



**Capital One Bank (USA), N.A. and Capital One, N.A.
Resolution Plans**

**Section 1: Public Section
June 2018**

Table of Contents

I. SUMMARY OF RESOLUTION PLAN

- A. Material Entities
- B. Core Business Lines
- C. Summary of Financial Information
- D. Derivative Activities and Hedging Activities
- E. Financial Market Utilities
- F. Foreign Operations
- G. Material Supervisory Authorities
- H. Principal Officers
- I. Corporate Governance
- J. Material Management Information Systems
- K. Resolution Strategy

I. SUMMARY OF RESOLUTION PLAN

Capital One Bank (USA), National Association ("COBNA") and Capital One, National Association ("CONA") are each submitting a plan for resolution in the event of their failure ("Resolution Plans") as required by 12 C.F.R. § 360.10 ("Final Rule"). Under the Final Rule, the Federal Deposit Insurance Corporation ("FDIC") requires an insured depository institution ("IDI") with \$50 billion or more in total assets to submit a plan that provides the FDIC with a better understanding of an IDI's structure and relative level of complexity as well as its resolution strategies and processes. CONA and COBNA are wholly owned subsidiaries of Capital One Financial Corporation ("COFC", together with its subsidiaries referred to as "Capital One" or the "Company")

The structure of this Public Section follows the requirements of the Final Rule and includes the following informational elements:

- A. Material Entities
- B. Description of Core Business Lines
- C. Financial Information regarding Assets, Liabilities, Capital, and Major Funding Sources
- D. Description of Derivatives and Hedging Activities
- E. Membership in Material Payments, Clearing, and Settlement Systems (Financial Market Utilities)
- F. Description of Foreign Operations
- G. Identities of Material Supervisory Authorities
- H. Identities of Principal Officers
- I. Description of Corporate Governance and Processes related to Resolution Planning
- J. Description of Material Management Information Systems
- K. High-level description of Resolution Strategy

As required under the Final Rule and supervisory guidance, the Resolution Plans consider strategies that assume an idiosyncratic failure event has occurred in a severely adverse economic stress environment. The Resolution Plans provide a detailed road map for the orderly resolution of CONA and COBNA under such hypothetical failure scenario.

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

A. Material Entities

The Final Rule defines a "material entity" as a company that is significant to the activities of a critical service or core business line. There are four material entities in the Resolution Plans:

- Capital One Bank (USA), National Association: COBNA is a national bank headquartered in Glen Allen, Virginia and is wholly owned by COFC. It offers credit and debit card products, other lending products, and deposit products.
- Capital One, National Association: CONA is a national bank headquartered in McLean, Virginia and is wholly owned by COFC. It offers banking products and financial services to consumers, small businesses, and commercial clients.
- Capital One Services, LLC: COSL is a Delaware limited liability company wholly owned by CONA. It provides services to COBNA, CONA, and their subsidiaries, including account management, creative design, database management, legal, accounting, audit, treasury, human resources, and other operational and managerial services.
- Capital One Services II, LLC: COSL II is a Delaware limited liability company wholly owned by COSL, through which COSL provides certain services to COBNA, CONA, and their subsidiaries.

B. Core Business Lines

The Final Rule defines a core business line ("CBL") as a business line, including its associated operations, services, functions, and support that, upon failure, would result in a material loss of revenue, profit, or franchise value. There are four core business lines in the Resolution Plans:

- Domestic Card: CONA and COBNA provide card lending and other related products through the Domestic Card business.
- Retail Banking: Capital One provides Retail Banking services. This includes branch-based lending and related services provided by CONA primarily in New York, New Jersey, Texas, Louisiana, Maryland, Virginia, and the District of Columbia. It also includes deposit services for consumers and small businesses and national deposit services provided by CONA and COBNA. CONA also services banking customer accounts through the internet.
- Auto Finance: CONA offers a wide range of automobile finance products via both indirect (dealer originated) and direct channels through the Auto Finance business.
- Commercial Banking: CONA provides commercial real estate and commercial & industrial customers with lending, deposit gathering, and treasury management services through the Commercial Banking business.

