Resolution Plans for Capital One Financial Corporation, Capital One Bank (USA), N.A., and Capital One, N.A.

Section 1: Public Section

December 2013

Table of Contents

I. SUMMARY OF RESOLUTION PLANS

Introduction

The final resolution plan rule (the "Joint Resolution Plan Rule") issued jointly by the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the Federal Deposit Insurance Corporation (the "FDIC"), pursuant to Title I, Section 165(d), of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), requires Capital One Financial Corporation ("COFC", and together with its subsidiaries "Capital One" or the "Company"), as well as all large banking organizations, to prepare a resolution plan for COFC (the "COFC Resolution Plan"). Section 165(d) requires that all bank holding companies with total consolidated assets of $50 billion or more and certain non-bank financial companies ("covered companies") develop a contingency plan for orderly liquidation. The purpose of this provision is to provide regulators with a better understanding of a covered company's structure and relative level of complexity as well as its resolution strategies and processes. The plan also assists regulators in their supervisory efforts to ensure that each covered company operates in a safe and sound manner and does not pose undue risks to the financial system, generally.

The FDIC's Resolution Plan Rule for Covered Insured Depository Institutions (the "Bank Rule") requires Capital One to prepare resolution plans (the "Bank Plans") for each of Capital One Bank (USA), N.A. ("COBNA") and Capital One, N.A. ("CONA") as well. The Bank Rule requires that each insured depository institution with $50 billion or more in total assets prepare a plan demonstrating how the institution could be resolved in an orderly and timely manner in the event of receivership.

As required under applicable regulations and supervisory guidance, the plans consider strategies for the resolution of COFC, COBNA, and CONA under the assumption that an idiosyncratic event of failure has occurred at these entities, and assumes that this idiosyncratic event does not occur during a system-wide crisis. These plans have been submitted to the Federal Reserve and the FDIC, in the case of the COFC plan, and to the FDIC, in the case of the COBNA and CONA plans, and provide detailed roadmaps for the orderly resolution of COFC, COBNA, and CONA under such a hypothetical scenario. In the event that resolution of COFC, COBNA, and CONA were required, the fact that the vast majority of Capital One's core business lines are operated through the Company's national bank subsidiaries, COBNA and CONA, contributes to the resolvability of COFC, COBNA, and CONA under the U.S. Bankruptcy Code and the Federal Deposit Insurance Act.

More information on the strategy for the resolution of these entities is found below in Section K of this Public Section.

A. Material Entities

Capital One has identified four "material entities" for purposes of resolution planning: COBNA, CONA, Capital One Services, LLC ("COSL"), and Capital One Services II, LLC ("COSL II"). A "material entity" of COFC under the Joint Resolution Plan Rule is a subsidiary or foreign office of COFC that is significant to the activities of a critical operation or core business line of COFC. A "material entity" under the Bank Rule is a company that is significant to the activities of a critical service[1] or core business line of COBNA or CONA. Capital One does not have any critical operations for resolution planning purposes.

Capital One Financial Corporation. COFC, a Delaware Corporation headquartered in McLean, Virginia, is a publicly traded bank holding company that has made an effective election to be treated as a financial holding company. COFC, through its subsidiaries, offers a broad array of financial products and services to consumers, small businesses, and commercial clients through branches, the internet, and other distribution channels. COFC is the "covered company" for purposes of the Joint Resolution Plan Rule.

[1] Under the Bank Rule, "critical services" means services and operations of the bank, such as servicing, information technology support and operations, human resources, and personnel, which are necessary to continue the day-to-day operations of the bank.

Capital One Bank (USA), National Association. COBNA is a national association headquartered in Glen Allen, Virginia. COBNA offers credit and debit card products, other lending products, and deposit products. COBNA is wholly owned by COFC. COBNA is a material entity for purposes of the COFC Resolution Plan and the Bank Plans.

Capital One, National Association. CONA is a national association headquartered in McLean, Virginia. CONA offers a broad spectrum of banking products and financial services to consumers, small businesses, and commercial clients. CONA is wholly owned by COFC. CONA is a material entity for purposes of the COFC Resolution Plan and the Bank Plans.

Capital One Services, LLC. COSL is a Delaware limited liability company wholly owned by CONA. COSL provides services to COFC, COBNA, CONA, and their subsidiaries, including account management, creative design, database management, legal, accounting, audit, treasury, human resources, and other operational and managerial services. COSL is a material entity for purposes of the COFC Resolution Plan and the Bank Plans.

