



**Capital One Financial Corporation**  
**Resolution Plan**

**Section 1: Public Section**  
**December 2017**

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## I. SUMMARY OF RESOLUTION PLAN

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”, together with its subsidiaries referred to as “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 generally does not pose undue risks to the financial system.

The structure of this Public section follows the requirements of subsection \_\_.8(c) of the Resolution Plan Rule and includes the 11 informational elements (sections A to K below) required under this rule:

- 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
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As required under applicable regulation and supervisory guidance, the plan considers strategies for the resolution of COFC that assume an idiosyncratic event of failure has occurred in a severely adverse economic stress environment. The plan provides a detailed road map for the orderly resolution of COFC under a hypothetical failure scenario. Capital One's core business lines are operated through the Company's two national bank subsidiaries, Capital One, National Association (“CONA”) and Capital One Bank (USA), National Association (“COBNA”), and therefore simplifies COFC's resolvability under the U.S. Bankruptcy Code in the event of resolution.

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

### A. Material Entities

A “material entity” under the 165(d) regulatory resolution rule is a subsidiary or foreign office that is significant to the activities of a critical operation or a core business line. 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. Capital One does not have any critical operations for resolution planning purposes. 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.

- Capital One Bank (USA), National Association. COBNA is a national bank headquartered in Glen Allen, Virginia and wholly owned by COFC. COBNA offers credit and debit card products, other lending products, and deposit products. COBNA is a material entity for purposes of the COFC Resolution Plan.
- Capital One, National Association. CONA is a national bank headquartered in McLean, Virginia and wholly owned by COFC. CONA offers a broad spectrum of banking products and financial services to consumers, small businesses, and commercial clients. CONA is a material entity for purposes of the COFC Resolution Plan.

- 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.
- 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.

**Exhibit I.A.1: Material Entities**

	<b>COFC</b>
Material Entities	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**

The 165(d) regulatory resolution 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. 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.

- 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 offered 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. In November 2017, the company decided to exit originations in mortgage and home equity, while continuing to service its existing home loans portfolio. Home Loans provides servicing for its loans designated as held for investment as well as loans that have been sold and are owned by other entities.
- 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 and \$1 billion.

**Exhibit I.B.1: Core Business Lines**

	<b>COFC</b>
Core Business Lines	Domestic Card Retail Banking Auto Finance Home Loans Commercial Banking

For management reporting purposes, Capital One organizes its principal operations within 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 these resolution plans and the business segments that Capital One has used for 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, 2016 and December 31, 2015 from the Company's Annual Report on Form 10-K for the period ended December 31, 2016, filed with the SEC; and (b) consolidated balance sheets for COBNA and CONA, respectively, as of December 31, 2016 and December 31, 2015 from each bank's respective call reports.

### Exhibit I.C.1: Capital One Financial Corporation Consolidated Balance Sheet

<b>Capital One Financial Corporation (Consolidated)</b>		
<b>Balance Sheet</b>		
(\$M, except per share data)	12/31/2016	12/31/2015
<b>Assets</b>		
Cash and cash equivalents:		
Cash and due from banks	4,185	3,407
Interest-bearing deposits and other short-term investments	5,791	4,616
Total cash and cash equivalents	9,976	8,023
Restricted cash for securitization investors	2,517	1,017
Securities available for sale, at fair value	40,737	39,061
Securities held to maturity, at carrying value	25,712	24,619
Loans held for investment:		
Unsecuritized loans held for investment	213,824	196,068
Loans held in consolidated trusts	31,762	33,783
Total loans held for investment	245,586	229,851
Allowance for loan and lease losses	(6,503)	(5,130)
Net loans held for investment	239,083	224,721
Loans held for sale, at lower of cost or fair value	1,043	904
Premises and equipment, net	3,675	3,584
Interest receivable	1,351	1,189
Goodwill	14,519	14,480
Other assets	18,420	16,450
<b>Total assets</b>	<b>357,033</b>	<b>334,048</b>
<b>Liabilities</b>		
Interest payable	327	299
Deposits:		
Non-interest bearing deposits	25,502	25,847
Interest-bearing deposits	211,266	191,874
Total deposits	236,768	217,721
Securitized debt obligations	18,826	16,166
Other debt:		
Federal funds purchased and securities loaned or sold under agreements to repurchase	992	981
Senior and subordinated notes	23,431	21,837
Other borrowings	17,211	20,131
Total other debt	41,634	42,949
Other liabilities	11,964	9,629