For management reporting purposes, principal operations are segmented into three primary business segments for periodic reports filed with the Securities and Exchange Commission ("SEC"). These are 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 identified for these Resolution Plans and the business segments used for periodic reports filed with the SEC are prepared for 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

The following tables present consolidated balance sheets for CONA and COBNA, as of December 31, 2017, from each bank's respective call report for the period ended December 31, 2017.

Exhibit I.C.1: Capital One Bank (USA), National Association Consolidated Balance Sheet

Capital One Bank (USA), National Association (Consolidated)	
Balance Sheet	(\$M)
Assets:	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	2,064
Interest-bearing balances	839
Securities:	
Held-to-maturity securities	5,754
Available-for-sale securities	11,296
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	—
Securities purchased under agreements to resell	—
Loans and lease financing receivables:	
Loans and leases held for sale	—
Loans and leases held for investment	97,785
LESS: Allowance for loan and lease losses	(5,107)
Loans and leases held for investment, net of allowance	92,678
Trading assets	—
Premises and fixed assets (including capitalized leases)	1,021
Other real estate owned	—
Investments in unconsolidated subsidiaries and associated companies	1,501
Direct and indirect investments in real estate ventures	—
Intangible assets:	

Goodwill	303
Other intangible assets	133
Other assets	3,967
Total assets	119,556
Liabilities:	
Deposits:	
In domestic offices	72,008
Noninterest-bearing	426
Interest-bearing	71,582
In foreign offices, Edge and Agreement subsidiaries, and IBFs	121
Noninterest-bearing	121
Interest-bearing	—
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	—
Securities sold under agreements to repurchase	—
Trading liabilities	—
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	23,671
Subordinated notes and debentures	1,591
Other liabilities	7,047
Total liabilities	104,438
Equity Capital:	
Perpetual preferred stock and related surplus	—
Common stock	100
Surplus (excludes all surplus related to preferred stock)	7,510
Retained earnings	7,823
Accumulated other comprehensive income	(320)
Other equity capital components	—
Total bank equity capital	15,112
Noncontrolling (minority) interests in consolidated subsidiaries	5
Total equity capital	15,118
Total liabilities and equity capital	119,556

Source: Capital One Bank (U.S.A), N.A. Call Report, 12/31/2017

Exhibit I.C.2: Capital One, National Association Consolidated Balance Sheet

Capital One, National Association (Consolidated)	
Balance Sheet	
	(\$M)
Assets:	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	2,820
Interest-bearing balances	53,500
Securities:	
Held-to-maturity securities	23,230
Available-for-sale securities	25,447
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	—
Securities purchased under agreements to resell	—
Loans and lease financing receivables:	
Loans and leases held for sale	971

Loans and leases held for investment	157,192
LESS: Allowance for loan and lease losses	(2,395)
Loans and leases, net of unearned income and allowance	154,797
Trading assets	864
Premises and fixed assets (including capitalized leases)	2,493
Other real estate owned	39
Investments in unconsolidated subsidiaries and associated companies	2,866
Direct and indirect investments in real estate ventures	—
Intangible assets:	
Goodwill	14,226
Other intangible assets	585
Other assets	8,811
Total assets	290,651
Liabilities:	
Deposits:	
In domestic offices	224,593
Noninterest-bearing	26,831
Interest-bearing	197,761
In foreign offices, Edge and Agreement subsidiaries, and IBFs	370
Noninterest-bearing	—
Interest-bearing	370
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	—
Securities sold under agreements to repurchase	576
Trading liabilities	419
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	21,020
Subordinated notes and debentures	—
Other liabilities	5,916
Total liabilities	252,895
Equity Capital:	
Perpetual preferred stock and related surplus	—
Common stock	24
Surplus (excludes all surplus related to preferred stock)	36,054
Retained earnings	2,343
Accumulated other comprehensive income	(664)
Other equity capital components	—
Total bank equity capital	37,756
Non-controlling (minority) interests in consolidated subsidiaries	—
Total equity capital	37,756
Total liabilities and equity capital	290,651