Capital One Services II, LLC. COSL II is a Delaware limited liability company wholly owned by COSL, through which COSL provides certain services to COFC, COBNA, CONA, and their subsidiaries. COSL II is a material entity for purposes of the COFC Resolution Plan and the Bank Plans.

Exhibit A.1: Material Entities (by Each Entity Required to File a Resolution Plan)

	COFC	COBNA	CONA
Material Entities	Capital One Bank (USA), N.A. Capital One, N.A. Capital One Services, LLC Capital One Services II, LLC	Capital One Bank (USA), N.A. Capital One, N.A. Capital One Services, LLC Capital One Services II, LLC	Capital One Bank (USA), N.A. Capital One, N.A. Capital One Services, LLC Capital One Services II, LLC

B. Description of Core Business Lines

Capital One has identified five core business lines for purposes of resolution planning. For purposes of the Joint Resolution Plan Rule, a “core business line” is a business, including its associated operations, services, functions, and support, that upon failure would result in a material loss of revenue, profit, or franchise value to COFC. For purposes of the Bank Rule, a “core business line” of COBNA or CONA is a business line of the bank, including associated operations, services, functions, and support, that, in the view of the bank, upon failure would result in a material loss of revenue, profit, or franchise value to the bank.

Domestic Card. Capital One provides domestic consumer and small business card lending and other lending products through the Domestic Card business.

Retail Banking. Capital One provides branch-based lending and deposit services for consumers and small businesses and national deposit services through the Retail Banking business. Capital One services banking customer accounts through branch locations primarily in New York, New Jersey, Texas, Louisiana, Maryland, Virginia, and the District of Columbia and through the internet.

Auto Finance. Capital One’s Auto Finance business offers a wide range of automobile finance products through both indirect (dealer originated) and direct channels.

Home Loans. Capital One offers new home buyers and existing home owners a variety of mortgage products to finance new home purchases or refinance existing loans through its Home Loans business.

Commercial Banking. Capital One provides commercial real estate and commercial and industrial customers with lending, deposit gathering, and treasury management services through the Commercial Banking business. Commercial Banking customers typically include companies with annual revenues between $10 million to $1.0 billion.

Exhibit B.1: Core Business Lines (by Each Entity Required to File a Resolution Plan)

	COFC	COBNA	CONA
Core Business Lines	Domestic Card Retail Banking Auto Finance Home Loans Commercial Banking	Domestic Card Retail Banking	Domestic Card Retail Banking Auto Finance Home Loans Commercial Banking

Capital One organizes its principal operations for management reporting purposes in COFC's periodic reports filed with the Securities and Exchange Commission ("SEC") into three primary business segments, defined primarily based on the products and services provided or the type of customer served: Credit Card, Consumer Banking, and Commercial Banking. The core business lines that Capital One has identified for purposes of these resolution plans and the business segments that Capital One uses for purposes of COFC's periodic reports filed with the SEC are prepared for these different purposes and, as such, information included in these plans for core business lines do not, and are not intended to, correlate to business segments used for management reporting purposes, and vice versa.

C. Summary of Financial Information Regarding Assets, Liabilities, Capital, and Major Funding Sources

The following tables present (a) consolidated balance sheets for COFC, as of December 31, 2012 and December 31, 2011, from the Company's Annual Report on Form 10-K for the period ended December 31, 2012, filed with the SEC; and (b) consolidated balance sheets for COBNA and CONA, respectively, as of December 31, 2012 and December 31, 2011, from each bank's respective call reports.