Total liabilities	309,519	286,764
<b>Stockholders' equity</b>		
Preferred stock (par value \$.01 per share; 50,000,000 shares authorized; 4,475,000 and 3,375,000 shares issued and outstanding as of December 31, 2016 and 2015, respectively)	—	—
Common stock (par value \$.01 per share; 1,000,000,000 shares authorized; 653,736,607 and 648,317,395 shares issued as of December 31, 2016 and 2015, respectively, 480,218,547 and 527,259,920 shares outstanding as of December 31, 2016 and 2015, respectively)	7	6
Additional paid-in capital, net	31,157	29,655
Retained earnings	29,766	27,045
Accumulated other comprehensive loss	(949)	(616)
Treasury stock, at cost (par value \$.01 per share; 173,518,060 and 121,057,475 shares as of December 31, 2016 and 2015, respectively)	(12,467)	(8,806)
Total stockholders' equity	47,514	47,284
Total liabilities and stockholders' equity	357,033	334,048

**Exhibit I.C.2: Capital One Bank (USA), National Association Consolidated Balance Sheet**

<b>Capital One Bank (USA), National Association (Consolidated)</b>		
<b>Balance Sheet</b>		
(\$M)	12/31/2016	12/31/2015
<b>Assets</b>		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin	1,766	1,172
Interest-bearing balances	3,301	775
Securities:		
Held-to-maturity securities	5,156	6,049
Available-for-sale securities	11,020	10,656
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, net of unearned income	87,970	78,860
LESS: Allowance for loan and lease losses	4,129	3,240
Loans and leases, net of unearned income and allowance	83,841	75,620
Trading assets	—	—
Premises and fixed assets (including capitalized leases)	897	934
Other real estate owned	—	—
Investments in unconsolidated subsidiaries and associated companies	1,702	1,559
Direct and indirect investments in real estate ventures	—	—
Intangible assets:		
Goodwill	289	304
Other intangible assets	243	413
Other assets	4,576	4,691
<b>Total assets</b>	<b>113,153</b>	<b>102,172</b>
<b>Liabilities</b>		
Deposits:		
In domestic offices	69,288	61,906
Noninterest-bearing	428	401
Interest-bearing	68,860	61,505
In foreign offices, Edge and Agreement subsidiaries, and IBFs	104	105

Noninterest-bearing	104	105
Interest-bearing	—	—
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased in domestic offices	—	1,131
Securities sold under agreements to repurchase	—	—
Trading liabilities	—	—
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	23,742	21,330
Subordinated notes and debentures	1,587	1,583
Other liabilities	6,554	5,164
<b>Total liabilities</b>	<b>101,275</b>	<b>91,220</b>

<b>Equity Capital</b>		
Perpetual preferred stock and related surplus	—	—
Common stock	100	100
Surplus (excludes all surplus related to preferred stock)	5,010	5,007
Retained earnings	7,190	6,189
Accumulated other comprehensive income	(427)	(349)
Other equity capital components	—	—
<b>Total bank equity capital</b>	<b>11,873</b>	<b>10,946</b>
Non-controlling (minority) interests in consolidated subsidiaries	5	6
<b>Total equity capital</b>	<b>11,878</b>	<b>10,953</b>
<b>Total liabilities and equity capital</b>	<b>113,153</b>	<b>102,172</b>

**Exhibit I.C.3: Capital One, National Association Consolidated Balance Sheet**

<b>Capital One, National Association (Consolidated)</b>		
<b>Balance Sheet</b>		
(\$M)	12/31/2016	12/31/2015
<b>Assets</b>		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin	2,838	2,493
Interest-bearing balances	46,999	44,294
Securities:		
Held-to-maturity securities	20,196	18,570
Available-for-sale securities	28,812	27,485
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold in domestic offices	—	1,131
Securities purchased under agreements to resell	—	—
Loans and lease financing receivables:		
Loans and leases held for sale	1,043	904
Loans and leases, net of unearned income	158,247	151,623
LESS: Allowance for loan and lease losses	2,374	1,890
Loans and leases, net of unearned income and allowance	155,873	149,733
Trading assets	754	546
Premises and fixed assets	2,274	2,110
Other real estate owned	69	123
Investments in unconsolidated subsidiaries and associated companies	2,398	2,107
Direct and indirect investments in real estate ventures	—	—
Intangible assets:		
Goodwill	14,227	14,186
Other intangible assets	666	806
Other assets	9,932	8,742
<b>Total assets</b>	<b>286,080</b>	<b>273,232</b>