Source: Capital One N.A. Call Report, 12/31/2017

C.1. Capital Ratios Under Basel III

CONA and COBNA are subject to capital adequacy standards adopted by the Office of the Comptroller of the Currency ("OCC") and other federal bank regulatory agencies, including the capital rules that implemented the Basel III capital framework developed by the Basel Committee on Banking Supervision. Moreover, the Banks, as insured depository institutions, are subject to prompt corrective action ("PCA") capital regulations. The following table provides a comparison of the Banks' regulatory capital ratios under the Basel III Standardized Approach

subject to the applicable transition provisions, the regulatory minimum capital adequacy ratios, and the PCA well-capitalized level for each ratio, where applicable, as of December 31, 2017.

Exhibit I.C.3: Capital Ratios Under Basel III¹

	Capital Ratio	Minimum Capital Adequacy	Well Capitalized
Capital One Bank (USA), N.A.			
Common equity Tier 1 ²	14.3%	4.5%	6.5%
Tier 1 capital ³	14.3%	6.0%	8.0%
Total capital ⁴	16.9%	8.0%	10.0%
Tier 1 leverage ⁵	12.7%	4.0%	5.0%
Supplementary leverage ratio ⁶	10.4%	N/A	N/A
Capital One, N.A.			
Common equity Tier 1	12.2%	4.5%	6.5%
Tier 1 capital	12.2%	6.0%	8.0%
Total capital	13.4%	8.0%	10.0%
Tier 1 leverage	8.6%	4.0%	5.0%
Supplementary leverage ratio	7.7%	N/A	N/A

Source: Capital One Financial Corporation, 2017 10-K, 12/31/17

Additional information related to COBNA's and CONA's assets, liabilities, and capital is contained in each respective bank's call report.

C.2. Major Funding Sources

CONA and COBNA have established liquidity practices that are intended to ensure sufficient liquidity reserves to withstand the potential impact of deposit attrition or diminished liquidity under severely adverse market conditions. Each IDI has liquidity reserves consisting of cash and cash-equivalents as well as readily-marketable or pledgable assets, which can be used as a source of liquidity if needed. The liquidity practices also focus on maintaining diversified funding sources to best position the IDI's liquidity flexibility in normal and severely adverse market conditions.

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 and 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. CONA also occasionally receives funding through intercompany deposits from COFC.

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

¹ Capital ratios are calculated based on the Basel III Standardized Approach framework, subject to applicable transition provisions, such as the inclusion of the unrealized gains and losses on securities available for sale included in accumulated other comprehensive income ("AOCI") and adjustments related to intangible assets other than goodwill. The inclusion of AOCI and the adjustments related to intangible assets are phased-in at 60% for 2016, 80% for 2017, and 100% for 2018.

² Common Equity Tier 1 capital ratio is a regulatory capital measure calculated based on common equity Tier 1 capital divided by risk-weighted assets.

³ Tier 1 capital ratio is a regulatory capital measure calculated based on Tier 1 capital divided by risk-weighted assets.

⁴ Total capital ratio is a regulatory capital measure calculated based on total capital divided by risk-weighted assets.

⁵ Tier 1 leverage ratio is a regulatory capital measure calculated based on Tier 1 capital divided by adjusted average assets.

⁶ Supplementary leverage ratio is a regulatory capital measure calculated based on Tier 1 capital divided by total leverage exposure.

Additional information related to CONA's and COBNA's major funding sources is contained in each respective bank's call report.

D. Derivative Activities and Hedging Activities

Market risk exposure is managed in accordance with risk management policies and limits, which are approved by the Board of Directors of COFC, CONA, and COBNA. CONA's and COBNA's primary market risk stems from the impact on earnings and economic value of equity due to changes in interest rates, and to a lesser extent changes in foreign exchange rates. CONA and COBNA employ several techniques to manage interest rate sensitivity, such as changing the duration and re-pricing characteristics of various assets and liabilities by using interest rate derivatives. CONA and COBNA also employ derivatives to hedge foreign-currency-denominated exposures to limit earnings and capital ratio exposure to foreign exchange risk. CONA and COBNA execute derivative contracts in both over-the-counter ("OTC") and exchange-traded derivative markets, the majority of which are interest rate swaps, FX swaps, and FX forwards. In addition, CONA and COBNA may use a variety of other derivative instruments, including caps, floors, options, futures, and forward contracts, to manage interest rate and foreign exchange risks.