CAPITAL ONE FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEET

(Dollars in millions, except per share data)	December 31, 2012	December 31, 2011
Assets:		
Cash and cash equivalents:		
Cash and due from banks	**$ 3,440**	$ 2,097
Interest-bearing deposits with banks	**7,617**	3,399
Federal funds sold and securities purchased under agreements to resell	**1**	342
Total cash and cash equivalents	**11,058**	5,838
Restricted cash for securitization investors	**428**	791
Securities available for sale, at fair value	**63,979**	38,759
Loans held for investment:		
Unsecuritized loans held for investment, at amortized cost	**162,059**	88,242
Restricted loans for securitization investors	**43,830**	47,650
Total loans held for investment	**205,889**	135,892
Less: Allowance for loan and lease losses	**(5,156)**	(4,250)
Net loans held for investment	**200,733**	131,642
Loans held for sale, at lower of cost or fair value	**201**	201
Premises and equipment, net	**3,587**	2,748
Interest receivable	**1,694**	1,029
Goodwill	**13,904**	13,592
Other	**17,334**	11,419
Total assets	**$ 312,918**	$ 206,019
Liabilities:		
Interest payable	**$ 450**	$ 466
Customer deposits:		
Non-interest bearing deposits	**22,467**	18,281
Interest bearing deposits	**190,018**	109,945
Total customer deposits	**212,485**	128,226
Securitized debt obligations	**11,398**	16,527
Other debt:		
Federal funds purchased and securities loaned or sold under agreements to repurchase	**1,248**	1,464
Senior and subordinated notes	**12,686**	11,034
Other borrowings	**24,578**	10,536
Total other debt	**38,512**	23,034
Other liabilities	**9,574**	8,100
Total liabilities	**272,419**	176,353
Commitments, contingencies and guarantees (see Note 21 to Financial Statements in Annual Report on Form 10-K for the period ending December 31, 2012)		
Stockholders' equity:		
Preferred stock, par value $.01 per share; 50,000,000 shares authorized; 875,000 shares and zero shares issued and outstanding as of December 31, 2012 and 2011, respectively	**0**	0
Common stock, par value $.01 per share; 1,000,000,000 shares authorized; 631,806,585 and 508,594,308 shares issued as of December 31, 2012 and 2011, respectively, and 582,207,133 and 459,947,217 shares outstanding as of December 31, 2012 and 2011, respectively	**6**	5
Additional paid-in capital, net	**26,188**	19,274
Retained earnings	**16,853**	13,462
Accumulated other comprehensive income	**739**	169
Less: Treasury stock, at cost; par value $.01 per share; 49,599,452 and 48,647,091 shares as of December 31, 2012 and 2011, respectively	**(3,287)**	(3,244)
Total stockholders' equity	**40,499**	29,666
Total liabilities and stockholders' equity	**$ 312,918**	$ 206,019

CAPITAL ONE BANK (USA), NATIONAL ASSOCIATION
CONSOLIDATED BALANCE SHEET

(Dollars in millions)	December 31, 2012	December 31, 2011
Assets:		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin	**$ 1,035**	$ 665
Interest-bearing balances	**1,604**	1,146
Securities:		
Held-to-maturity securities	**0**	0
Available-for-sale securities	**9,496**	9,338
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold in domestic offices	**0**	0
Securities purchased under agreements to resell	**0**	0
Loans and lease financing receivables:		
Loans and leases held for sale	**0**	0
Loans and leases, net of unearned income	**65,082**	58,127
LESS: Allowance for loan and lease losses	**3,157**	2,694
Loans and leases, net of unearned income and allowance	**61,925**	55,433
Trading assets	**0**	0
Premises and fixed assets	**863**	771
Other real estate owned	**0**	0
Investments in unconsolidated subsidiaries and associated companies	**955**	654
Direct and indirect investments in real estate ventures	**0**	0
Intangible assets:		
Goodwill	**314**	98
Other intangible assets	**1,202**	58
Other assets	**3,204**	2,944
Total assets	**$ 80,599**	$ 71,108
Liabilities:		
Deposits:	**$**	$
In domestic offices:	**41,035**	40,349
Noninterest-bearing	**218**	158
Interest bearing	**40,817**	40,190
In foreign off ices, Edge and Agreement subsidiaries, and IBFs:	**110**	102
Noninterest-bearing	**110**	102
Interest bearing	**0**	0
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased in domestic offices	**6,862**	0
Securities sold under agreements to repurchase	**0**	0
Trading liabilities	**0**	0
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	**17,502**	17,588
Subordinated notes and debentures	**2,285**	2,276
Other liabilities	**4,292**	3,699
Total liabilities	**72,086**	64,014
Equity Capital:		
Perpetual preferred stock and related surplus	**0**	0
Common stock	**100**	100
Surplus (excludes all surplus related to preferred stock)	**4,107**	4,757
Retained earnings	**4,212**	2,260
Accumulated other comprehensive income	**90**	(25)
Other equity capital components	**0**	0
Total bank equity capital	**8,510**	7,091
Noncontrolling (minority) interests in consolidated subsidiaries	**3**	3
Total equity capital	**8,513**	7,094
Total liabilities and equity capital	**$ 80,599**	$ 71,108

