2024 Dodd-Frank Act Stress Test Results Disclosure

Supervisory Severely Adverse Scenario

June, 2024

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Overview and Forward Looking Statements

Section 165 of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act (the "EGRRCPA"), requires certain banks and bank holding companies, such as Capital One Financial Corporation (“COFC”) and its bank subsidiary, Capital One, National Association ("CONA"), to conduct stress tests periodically (referred herein as the "Dodd-Frank Act Stress Test" or "DFAST"). As a “Category III” firm, COFC and CONA (collectively, "Capital One") are required to publicly disclose their DFAST results biennially (or during even years). This document summarizes Capital One's 2024 DFAST results under the Supervisory Severely Adverse scenario developed by the Board of Governors of the Federal Reserve System. The summary of results includes estimates of the aggregated impact of the stressed economic scenario on certain financial metrics over the nine-quarter planning horizon. For additional information regarding the stress testing rules and other regulatory capital requirements applicable to Capital One, see “Part I—Item 1. Business—Supervision and Regulation” of our Annual Report on Form 10-K for the year ended December 31, 2023."

"Certain statements and estimates contained here-in may be forward-looking, including those that discuss, among other things: loss projections, revenues, income, capital measures, accruals for litigation and other claims against Capital One, future financial and operating results, Capital One’s plans, objectives, expectations and intentions, and the assumptions that underlie these matters. Forward-looking statements often use words such as “will,” “anticipate,” “target,” “expect,” “think,” “estimate,” “intend,” “plan,” “goal,” “believe,” “forecast,” “outlook” or other words of similar meaning. Capital One cautions readers that the results in the summary below are not forecasts, predictions of future performance, or measures of its solvency; actual results could differ materially from those contained in this summary due to a number of factors. In addition, these results do not represent Capital One’s current expectations regarding future results of operations or financial condition. They are based on hypothetical scenarios and other assumptions used for the sole purpose of conducting the required stress tests, and Capital One makes no assurances or predictions about the likelihood of any of these scenarios or assumptions actually occurring. Capital One does not undertake any obligation to update or revise any of the information contained herein whether as a result of new information, future events, or otherwise. For additional information on factors that could materially influence forward-looking statements included here-in, see the risk factors set forth under “Part I—Item 1A. Risk Factors” in the Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission (the “SEC”) and Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

The stress test results below are expected to differ from the results produced by the Federal Reserve in its supervisory stress test process due to differences in methodologies and assumptions used to produce the results.

2024 Dodd-Frank Act Stress Test ("DFAST"): Supervisory Severely Adverse scenario summary

- The Supervisory Severely Adverse scenario is a hypothetical scenario designed by the Federal Reserve consistent with the requirements of the Dodd-Frank Act
- The Supervisory Severely Adverse scenario (which assumes a December 31, 2023 starting point, followed by a nine-quarter projection window from Q1 2024 to Q1 2026) is characterized by a severe global recession accompanied by a period of heightened stress in commercial and residential real estate and in corporate debt markets. This is a hypothetical scenario designed to assess the strength of banking organizations and their resilience to unfavorable economic conditions, and does not represent a forecast from the Federal Reserve[1]
- In addition to the adverse economic assumptions reflected in the Supervisory Severely Adverse scenario, we incorporate the impact of operational losses and other idiosyncratic risks in our projections

Key economic variables impacting Capital One in the Supervisory Severely Adverse scenario

- **Unemployment Rate:** climbs over six percentage points to a peak of 10.0% by the third quarter of 2025 before improving modestly to 9.0% by the end of the stress horizon (first quarter of 2026)
- **Home Price Index:** declines 36% from the beginning level of the forecast to a stress horizon low point in the third quarter of 2025
- **Commercial Real Estate Price Index:** declines approximately 40% from the beginning level of the forecast to a stress horizon low point in the fourth quarter of 2025
- **Interest Rates:** the 3-month Treasury rate declines to 0.1% by the third quarter of 2024 and remains at that level, while the 10-year Treasury yield decreases to 0.8% by the second quarter of 2024 before gradually increasing to 1.3% by the end of the stress horizon (first quarter of 2026)

1) For a complete scenario description, see "2024 Stress Test Scenarios" published by the Board of Governors of the Federal Reserve System (February 2024) available at https://www.federalreserve.gov/publications/files/2024-stress-test-scenarios-20240215.pdf