CONA also enters into derivative transactions with its customers. CONA engages in these transactions as a service to Commercial Banking customers to facilitate their risk management objectives. CONA typically offsets the market risk exposure from its customer-accommodating derivatives through derivative transactions with other counterparties.

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

E. Financial Market Utilities

CONA and COBNA each 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

CONA and COBNA leverage payment processing systems:

- CONA and COBNA both use FedACH Services ("FedACH"). 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.
- CONA and COBNA both use the Fedwire Funds Service ("Fedwire Funds"). 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.
- COBNA uses the Clearing House Automated Payments System ("CHAPS"). 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 ("BoE"). CHAPS Co is also subject to BoE oversight.

E.2. Clearing Houses and Depositories

CONA and COBNA utilize multiple clearing houses:

- The 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: the Board of Trade of the City of Chicago, Inc., the New York Mercantile Exchange, Inc., the Commodity Exchange, Inc., the Dubai Mercantile Exchange, and the Global Emissions Exchange. CME Clearing backs the clearing and settlement services for OTC derivatives transactions. CONA and COBNA do not interact directly with the exchange, but rather use it through the services of designated Futures Clearing Merchants.

- CONA uses the Fedwire Securities Service (“Fedwire Securities”), 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. It also conducts issuance, transfer, and settlement for all marketable Treasury securities, many federal government agency and government-sponsored enterprise securities, and certain international organizations’ securities. In addition, it 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).
- CONA and COBNA use the Government Securities Division (“GSD”), a central counterparty that 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 the 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 LLC (“LCH”) is a central counterparty incorporated under the laws of England and Wales. It is also 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 provides central counterparty clearing for a wide range of products including commodities, equities, fixed income, swaps, and forex contracts. Although they are not members, CONA and COBNA use LCH through the services of designated Futures Clearing Merchants.
- CONA and COBNA use the Mortgage Backed Securities Division (“MBSD”), a central counterparty that provides real-time trade matching, netting, and clearing services for the mortgage-backed securities market. MBSD is a subdivision of FICC.
- CONA uses the Small Value Payments Company (SVPCo), a subsidiary of The Clearing House that provides check clearing (Image Cash Letters or “ICLs”) with a number of financial institutions.

E.3. International Messaging Utility

CONA is a member of the Society for Worldwide Interbank Financial Telecommunication (“SWIFT”). 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. Foreign Operations

CONA and COBNA each have limited international operations, principally COBNA’s card businesses in the United Kingdom and Canada. The international credit card operations had approximately \$9.5 billion in loans outstanding as of December 31, 2017. Capital One also has a card servicing center located in Alabang, Philippines.

- United Kingdom - Capital One (Europe) plc (“COEP”) is an indirect subsidiary of COBNA that is organized and located in the United Kingdom and licensed as an authorized payment institution. COEP has authority 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.
- Philippines - The Domestic Card Servicing Center located in Alabang, Philippines is operated by Capital One Philippines Support Services Corporation, an indirect subsidiary of COFC, and supports the core card business lines of CONA and COBNA.

- Cayman Islands - CONA maintains a Class B banking license in the Cayman Islands to support CONA's capability to offer Eurodollar sweep investments to Commercial Banking clients.

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

G. Material Supervisory Authorities

CONA and COBNA are national banks that have their deposits insured by the FDIC Deposit Insurance Fund (subject to applicable limits), and are regulated, supervised, and examined by the OCC. Additionally, the FDIC has supervisory and enforcement authority over CONA and COBNA as insured depository institutions. The Consumer Financial Protection Bureau has regulatory, supervision, examination, and enforcement authority over CONA and COBNA with respect to applicable federal consumer financial protection laws.