CAPITAL ONE, NATIONAL ASSOCIATION
CONSOLIDATED BALANCE SHEET

(Dollars in millions)	December 31, 2012	December 31, 2011
Assets:		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin	**$ 2,721**	$ 1,667
Interest-bearing balances	**18,851**	2,219
Securities:		
Held-to-maturity securities	**9**	3
Available-for-sale securities	**54,109**	29,367
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold in domestic offices	**6,862**	0
Securities purchased under agreements to resell	**0**	0
Loans and lease financing receivables:		
Loans and leases held for sale	**201**	201
Loans and leases, net of unearned income	**140,904**	77,599
LESS: Allowance for loan and lease losses	**1,995**	1,555
Loans and leases, net of unearned income and allowance	**138,910**	76,044
Trading assets	**685**	584
Premises and fixed assets	**2,047**	1,772
Other real estate owned	**201**	164
Investments in unconsolidated subsidiaries and associated companies	**1,382**	1,225
Direct and indirect investments in real estate ventures	**0**	0
Intangible assets:		
Goodwill	**13,587**	13,491
Other intangible assets	**1,422**	645
Other assets	**9,975**	6,096
Total assets	**$ 250,961**	$ 133,478
Liabilities:		
Deposits:	**$**	$
In domestic offices:	**190,615**	95,375
Noninterest-bearing	**26,470**	18,453
Interest bearing	**164,146**	76,922
In foreign off ices, Edge and Agreement subsidiaries, and IBFs:	**1,123**	1,688
Noninterest-bearing	**0**	0
Interest bearing	**1,123**	1,688
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased in domestic offices	**13**	15
Securities sold under agreements to repurchase	**1,235**	1,450
Trading liabilities	**273**	395
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	**16,511**	6,419
Subordinated notes and debentures	**0**	0
Other liabilities	**4,549**	3,439
Total liabilities	**214,319**	108,781
Equity Capital:		
Perpetual preferred stock and related surplus	**0**	0
Common stock	**24**	24
Surplus (excludes all surplus related to preferred stock)	**34,118**	23,892
Retained earnings	**1,877**	569
Accumulated other comprehensive income	**623**	210
Other equity capital components	**0**	0
Total bank equity capital	**36,641**	24,695
Noncontrolling (minority) interests in consolidated subsidiaries	**2**	2
Total equity capital	**36,642**	24,697
Total liabilities and equity capital	**$ 250,961**	$ 133,478

The following table presents COFC's capital ratios under the capital adequacy standards of the Federal Reserve and the capital ratios of COBNA and CONA under the capital adequacy standards of the Office of the Comptroller of the Currency (the "OCC"), as of December 31, 2012 and December 31, 2011:

CAPITAL RATIOS UNDER BASEL I

	December 31,					
	2012			2011		
	Capital Ratio	Minimum Capital Adequacy	Well Capitalized	Capital Ratio	Minimum Capital Adequacy	Well Capitalized
Capital One Financial Corporation						
Tier 1 common	11.0%	N/A	N/A	9.7%	N/A	N/A
Tier 1 risk-based capital	11.3	4.0%	6.0%	12.0	4.0%	6.0%
Total risk-based capital	13.6	8.0	10.0	14.9	8.0	10.0
Tier 1 leverage	8.7	4.0	N/A	10.1	4.0	N/A
Capital One Bank (USA), N.A.						
Tier 1 risk-based capital	11.3%	4.0%	6.0%	11.2%	4.0%	6.0%
Total risk-based capital	14.7	8.0	10.0	15.0	8.0	10.0
Tier 1 leverage	10.4	4.0	5.0	10.2	4.0	5.0
Capital One, N.A.						
Tier 1 risk-based capital	13.6%	4.0%	6.0%	11.0%	4.0%	6.0%
Total risk-based capital	14.9	8.0	10.0	12.2	8.0	10.0
Tier 1 leverage	9.1	4.0	5.0	8.7	4.0	5.0

Additional information related to Capital One's assets, liabilities, and capital is contained in COFC's periodic reports filed with the SEC. Additional information related to COBNA's and CONA's assets, liabilities, and capital is contained in each respective bank's call report.

C.1. Major Funding Sources

The Company has established liquidity guidelines that are intended to ensure that it has sufficient asset-based liquidity to withstand the potential impact of deposit attrition or diminished liquidity in the funding markets. These guidelines include maintaining an adequate liquidity reserve to cover our potential funding requirements and diversified funding sources to avoid over-dependence on volatile, less reliable funding markets. The Company's liquidity reserves consist of cash and cash equivalents and unencumbered available-for-sale securities.