<b>Liabilities</b>		
Deposits:		
In domestic offices	\$ 216,989	\$ 203,199
Noninterest-bearing	26,062	26,087
Interest-bearing	190,926	177,112
In foreign offices, Edge and Agreement subsidiaries, and IBFs	480	872
Noninterest-bearing	—	—
Interest-bearing	480	872
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased in domestic offices	—	12
Securities sold under agreements to repurchase	992	969
Trading liabilities	304	197
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	26,801	27,527
Subordinated notes and debentures	—	—
Other liabilities	5,815	4,555
<b>Total liabilities</b>	<b>251,380</b>	<b>237,330</b>

<b>Equity Capital</b>		
Perpetual preferred stock and related surplus	—	—
Common stock	24	24
Surplus (excludes all surplus related to preferred stock)	34,054	34,053
Retained earnings	1,147	2,104
Accumulated other comprehensive income	(524)	(281)
Other equity capital components	—	—
<b>Total bank equity capital</b>	<b>34,700</b>	<b>35,900</b>
Non-controlling (minority) interests in consolidated subsidiaries	—	2
<b>Total equity capital</b>	<b>34,700</b>	<b>35,901</b>
<b>Total liabilities and equity capital</b>	<b>286,080</b>	<b>273,232</b>

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, 2016 and December 31, 2015.

**Exhibit I.C.4: Capital Ratios Under Basel III**



	December 31, 2016			December 31, 2015		
	Capital Ratio	Minimum Capital Adequacy	Well Capitalized	Capital Ratio	Minimum Capital Adequacy	Well Capitalized
<b>Capital One Financial Corporation</b>						
Common equity Tier 1	10.1%	4.5%	N/A	11.1%	4.5%	N/A
Tier 1 risk-based	11.6%	6.0%	6.0%	12.4%	6.0%	6.0%
Total risk-based capital	14.3%	8.0%	10.0%	14.6%	8.0%	10.0%
Tier 1 leverage	9.9%	4.0%	N/A	10.6%	4.0%	N/A
<b>Capital One Bank (USA), N.A.</b>						
Tier 1 risk-based	12.0%	6.0%	8.0%	12.4%	6.0%	8.0%
Total risk-based capital	14.8%	8.0%	10.0%	15.3%	8.0%	10.0%
Tier 1 leverage	10.8%	4.0%	5.0%	10.8%	4.0%	5.0%
<b>Capital One, N.A.</b>						
Tier 1 risk-based	10.6%	6.0%	8.0%	11.8%	6.0%	8.0%
Total risk-based capital	11.8%	8.0%	10.0%	12.9%	8.0%	10.0%
Tier 1 leverage	7.7%	4.0%	5.0%	8.8%	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 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. The Company's liquidity reserves consist 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 Company's liquidity flexibility in normal and severely adverse market conditions.

The consolidated company's primary source of funding comes from deposits, which provide stable and relatively low-cost funding. In addition to deposits, the Company raises funding through the issuance of senior and subordinated notes, the issuance of securitized debt obligations and other borrowings, the issuance of brokered deposits, FHLB advances secured by certain portions of our loan and securities portfolios, and the purchase of federal funds. A key objective in the use of these markets is to maintain access to a diversified mix of wholesale funding sources.

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

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 from CONA and COFC.

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 market risk exposure in accordance with risk management policies and limits, which are 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 due to changes in interest rates, and to a lesser extent changes in foreign exchange

rates. Capital One employs 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. Capital One also employs derivatives to hedge foreign-currency-denominated exposures to limit earnings and capital ratio exposure to foreign exchange risk. Capital One executes 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, Capital One may use a variety of other derivative instruments, including caps, floors, options, futures, and forward contracts, to manage interest rate and foreign exchange risks.

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-accommodating 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**

Capital One leverages three different payment processing systems that are described below:

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.

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 is also subject to BoE oversight.

### **E.2. Clearing Houses and Depositories**

Capital One utilizes multiple clearing houses that are described below:

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, many federal government agency and government-sponsored enterprise securities, and 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 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 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 Ltd provides central counterparty clearing for a 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.

Small Value Payments Company (SVPCo) is a subsidiary of The Clearing House and provides check clearing (Image Cash Letters or “ICLs”) with a number of financial institutions.

### **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 and domestic card servicing center located in Alabang, Philippines. Capital One's international credit card operations had approximately \$8.4 billion in loans outstanding as of December 31, 2016, which constituted approximately 8% of the total card 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 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.

