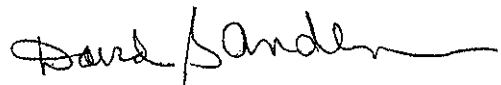
- We request that additional guidance be provided on determining the amount of credit losses to be recorded in earnings in the event that an impairment is deemed other-than-temporary. A materiality discussion regarding these losses is also desired, as the current Standard requires immediate asset write-downs even when projected credit losses are immaterial.

- We believe that the Standard should permit the ***reversal of credit losses*** recognized in earnings, in the event that a previously-impaired security has subsequently improved in credit quality. Such accounting treatment is consistent with the approach discussed in SFAS 114, and would represent a point of convergence with IAS 39 (which also permits such reversals).

- We request that the language related to ***management's intent & ability*** to hold (or not sell) an impaired security be removed from the discussion of OTTI altogether. SFAS 115 already requires cumulative gains & losses on securities classified as Available-for-Sale to be recognized in earnings upon sale. The *intent and ability* requirement (along with the corresponding portfolio "tainting" rules) has been strictly enforced to the point where the application of sound risk management practices has been significantly hindered (particularly in periods when interest rate & market liquidity factors have forced market prices sharply downward). The Standard should permit entities to periodically sell "Available-for-Sale" securities at realized losses without any threat of potentially tainting the remainder of its securities portfolio. Furthermore such a change would represent a point of convergence with IAS 39, which does not contain a similar *intent & ability* requirement.

In conclusion, Citizens Financial Group supports the proposed amendment. Specifically we strongly agree with the proposal to recognize only credit losses through earnings, and we believe that this change should be made retroactively to the beginning of the current reporting year. However, as outlined above, we believe that there are several aspects of the accounting for OTTI that require addressing prior to the issuance of final guidance on this topic.

Sincerely,



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