Capital One uses a variety of funding sources, including deposits, federal funds purchased and securities loaned or sold under agreements to repurchase, senior and subordinated notes and other borrowings, asset-backed securities, and FHLB advances secured by certain portions of loan and investment securities portfolios. Deposits provide a stable and relatively low cost of funds and are Capital One's largest source of funding.

CONA's principal source of funding is customer deposits. CONA gathers core consumer and commercial deposits through branch locations and the internet. CONA also accesses secured funding through advances from the FHLB of Atlanta. CONA has access to other funding sources through a variety of financial instruments and sourcing channels, including brokered deposits, unsecured debt in the form of senior or subordinated notes, asset-backed securities, and securities loaned or sold under agreements to repurchase.

Like CONA, COBNA uses customer deposits as a source of funding. COBNA also accesses funding through the issuance of asset-backed securities and through FHLB advances and has access to other funding sources through a variety of financial instruments and sourcing channels, including brokered deposits, unsecured debt in the form of senior or subordinated notes, and securities loaned or sold under agreements to repurchase. COBNA also receives funding through intercompany loans and deposits, principally from CONA.

Additional information related to Capital One's major funding sources is contained in COFC's periodic reports filed with the SEC. Additional information related to COBNA's and CONA's major funding sources is contained in each respective bank's call report.

D. Description of Derivative Activities and Hedging Activities

The Company manages its asset/liability position and market risk exposure in accordance with prescribed risk management policies and limits established in Capital One's Market and Liquidity Risk Policy, which is approved by the Board of Directors of COFC. Capital One's primary market risk stems from the impact on earnings and economic value of equity from changes in interest rates, and to a lesser extent, changes in foreign exchange rates. Capital One manages interest rate sensitivity through several approaches, which include, but are not limited to, changing the maturity and re-pricing characteristics of various balance sheet categories and by entering into interest rate derivatives. Derivatives also are utilized to manage exposure to changes in foreign exchange rates. Derivative instruments may be privately negotiated contracts, which are often referred to as OTC derivatives, or they may be listed and traded on an exchange. Capital One executes derivative contracts in both the OTC and exchange-traded derivative markets. In addition to interest rate swaps, Capital One uses a variety of other derivative instruments, including caps, floors, options, futures, and forward contracts, to manage interest rate and foreign currency risk. Other than certain customer-facing transactions described below, Capital One uses derivatives instruments principally for risk mitigation and hedging purposes.

Capital One also enters into derivative transactions with its customers. Capital One engages in these transactions as a service to commercial banking customers to facilitate their risk management objectives. The Company typically offsets the market risk exposure to customer-accommodation derivatives through derivative transactions with other counterparties.

Additional information related to Capital One's derivatives and hedging activities is contained in COFC's periodic reports filed with the SEC.

E. List of Memberships in Material Payment, Clearing, and Settlement Systems

Capital One maintains membership and/or participates in the following payment, clearing, and settlement systems, also known as financial market utilities ("FMUs"):

E.1. Payment Processing and Cash Settlement Systems

Clearing House Automated Payments System ("CHAPS") is the United Kingdom's interbank payment system for large value sterling payments. CHAPS is operated by CHAPS Clearing Company Limited ("CHAPS Co"). For its normal operation, CHAPS depends on the real-time gross settlement IT infrastructure of the Bank of England (the "BoE"). CHAPS Co also is subject to BoE oversight.

FedACH Services ("FedACH") is an electronic payment system providing Automated Clearing House ("ACH") services that is owned and operated by the Federal Reserve. The ACH system exchanges batched debit and credit payments among business, consumer, and government accounts. The system processes pre-authorized recurring payments such as payroll, Social Security, mortgage, and utility payments, and non-recurring payments such as telephone-initiated payments and the conversion of checks into ACH payments at lockboxes and points of sale. It also processes outbound cross-border ACH payments through the FedGlobal service.

Fedwire Funds Service (“Fedwire Funds”) is a wire transfer services provider that is owned and operated by the Federal Reserve. Fedwire Funds is a real-time gross settlement system. Payments are continuously settled on an individual, order-by-order basis without netting. Fedwire Funds processes the purchase and sale of federal funds; the purchase, sale, and financing of securities transactions; the disbursement or repayment of loans; the settlement of cross-border U.S. dollar commercial transactions; the settlement of real estate transactions; and other high-value, time-critical payments.