Description of methodologies used for forecasting losses under stress

Component	Forecast Methodology[1]
PPNR	● We model Pre-Provision Net Revenue ("PPNR") based on the projected performance of our various businesses to estimate the impact that the Supervisory Severely Adverse scenario would have on our overall financial performance ● The projected impacts are based on the characteristics of each asset and liability class and the related support costs for new originations, ongoing management, and the required underlying infrastructure of each business ● Our revenue modeling is divided into net interest income and non-interest income, and our non-interest expense modeling is split between operating and marketing expenses
Credit	● For our credit card and auto portfolios, we project stressed losses using account-level econometric models, which incorporate Metropolitan Statistical Area ("MSA") level macroeconomic variables ● In our commercial portfolios, we project stress losses using econometric models and borrower-level internal risk ratings, capturing the effects of varying loan characteristics and collateral positions, among other factors ● In select portfolios, we use more aggregated economic forecasting approaches that incorporate the specific macro-drivers relevant to each portfolio, including customer and relationship-level attributes ● Once credit has been modeled, we translate our overall credit outlook into projected allowance for credit losses ("ACL") in accordance with the Current Expected Credit Loss ("CECL") framework[2]
RWA	● The vast majority of risk weighted assets ("RWA") are driven by loan balances. The three main factors impacting our loan balance projections are: (i) the impact to existing loan balances from higher charge-offs; (ii) the impact to growth in loan balances due to changes in demand; and (iii) the impact to loan growth that results from fewer lending opportunities meeting our profitability and resilience requirements (as our models and underwriting scorecards systematically incorporate leading credit indicators to reflect the worsening credit conditions in the financial projections used in underwriting)
Capital	● The largest impact to our capital ratios comes from changes in credit performance and the corresponding impact to our disallowed deferred tax asset ("DTA") position ● Capital actions are presented using the current 'DFAST rules'

1) We apply overlays to our modeled results to compensate for identified limitations and weaknesses for each forecasting component, as needed.
2) The final rule on CECL issued by the federal banking agencies in 2020 provided banking organizations a five-year transition option to phase-in the impact (both "Day 1" and "ongoing") of CECL on regulatory capital. We have made this CECL transition election and our projections reflect the same. For additional information on Capital One's CECL transition election, please refer to our latest 10Q.

Projected Results in the Supervisory Severely Adverse scenario
Capital and Risk-Weighted Assets

Capital One Financial Corp. (“COFC”)