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, which as national banks have their deposits 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:

- Richard D. Fairbank - Chairman, Chief Executive Officer, and President

- Robert M. Alexander - Chief Information Officer
- Jory A. Berson - Chief Human Resources Officer
- R. Scott Blackley - Chief Financial Officer
- Kevin S. Borgmann - Chief Risk Officer
- Thomas A. Feil - Senior Vice President and Treasurer
- John G. Finneran, Jr. - General Counsel and Corporate Secretary
- Timothy Golden - Senior Vice President, Controller, and Principal Accounting Officer
- Frank G. LaPrade, III - Chief Enterprise Services Officer
- Andres L. Navarrete - Executive Vice President, External Affairs
- Christopher T. Newkirk - President, International and Small Business Card
- Kleber Santos - President, Retail and Direct Banking
- Michael C. Slocum - President, Commercial Banking
- James R. Tietjen - Executive Vice President and Chief Auditor
- Michael J. Wassmer - President, U.S. Card and President, COBNA
- 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. Its 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. Sound corporate governance creates a foundation for the ethical and effective functioning of the Boards of Directors of COFC, COBNA, and CONA, their respective committees, and Capital One as a whole. It is also critical to preserving the trust of Capital One's stakeholders, including stockholders, associates, customers, suppliers, governmental entities, and the general public. Preparation of this resolution plan has been incorporated into Capital One's corporate governance structure and processes, as will preparation of subsequent plans.

### **I.1. Preparation and Approval of COFC's Resolution Plan**

Governance of resolution planning is incorporated into Capital One's existing governance processes and procedures. Ultimate responsibility for review and approval of the COFC Resolution Plan resides with Capital One's Boards of Directors, while the Risk Committee continues in its role as the primary Board committee designated to oversee resolution planning. The Asset and Liability Committee ("ALCO") is the most senior management committee responsible for resolution planning. The Resolution and Recovery Planning Committee, which is a chartered sub-committee of and has its authority delegated from ALCO, is designated to oversee the resolution and recovery planning process. Capital One's Treasurer is the accountable executive responsible for resolution plan development, maintenance, implementation, filing, and compliance for Capital One. The Treasurer oversees the Resolution and Recovery Planning Office, which is tasked with managing and overseeing the resolution planning process, supported by representatives and senior executives from lines of business, staff groups, and material entities.

Below is a summary and brief explanation of Capital One's resolution governance structure:

- Board of Directors – COFC's Board of Directors are responsible for the approval of the COFC Resolution Plan.
- Risk Committee – The Risk Committee of the Boards of Directors performs oversight activities for preparation of the Resolution Plan and recommends the Plan for approval to the Boards of Directors.
- Asset and Liability Committee - In its capacity as a senior management committee of Capital One, ALCO monitors the development of the Resolution Plan.
- Resolution and Recovery Planning Committee - The Resolution and Recovery Planning Sub-Committee ("RRPC") was established in 2016 to enhance oversight of resolution planning processes. The RRPC advises and assists the RRPC Chair and Accountable Executive regarding decisions and strategies for the development of the Resolution Plan.

- Resolution and Recovery Planning Office - The Resolution and Recovery Planning Office ("RRPO") manages and implements the planning and development of the Resolution Plan. The RRPO is part of the Corporate Treasury organization and partners with senior individuals from Corporate Development, Finance, Technology, Legal, and Regulatory Relations to achieve its goals. It is also supported by representatives and senior executives from lines of business, staff groups, and material entities.

The Boards of Directors of COFC reviewed and approved the COFC Resolution Plan at a meeting held on December 19, 2017.

## **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 the implementation and use of MIS. In the Resolution Plan, Capital One has highlighted 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, the Capital One Resolution Plan contains 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. Capital One believes that the resolution strategies described in the Capital One Resolution Plan achieve this goal and allow for the orderly resolution of COFC's operations.

As required by the Joint Resolution Plan Rule, the Resolution Plan has been developed assuming that the hypothetical failure scenario occurs when a sudden, idiosyncratic event occurs during the Severely Adverse economic conditions established by the Federal Reserve under 12 U.S.C. § 5365(i)(1)(B) for capital stress testing purposes. Under the Severely Adverse scenario, Capital One assumes that markets may be impaired or otherwise restricted, and certain other financial institutions may have limited access to capital markets. No extraordinary governmental support is required 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 primary resolution strategy for Capital One's banking operations would involve sales of both COBNA and CONA to a single buyer either through immediate purchase and assumption transactions, or the transfer of 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), followed by purchase and assumption sales of both bridge banks. If that were not possible, alternate strategies have been considered, including the sale of the Banks' businesses to multiple acquirers.

We believe COSL and COSL II are unlikely to fail even in the case of a hypothetical failure of COFC, COBNA, and CONA as these are dedicated service companies funded by fees received from the serviced affiliates. The purchaser or bridge banks of COBNA and CONA 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. 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 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.