Mastercard Incorporated operates the Mastercard Worldwide Network, a payments processing network for credit, debit, prepaid, and other payment transactions.

Visa, Inc. operates a payments processing network for the authorization, clearing, and settlement of payments transactions between Visa issuers and acquirers.

E.2. Clearing Houses and Depositories

Chicago Mercantile Exchange (“CME”) provides clearing and settlement services for futures, options, and OTC derivatives products. These clearing and settlement services are provided by the CME Clearing division of CME’s wholly owned subsidiary, Chicago Mercantile Exchange Inc. CME Clearing clears and settles futures and options contracts traded on the Chicago Mercantile Exchange Inc. and five other futures and options exchanges: Board of Trade of the City of Chicago, Inc., New York Mercantile Exchange, Inc., Commodity Exchange, Inc., the Dubai Mercantile Exchange, and the Global Emissions Exchange. CME Clearing backs the clearing and settlement services for OTC derivatives transactions.

Fedwire Securities Service (“Fedwire Securities”) is a national securities book entry system that is owned and operated by the Federal Reserve. Fedwire Securities conducts real-time transfers of securities and related funds, on an individual and gross basis. Fedwire Securities conducts issuance, transfer, and settlement for all marketable Treasury securities, for many federal government agency and government-sponsored enterprise securities, and for certain international organizations’ securities. It also offers a safekeeping function (electronic storage of securities holding records in custody accounts) and a transfer and settlement function (electronic transfer of securities between parties with or without a settlement payment).

Government Securities Division (“GSD”) is a central counterparty and provides real-time trade matching, netting, and clearing services for trades in U.S. Government debt issues, including repurchase agreements. Securities transactions processed by GSD include Treasury bills, bonds, notes, and government agency securities. GSD is a subdivision of Fixed Income Clearing Corporation (“FICC”), a U.S. securities clearing agency, which itself is a subsidiary of the Depository Trust and Clearing Corporation (“DTCC”). DTCC is owned by its users, including major banks, broker-dealers, and other financial institutions.

LCH.Clearnet Limited (“LCH Ltd”) is a central counterparty incorporated under the laws of England and Wales. It also is a Derivatives Clearing Organization in the United States and is subject to Commodity Futures Trading Commission rules and the U.S. Commodity Exchange Act. LCH Ltd provides central counterparty clearing for a very wide range of products including commodities, equities, fixed income, swaps, and forex contracts.

Mortgage Backed Securities Division (“MBSD”) is a central counterparty and provides real-time trade matching, netting, and clearing services for the mortgage-backed securities market. MBSD is a subdivision of FICC.

E.3. International Messaging Utility

The Society for Worldwide Interbank Financial Telecommunication, Société Coopérative à Responsabilité Limitée (limited co-operative society) (“SWIFT”) is a member-owned co-operative that provides a telecommunication platform for the exchange of standardized financial messages between financial institutions and corporations. SWIFT is neither a payment system nor a settlement system though the SWIFT messaging standard is used in many payment and settlement systems. SWIFT's customers include banks, market infrastructures, broker-dealers, custodians, investment managers, and other companies. SWIFT is subject to oversight by the central banks of the G-10.

F. Description of Foreign Operations

Capital One has limited international operations, principally its card businesses in the United Kingdom and Canada. Capital One's international credit card operations had approximately $8.6 billion in loans outstanding as of December 31, 2012, which constituted approximately 4% of the total loans outstanding for Capital One on a consolidated basis as of that date.

- **United Kingdom**. Capital One (Europe) plc ("COEP") is an indirect subsidiary of COBNA organized and located in the United Kingdom that is licensed as an authorized payment institution. COEP has authority, among other things, to provide credit card and installment loans.
- **Canada**. Capital One provides credit card loans in Canada through Capital One Bank (Canada Branch), the Canadian branch of COBNA.

Additional information related to Capital One's international operations is contained in COFC's periodic reports filed with the SEC.

G. Material Supervisory Authorities

COFC, as a bank holding company, is subject to supervision and examination by the Federal Reserve. COBNA and CONA, as national banks the deposits of which are insured by the FDIC Deposit Insurance Fund (subject to applicable limits), are regulated, supervised, and examined by the OCC. Additionally, the FDIC has supervisory and enforcement authority over COBNA and CONA as insured depository institutions. The Consumer Financial Protection Bureau has regulatory, supervision, examination, and enforcement authority over COBNA and CONA with respect to applicable federal consumer financial protection laws.