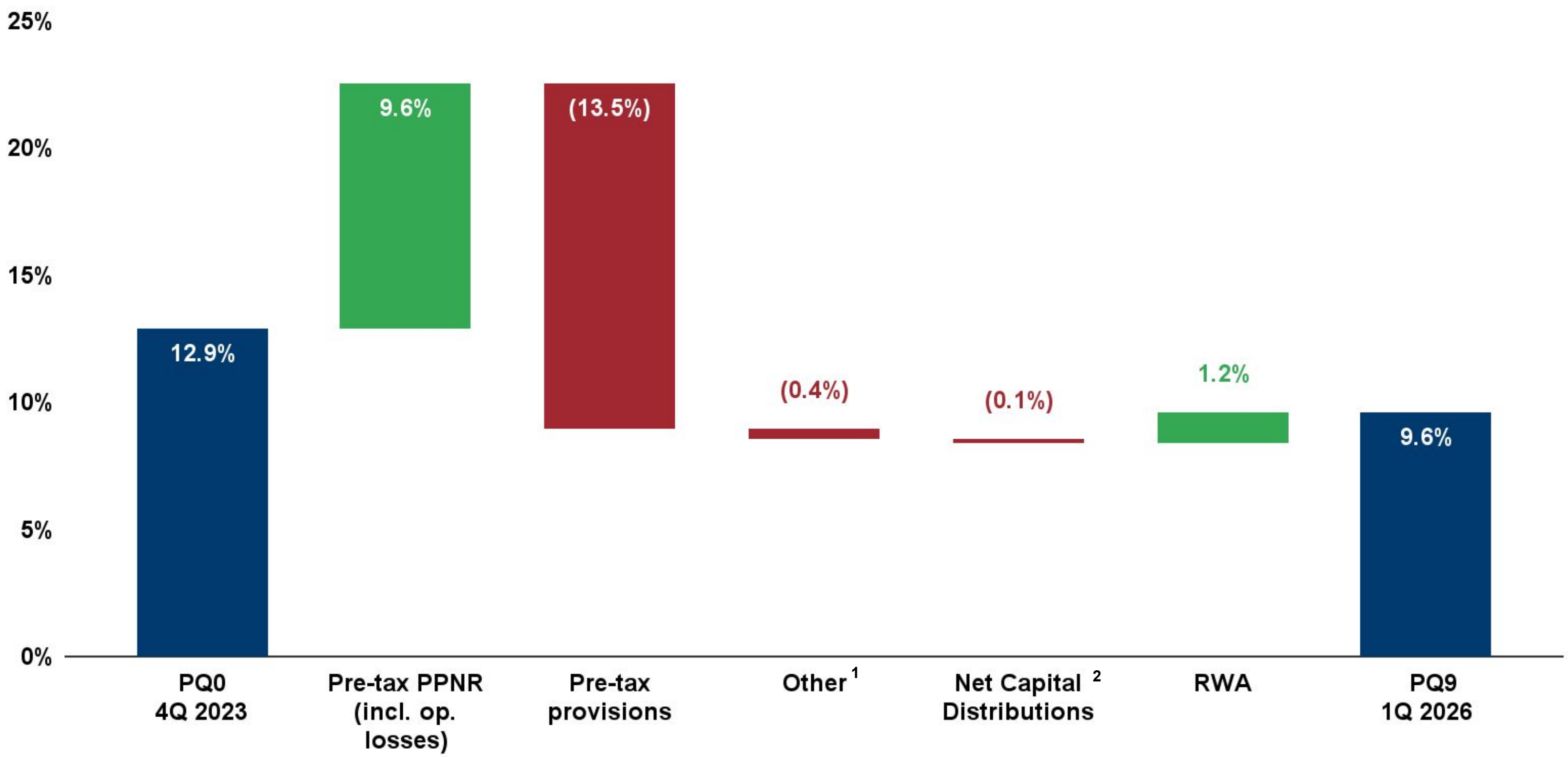
Capital One internal modeling of projected stress capital ratios (Q1 2024 - Q1 2026)				
	Actual Q4 2023	DFAST regulatory minimum	Stressed Capital Ratios[1]	
			Q1 2026	Minimum
Common equity tier 1 ("CET1") capital ratio (%)	12.9%	4.5%	9.6%	7.4%
Tier 1 risk-based capital ratio (%)	14.2%	6.0%	11.1%	8.9%
Total risk-based capital ratio (%)	16.0%	8.0%	13.0%	10.9%
Tier 1 leverage ratio (%)	11.2%	4.0%	8.9%	7.1%
Supplementary leverage ratio (%)	9.6%	3.0%	7.9%	6.2%

1) The capital ratios presented represent the minimum and the end of period ratios for the nine-quarter planning horizon from Q1 2024 to Q1 2026. The capital actions that we included over the nine-quarter planning horizon from Q1 2024 to Q1 2026 are consistent with the DFAST capital action assumptions in effect since May 2020, which no longer assume payment of common stock dividends throughout the nine-quarter planning horizon.

Capital One internal modeling of projected risk-weighted assets (Q1 2026)		
	Actual Q4 2023	Projected Q1 2026
Risk-weighted assets (billions of dollars)[1]	369.2	323.6

1) Risk-weighted assets are calculated under the Basel III Standardized Approach.

Projected Results in the Supervisory Severely Adverse scenario
Change in Common Equity Tier 1 Ratio



	PQ0 4Q 2023	Pre-tax PPNR (incl. op. losses)	Pre-tax provisions	Other	Net Capital Distributions	RWA	PQ9 1Q 2026
CET1 ($B)	47.6	35.5	(50.0)	(1.4)	(0.5)		31.2
RWA ($B)	369.2					(45.6)	323.6

Note: Numbers may not sum due to rounding

1) Represents other items including realized gains/(losses) on securities available for sale, income taxes, goodwill (net of Deferred Tax Liabilities ("DTL")), intangible assets (net of DTL), disallowed DTA, and AOCI
2) The capital actions that we included over the nine-quarter planning horizon from Q1 2024 to Q1 2026 are consistent with the DFAST capital action assumptions in effect since May 2020, which no longer assume payment of common stock dividends throughout the nine-quarter planning horizon.

Projected Results in the Supervisory Severely Adverse scenario
Profit and Losses

Capital One Financial Corp.