Certain CONA and COBNA 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 CONA:

- Richard D. Fairbank - Chief Executive Officer
- Sanjiv Yajnik - President, CONA; President, Financial Services
- Colin J. Ruh - Chief Financial Officer
- Andres L. Navarrete - Executive Vice President, Head of External Affairs
- Christopher T. Newkirk - President, International and Small Business Card
- Frank G. LaPrade III - Chief Enterprise Services Officer
- Celia Edwards Karam - Chief Auditor
- John G. Finneran, Jr. - Chief Risk Officer; Corporate Secretary
- Jory A. Berson - Chief Human Resources Officer
- Kleber R. Santos - President, Retail and Direct Banking
- Matthew W. Cooper - General Counsel
- Michael C. Slocum - President, Commercial Banking
- Michael J. Wassmer - President, U.S. Card
- Robert M. Alexander - Chief Information Officer
- Thomas A. Feil - Treasurer
- Timothy Golden - Controller; Principal Accounting Officer

Principal Officers of COBNA:

- Richard D. Fairbank - Chief Executive Officer
- Michael J. Wassmer - President, COBNA; President, U.S. Card
- Chad M. Eisele - Chief Financial Officer
- Andres L. Navarrete - Executive Vice President, Head of External Affairs
- Christopher T. Newkirk - President, International and Small Business Card
- Frank G. LaPrade III - Chief Enterprise Services Officer
- Celia Edwards Karam - Chief Auditor
- John G. Finneran, Jr. - Chief Risk Officer; Corporate Secretary

- Jory A. Berson - Chief Human Resources Officer
- Kleber R. Santos - President, Retail and Direct Banking
- Matthew W. Cooper - General Counsel
- Michael C. Slocum - President, Commercial Banking
- Robert M. Alexander - Chief Information Officer
- Sanjiv Yajnik - President, Financial Services
- Thomas A. Feil - Treasurer
- Timothy Golden - Controller; Principal Accounting Officer

In addition, R. Scott Blackley provides financial oversight for both banks in his role as Chief Financial Officer of COFC.

I. Corporate Governance

Sound corporate governance creates a foundation for the ethical and effective functioning of the Boards, their respective committees, and Capital One as a whole. It is also critical to preserving the trust of stakeholders. Preparation of the Resolution Plans has been incorporated into CONA and COBNA's Capital One's corporate governance structure and processes.

I.1. Preparation and Approval of COBNA and CONA Resolution Plans

The Boards of Directors of COBNA and CONA adopted a Resolution Plan Policy, which establishes the requirements and governance processes necessary to ensure adherence by COBNA and CONA to applicable resolution planning requirements.

The following describes key governance roles and responsibilities related to oversight and development of the Resolution Plans:

- Boards of Directors - Each of the Boards of Directors of COBNA and CONA is responsible for the approval of the respective Resolution Plan for each entity.
- Risk Committee - The Risk Committee of the Boards of Directors oversees preparation of the Resolution Plans, including the recommendation of plans for approval to the Boards of Directors.
- Asset Liability Committee ("ALCO") - The Asset Liability Committee is the most senior management committee responsible for oversight of resolution planning processes and the development of complete and credible plans. ALCO reviews periodic reports on the progress of resolution planning.
- Resolution and Recovery Planning Committee - The Resolution and Recovery Planning Committee ("RRPC") was established as a subcommittee of ALCO to enhance the oversight of resolution planning processes and development of complete and credible plans. The RRPC advises and assists the RRPC Chair and Accountable Executive regarding decisions and strategies required to develop resolution plans. Specifically, the committee is responsible for (1) reviewing the resolution planning framework to help ensure alignment with existing Capital and Liquidity management programs; (2) discussing detailed issues presented by the Resolution and Recovery Planning Office as needed; and (3) notifying ALCO of key issues and outcomes.
- Accountable Executive - Capital One's Treasurer is the Accountable Executive responsible for overseeing the day-to-day resolution planning processes for Capital One. Specifically, the Treasurer is responsible for overseeing the development, maintenance, implementation, and filing of the resolution plan in accordance with applicable regulations, as well as overseeing the Resolution and Recovery Planning Office and related resolution planning processes.
- Resolution and Recovery Planning Office - The Resolution and Recovery Planning Office ("RRPO") manages and oversees the resolution plan development process at the direction of the Treasurer. The team's responsibilities include coordinating with business lines and staff functions to develop the resolution plans, preparing periodic reports on the progress of resolution planning for the RRPC, ALCO, the Risk Committee of the Boards, and the Boards of Directors of COFC, COBNA, and CONA, and establishing and maintaining a data repository for the resolution plans and related documentation submitted to the Federal

