



Citizens Financial Group, Inc. (CFG)

Updated April 27th, 2026, by Josh Arnold

Key Metrics

Current Price:	\$64	5 Year CAGR Estimate:	21.0%	Market Cap:	\$27 B
Fair Value Price:	\$62	5 Year Growth Estimate:	20.0%	Ex-Dividend Date:	04/30/26
% Fair Value:	103%	5 Year Valuation Multiple Estimate:	-0.5%	Dividend Payment Date:	05/14/26
Dividend Yield:	2.9%	5 Year Price Target	\$155	Years Of Dividend Growth:	4
Dividend Risk Score:	C	Sector:	Financials	Rating:	Hold

Overview & Current Events

Citizens Financial Group is a bank holding company for Citizens Bank, a regional bank that is based in Providence, Rhode Island. Citizens operates in two segments: Consumer Banking and Commercial Banking. The consumer segment offers traditional banking products and services, such as deposit accounts, home and education loans, credit cards, business loans, mortgage and home equity loans, personal loans, auto finance loans, and wealth management. The commercial segment offers a full suite of financial products and services to businesses, including treasury management, cash management, forex and interest rate risk solutions, M&A advisory services, and more. Citizens traces its roots back to 1828 and operates about 1,000 branches in 11 states in the U.S. The stock trades with a market capitalization of \$27 billion, and Citizens should generate roughly \$9 billion in revenue this year.

Citizens posted first quarter earnings on April 16th, 2026, and results were good once again. Revenue was up almost 12% year-over-year to \$2.17 billion, and beat expectations by \$10 million. Earnings were \$1.13 per share on a GAAP basis, which was four cents ahead of estimates.

The management team noted strength in earnings came from strong net interest income, which itself was from margin expansion and loan growth, as well as good fee income performance. Net interest margin was up a very impressive 24 basis points from the year-ago period. Management noted the first quarter was a new record in terms of fee revenue performance.

The company's efficiency program – labeled Reimagine the Bank – is well on its way to its \$450 million target by the end of 2028. Citizens says it should achieve \$100 million of that this year in terms of annualized run rate benefits.

Shareholder returns were \$500 million during the first quarter, with ~\$200 million in repurchases and about \$300 million in dividends.

We have boosted our estimate of earnings by a dime for this year to \$5.20 after a good start to the year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$1.97	\$3.25	\$3.52	\$3.81	\$2.22	\$5.34	\$4.84	\$3.88	\$3.24	\$3.86	\$5.20	\$12.94
DPS	\$0.46	\$0.64	\$0.98	\$1.36	\$1.56	\$1.56	\$1.62	\$1.64	\$1.68	\$1.72	\$1.84	\$2.35
Shares¹	512	491	466	433	427	422	496	466	441	429	418	400

Citizens once had strong, sustained growth, but that hasn't been the case since the COVID recession. Citizens had been seeing strong credit metrics based on prudent underwriting strategies, resulting in lower net charge-offs and allowances for credit losses until recently. Citizens, like just about every other bank of reasonable size, took huge credit loss provisions in 2020, but those were largely unwound in 2021 as actual results were much better than originally feared during the worst of the pandemic. We note that Citizens is seeing higher lending margins and lower expenses, both of which are showing strong signs of improvement from recent quarters. The bank is on pace to best its COVID-era earnings peak in 2027, an impressive feat. Based on estimates for 2026, we have moved our growth forecast to 20% annually. We believe Citizens has made it through the worst period of earnings headwinds and see a brighter future

¹ Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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ahead, and current estimates are for very strong growth ahead. Rising lending margins and lower expenses bode well for future earnings.

We see the dividend rising in the years to come as Citizens’ payout ratio is low compared to many regional banks. The dividend has proven to be a priority to management, and we believe it has the potential to hit \$2.35 per share by 2031. We note that Citizens raised its payout for the first time in 2.5 years in mid-2022, and is now on a run of four consecutive years of increases.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	12.3	11.2	11.5	9.3	12.6	10.8	8.1	8.5	13.5	15.1	12.3	12.0
Avg. Yld.	1.9%	1.8%	2.4%	3.8%	5.6%	3.4%	4.1%	4.9%	3.8%	2.9%	2.9%	1.5%

Citizens has been valued in the low-double-digits for the past handful of years, excluding 2022, and we peg fair value at 12 times earnings. Shares trade at 12.3 times this year’s earnings, implying a fractional negative valuation impact. The yield is also strong at 2.9%, and we see it drifting below 2% on strong earnings growth.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	23%	20%	28%	36%	70%	29%	33%	42%	52%	45%	35%	18%