Certain COFC, COBNA, and CONA subsidiaries are subject to examination and supervision by other supervisory authorities, including the SEC and Financial Industry Regulatory Authority.

H. Principal Officers

Principal officers of COFC, COBNA, and CONA:

- Robert M. Alexander, Chief Information Officer
- Jory A. Berson, Chief Human Resources Officer
- Kevin S. Borgmann, Chief Risk Officer
- Stephen S. Crawford, Chief Financial Officer
- Richard D. Fairbank, Chairman, Chief Executive Officer
- John G. Finneran, Jr., General Counsel and Corporate Secretary
- Frank G. LaPrade, III, Chief Enterprise Services Officer, Chief of Staff to the CEO
- Ryan M. Schneider, President, Card and President, COBNA

- Michael C. Slocum, President, Commercial Banking
- Jonathan W. Witter, President, Retail and Direct Banking
- Sanjiv Yajnik, President, Financial Services and President, CONA

I. Corporate Governance Structure and Processes Related to Resolution Planning

Capital One is committed to strong corporate governance. Capital One's governance practices comply with applicable laws, rules, and regulations and incorporate key components of Capital One's established controls and governance program. The Boards of Directors of COFC, COBNA, and CONA believe that these practices are important to the proper oversight of Capital One.

Capital One believes that sound corporate governance creates a foundation for the ethical and effective functioning of the Boards of Directors of COFC, COBNA, and CONA, and their respective committees and Capital One as a whole. It also is critical to preserving the trust of Capital One's stakeholders, including stockholders, associates, customers, suppliers, governmental entities, and the general public. Preparation of these resolution plans has been incorporated into Capital One's corporate governance structure and processes, as will preparation of subsequent plans.

I.1. Preparation and Approval of the Initial Resolution Plans

Recognizing the importance of resolution planning, Capital One has established a robust governance structure for preparation of these initial resolution plans. The following describes key governance roles and responsibilities related to oversight and development of Capital One's initial resolution plans:

- **Boards of Directors**: Each of the Boards of Directors of COFC, COBNA, and CONA reviewed and approved the resolution plan for each such entity prior to submission to the regulators and ensured management had sufficient resources to perform resolution planning.
- **Risk Committee**: The Risk Committee of the Boards of Directors of COFC, COBNA, and CONA reviewed the resolution plans for each of COFC, COBNA, and CONA, recommended approval of the plans to the respective Board of Directors, and performed certain oversight activities delegated to it by the respective Boards.
- **Executive Committee**: In its capacity as the most senior management committee of Capital One, the Executive Committee of COFC monitored the development of the initial resolution plans.
- **Resolution Planning Steering Committee**: The Resolution Planning Steering Committee managed Capital One's resolution planning efforts in 2013. The Steering Committee was led by Capital One's General Counsel, who was the accountable executive for resolution planning for the initial resolution plans, and included the Chief Information Officer, Chief Financial Officer, Chief Risk Officer, Head of Corporate Development, and Treasurer. The Steering Committee's responsibilities included providing oversight of the resolution plan development, monitoring resolution planning project status, and resolving issues arising from resource or prioritization conflicts.
- **Resolution Planning Program Office**: The Program Office managed and implemented the planning and development of the initial resolution plans. The Program Office was composed of senior individuals from Corporate Development, Finance, Information Technology, Legal, Regulatory Relations , and Risk, and was supported by representatives and senior executives from lines of business, staff groups, and material entities.

The Boards of Directors of COFC, COBNA, and CONA reviewed and approved the resolution plans for COFC, COBNA, and CONA, respectively, at meetings held on October 31, 2013.

I.2. Continuing Governance of Resolution Planning

The ongoing governance of resolution planning is incorporated into Capital One's existing governance processes and procedures. Following development and submission of these initial resolution plans, ultimate responsibility for review and approval of the resolution plans will remain with the respective Boards of Directors, with the Risk Committee continuing in its role as the primary Board committee designated to oversee resolution planning. The Operational and Compliance Risk Committee will be the most senior management committee responsible for resolution planning. Going forward, Capital One's Treasurer will be the accountable executive at Capital One responsible for resolution planning development, maintenance, implementation, filing, and compliance for COFC, COBNA, and CONA. The Treasurer will oversee a Resolution Planning Office, which will be tasked with managing and overseeing the resolution planning, supported by representatives and senior executives from lines of business, staff groups, and material entities.