Reserve and the FDIC.

- Lines of Business and Staff Functions - Each core business line and critical staff function supports resolution planning, as identified and directed by the RRPO, including the development, review, and approval of the sections of the plans for which they are responsible, based on the defined scope of the plan each year. The Technology organization develops and manages the overall information technology infrastructure and data delivery to support resolution planning.

The Risk Committee of the Boards of Directors of COBNA and CONA reviewed the Resolution Plans at a meeting of the Risk Committee held on June 19, 2018, and recommended approval of the Plans to the respective Boards of Directors of COBNA and CONA. The Boards of Directors of COBNA and CONA each reviewed and approved the submission of the respective Resolution Plans at a meeting on June 22, 2018.

J. Material Management Information Systems

Management information systems (“MIS”) capture and aggregate relevant information and generate standard and ad hoc reports that are used by management to inform decisions regarding day-to-day operations and the overall management of CONA and COBNA's business. MIS generally take the form of technologies and user interfaces that enable business users to perform analytics and generate reports. Standard contracts, policies, and procedures exist to govern the implementation and use of MIS. These Resolution Plans describe key MIS associated with risk management, accounting, and financial and regulatory reporting.

CONA and COBNA have a Business Continuity Program and maintains business continuity plans for 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 CONA and COBNA's Business Continuity Program and ensures that detailed and comprehensive continuity plans are in place for all core business lines and key MIS.

K. Resolution Strategy

As required by the Final Rule, the Resolution Plans contain strategies for the resolution of CONA and COBNA, which enables the FDIC to resolve the Banks in an orderly and timely manner in the event of receivership. The resolution strategies described in the Resolution Plans achieve this goal and allow the orderly resolution of CONA and COBNA.

The Resolution Plans have been developed assuming that the hypothetical failure scenario occurs when a sudden, idiosyncratic event occurs at a time when Capital One is experiencing the conditions prescribed by the Federal Reserve in the Severely Adverse scenario of its most recent CCAR exercise. Under the Severely Adverse scenario, Capital One assumes that markets may be impaired or otherwise restricted, and that certain other financial institutions may have limited access to capital markets. No extraordinary governmental support is required during resolution.

The primary resolution strategy for Capital One's banking operations would involve the sale of both CONA and COBNA to a single buyer, either through immediate purchase and assumption transactions or through the transfer of the assets and substantially all 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)), followed by purchase and assumption sales of both bridge banks. If this strategy was not viable under the actual resolution circumstances, there are alternate strategies such as the sale of the Banks' businesses to multiple acquirers.

COSL and COSL II, both subsidiaries of CONA, are unlikely to fail even in the case of a hypothetical failure of CONA and COBNA because they are dedicated service companies funded by fees received from the serviced affiliates. The purchaser or bridge banks of CONA and COBNA would likely acquire COSL and COSL II as going-concern subsidiaries. In the event of a failure of COSL and COSL II, these entities would be resolved in proceedings under Chapter 11. COSL and COSL II would continue to operate as debtors in possession. In this regard, they would retain their management and continue to provide services to CONA and COBNA, 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 CONA and COBNA or their bridge banks would likely purchase all substantial assets of COSL and COSL II; any remaining assets would be liquidated by the COSL or COSL II estates, where applicable.