Capital One internal modeling of cumulative projected revenue, losses, and net income before taxes (Q1 2024 - Q1 2026)		
	Billions of dollars	**Percent of average assets[1]**
Pre-provision net revenue[2]	$35.5	7.9%
Other revenue[3]	-	
less		
Provisions	$50.0	
Realized losses/(gains) on securities available for sale	-	
Trading and counterparty losses[4]	-	
Other losses/(gains)	-	
Net income before taxes	**($14.5)**	**(3.2%)**

Supplementary Information	
Other comprehensive income[5]	$8.5

Other effects on capital	**Actual Q4 2023**	**Q1 2026**
AOCI included in capital calculations	$0.0	($0.0)

1) Expressed on a nine-quarter cumulative basis as a percentage of average assets over the same time period.
2) Pre-provision net revenue includes stress adjustments for operational risk events
3) Other revenue includes one-time income and expense items not included in pre-provision net revenue.
4) Trading and counterparty losses include mark-to-market losses, changes in credit valuation adjustments ("CVA") and incremental default losses and losses arising from the counterparty default scenario component applied to derivatives, securities lending, and repurchase agreement activities.
5) In the first quarter of 2020, we elected to exclude from our regulatory capital ratios certain components of AOCI (primarily AFS) as permitted under the Tailoring Rules.

Projected Results in the Supervisory Severely Adverse scenario
Credit Losses

Capital One Financial Corp.

Capital One internal modeling of projected credit losses by loan portfolio type (Q1 2024 - Q1 2026)		
	Billions of dollars	**Percentage of average portfolio balances**
Loan Losses:		
First lien mortgages, domestic	$0.0	6.1%
Junior liens and HELOCs, domestic	$0.0	5.7%
Commercial and industrial	$4.3	9.5%
Commercial real estate, domestic	$2.6	9.0%
Credit cards	$34.4	25.9%
Other consumer	$7.5	10.9%
Other loans	$1.2	4.0%
Total loan losses	**$49.9**	**16.4%**

1) Reflects loan classification under regulatory reporting FR Y-9C - Consolidated Financial Statements for Holding Companies (“FR Y-9C”). This classification is different than how Capital One classifies loan product types for Securities and Exchange Commission (“SEC”) reporting purposes. For example, FR Y-9C requires that small business credit card loans be reported under commercial and industrial, whereas these loans are reported as credit card loans for SEC reporting purposes.
2) Average loan balances used to calculate portfolio loss rates exclude loans held for sale and are calculated over nine quarters.
3) Includes small business credit card loans, small and medium enterprise loans, and corporate cards.
4) Includes auto loans.

Projected Results in the Supervisory Severely Adverse scenario
End of Period Loans

Capital One Financial Corp.

Capital One internal modeling of projected loan portfolio portfolio balances[1] (Billions of dollars)		
	Actual Q4 2023	**Projected Q1 2026**
End of Period Loans:		
First lien mortgages, domestic	$0.1	$0.1
Junior liens and HELOCs, domestic	$0.0	$0.0
Commercial and industrial[2]	$46.2	$40.7
Commercial real estate, domestic	$28.5	$24.9
Credit cards	$141.9	$117.2
Other consumer[3]	$74.1	$64.1
Other loans	$29.5	$25.3
Total Loans	**$320.5**	**$272.3**

1) Loan balances exclude loans held for sale.
2) Includes small business credit card loans, small and medium enterprise loans, and corporate cards.
3) Includes auto loans.

Projected Results in the Supervisory Severely Adverse scenario
Capital and Risk-Weighted Assets

Capital One, National Association ("CONA")
A subsidiary of COFC

Capital One internal modeling of projected stress capital ratios (Q1 2024 - Q1 2026)				
	Actual Q4 2023	**DFAST regulatory minimum**	**Stressed Capital Ratios**	
			Q1 2026	**Minimum**
Common equity tier 1 ("CET1") capital ratio (%)	13.1%	4.5%	10.5%	8.1%
Tier 1 risk-based capital ratio (%)	13.1%	6.0%	10.5%	8.1%
Total risk-based capital ratio (%)	14.3%	8.0%	11.8%	9.4%
Tier 1 leverage ratio (%)	10.3%	4.0%	8.4%	6.5%
Supplementary leverage ratio (%)	8.8%	3.0%	7.4%	5.6%

1) The capital ratios presented represent the minimum and the end of period ratios for the nine-quarter planning horizon from Q1 2024 to Q1 2026.

Capital One internal modeling of projected risk-weighted assets		
	Actual Q4 2023	**Projected Q1 2026[1]**
Risk-weighted assets (billions of dollars)	367.2	321.0

1) Risk-weighted assets are calculated under the Basel III Standardized Approach.