J. Material Management Information Systems

Capital One uses management information systems ("MIS") throughout the Company to capture and aggregate relevant information and to generate standard and ad hoc reports that are used by management to inform decisions regarding day-to-day operations and the overall management of the Company's business. MIS at Capital One generally take the form of technologies and user interfaces that enable business users to perform analytics and generate reports. Capital One has established standard contracts, policies, and procedures that govern implementation and use of MIS, and risk assessments are performed prior to contract execution. Capital One has highlighted in the resolution plans the key MIS associated with risk management, accounting, and financial and regulatory reporting and has described key internal reports.

Capital One has established a Business Continuity Program and maintains business continuity plans for Capital One's business operations, applications, and systems to ensure continuity of operations in the event of a business interruption. The Business Continuity Management team is responsible for managing Capital One's Business Continuity Program and ensures that detailed and comprehensive continuity plans are in place for all core business lines and key MIS.

K. Description of Resolution Strategy

As required by the Joint Resolution Plan Rule and the Bank Rule, the Capital One resolution plans contain strategies for the resolution of COFC and Capital One's material entities under a hypothetical failure scenario. The Joint Resolution Plan Rule requires that Capital One's operations be resolved in a manner that substantially mitigates the risk that the failure of Capital One would have serious adverse effects on the financial stability of the United States. The Bank Rule requires that COBNA and CONA be resolved in a manner that is least costly to the FDIC Deposit Insurance Fund. In addition, the Bank Rule generally requires that COBNA and CONA be resolved in a way that ensures depositors have access to their insured deposits within one business day of failure (or two business days if COBNA or CONA fail on a day other than a Friday), maximizes the value of COBNA's and CONA's assets, and minimizes the amount of any loss realized by creditors in the resolution. Capital One believes that the resolution strategy described in the resolution plans achieves these goals and allows for the orderly resolution of Capital One's operations.

As required by the Joint Resolution Plan Rule and the Bank Rule, the resolution plans have been developed assuming that the hypothetical failure occurs under the baseline economic conditions established by the Federal Reserve under 12 U.S.C. § 5365(i)(1)(B) for stress testing purposes. Accordingly, the resolution plans have been developed assuming that there has been sudden, idiosyncratic event of failure at Capital One with no previous disruption to the markets; that markets are functioning normally and other market participants are in good financial condition; and that no extraordinary governmental support is provided during resolution.

The strategy to resolve Capital One's operations, in the event of a resolution, is organized around the resolution of COFC and each of Capital One's material entities. COFC would be resolved under the U.S. Bankruptcy Code through a Chapter 11 proceeding, with management remaining in place as "debtors in possession." As a holding company whose principal assets are the equity in its subsidiaries, COFC would be wound down and liquidated in conjunction with the resolution of its subsidiaries.

The resolution strategy for Capital One's banking operations would be immediate purchase and assumption sales of both COBNA and CONA to a single buyer. If an immediate purchase and assumption sale were not possible, the strategy would be to transfer the assets and substantially all of the liabilities of COBNA and CONA to separate bridge banks organized by the FDIC pursuant to its bank resolution powers under 12 U.S.C. § 1821(n). In that case, the resolution strategy for COBNA and CONA would be whole-bank purchase and assumption sales of both bridge banks to a single buyer.

As dedicated service companies funded by service fees received from the affiliates that receive their services, it is highly unlikely that COSL or COSL II would fail even in the case of a hypothetical failure of COFC, COBNA, and CONA. Assuming they do not fail, the purchaser of COBNA and CONA or their bridge banks, as the case may be, likely would acquire COSL and COSL II as going-concern subsidiaries.

Alternatively, in the event of failure of COSL and COSL II, which the Joint Resolution Plan Rule requires the COFC resolution plan to assume, these entities would be resolved in proceedings under Chapter 11. It is anticipated that management would remain in place as "debtors in possession" and that COSL and COSL II would continue to provide services to COBNA and CONA, their bridge banks, or their acquirer throughout the resolution process under existing service level agreements or under cost-plus transition services agreements. The acquirer of COBNA and CONA or their bridge banks likely would purchase substantially all of the assets of COSL and COSL II; any remaining assets would be liquidated by the COSL or COSL II estates, as applicable.