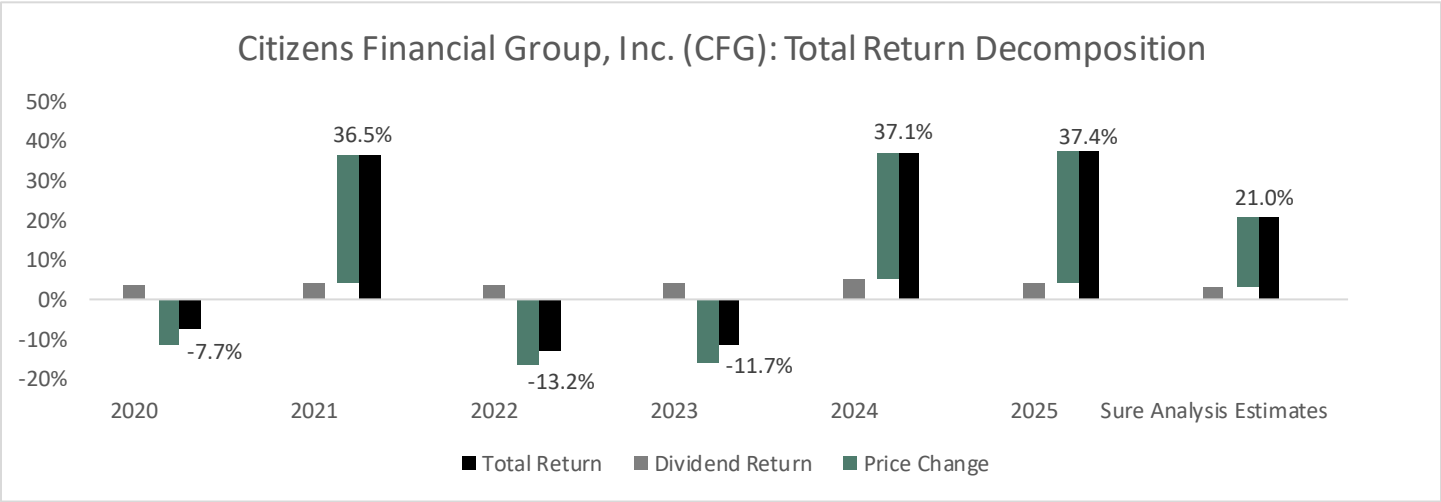
We see the payout ratio declining from here in the years to come, as earnings growth should outpace dividend growth. We have no dividend safety concerns at this point.

Citizens, like any other bank, is beholden to economic conditions. Citizens didn’t exist in its current form during the Great Recession, but regional banks in general are quite susceptible to recessions, and indeed 2020 showed what kind of impact a recession can have on earnings. Citizens, also like other regional banks, doesn’t really enjoy any competitive advantages, as services are commoditized in banking to a large extent.

Final Thoughts & Recommendation

Expected total returns have declined slightly but remain very high, but we’re reiterating the stock at a hold rating on its dividend growth streak. Dividend safety is strong, and the current yield is more than double that of the S&P 500, so we see Citizens as a strong income stock. Total returns could accrue from 20% growth, a modest valuation headwind, and the 2.9% yield.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5,255	5,707	6,128	6,491	6,905	6,647	8,052	8,224	7,809	8,247
SG&A Exp.	1,932	2,008	2,113	2,200	2,289	2,132	2,811	3,176	2,657	---
D&A Exp.	515	487	489	633	578	625	565	478	498	478
Net Profit	1,045	1,652	1,721	1,791	1,057	2,319	2,073	1,608	1,509	1,831
Net Margin	19.9%	28.9%	28.1%	27.6%	15.3%	34.9%	25.8%	19.6%	19.3%	22.2%
Free Cash Flow	1,187	1,443	1,535	1,602	(7)	2,151	3,993	2,789	1,879	2037
Income Tax	489	260	462	460	241	658	582	422	379	497

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets (\$B)	149.5	152.3	160.5	165.7	183.3	188.4	226.7	222.0	217.5	226.4
Cash & Equivalents	4,143	3,224	4,222	3,683	13,039	9,474	10,850	12,033	11,236	1,464
Goodwill & Int. Ass.	6,876	6,887	6,923	7,044	7,050	7,116	8,370	8,345	8,333	8302
Total Liabilities (\$B)	129.8	132.1	139.7	143.5	160.7	165.0	203.0	197.6	193.3	200.0
Long-Term Debt	16,001	13,621	16,086	14,056	8,358	7,006	15,890	13,972	12,401	11,224
Shareholder's Equity	19,500	20,023	19,977	20,631	20,708	21,406	21,676	22,328	22,141	24,206
LTD/E Ratio	0.81	0.67	0.77	0.63	0.37	0.30	0.67	0.57	0.51	0.43

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.7%	1.1%	1.1%	1.1%	0.6%	1.2%	1.0%	0.7%	0.7%	0.8%
Return on Equity	5.4%	8.4%	8.6%	8.8%	5.1%	11.0%	9.6%	7.3%	6.2%	7.2%
ROIC	3.1%	4.7%	4.9%	4.9%	3.1%	7.5%	5.9%	4.1%	4.0%	4.9%
Shares Out.	512	491	466	433	427	422	478	477	454	437
Revenue/Share	10.03	11.33	12.76	14.37	16.13	15.55	16.79	17.25	17.22	27.60
FCF/Share	3.13	3.83	2.31	1.84	2.89	5.03	8.36	5.85	4.14	4.66

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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