Fourth Quarter 2023 Results

January 25, 2024

Forward-Looking Statements

This presentation and related communications should be read in conjunction with the financial statements, notes, and other information contained in Capital One's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. Please note that the following materials containing information regarding Capital One's financial performance is preliminary and based on Capital One's data available at the time of the earnings presentation. It speaks only as of the particular date or dates indicated in these materials. Capital One does not undertake any obligation to update or revise any of the information contained herein whether as a result of new information, and future events or otherwise.

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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. 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You should carefully consider the factors referred to above in evaluating these forward-looking statements. All information in these slides is based on the consolidated results of Capital One, unless otherwise noted. This presentation includes certain non-GAAP financial measures as defined by SEC rules. These non-GAAP financial measures may be useful to investors but should not be viewed in isolation from, or as a substitute for, GAAP results, nor are they necessarily comparably to non-GAAP measures that may be presented by other companies. A reconciliation of any non-GAAP financial measures included in this presentation to the comparative GAAP measure can be found in Capital One's Current Report on Form 8-K filed with the SEC on January 25, 2024, available on its website at www.capitalone.com under "Investors."

Q4 2023 Company Highlights

- Net income of $706 million, or $1.67 per diluted common share for the fourth quarter of 2023; net income of $4.9 billion, or $11.95 per diluted common share for full year 2023
  - Adjusted net income per diluted common share[1] of $2.24 for the fourth quarter of 2023 and $12.52 for full year 2023
- Pre-provision earnings[2] decreased 16% to $3.8 billion for the fourth quarter of 2023 and increased 9% to $16.5 billion for full year 2023
- Provision for credit losses of $2.9 billion for the fourth quarter of 2023 and $10.4 billion for full year 2023
- Efficiency ratio of 60.14% for the fourth quarter of 2023 and 55.23% for full year 2023
  - Adjusted efficiency ratio[1] of 57.10% for the fourth quarter of 2023 and 54.44% for full year 2023
- Operating efficiency ratio of 46.95% for the fourth quarter of 2023 and 44.33% for full year 2023
  - Adjusted operating efficiency ratio[1] of 43.91% for the fourth quarter of 2023 and 43.54% for full year 2023
- The quarter included the following adjusting item:

(Dollars in millions, except per share data)	Pre-Tax Impact	After-Tax Diluted EPS Impact
FDIC special assessment	$ 289	$ 0.57

- Common equity Tier 1 capital ratio under Basel III Standardized Approach of 12.9% at December 31, 2023
- Tangible book value per share[1] increased 13% to $99.78
- Period-end loans held for investment increased 2% or $5.7 billion to $320.5 billion
- Average loans held for investment increased 1% or $3.1 billion to $315.9 billion
- Period-end total deposits increased $2.4 billion to $348.4 billion
  - Period-end insured deposits of $284.3 billion, 82% of total deposits
- Average total deposits increased $315 million to $345.3 billion

Note: All comparisons are for the fourth quarter of 2023 compared with the third quarter of 2023 unless otherwise noted. Regulatory capital metrics and capital ratios as of December 31, 2023 are preliminary and therefore subject to change.

(1) This is a non-GAAP measure. See appendix slides for the reconciliation of non-GAAP measures to our reported results.

(2) Pre-provision earnings is a non-GAAP metric calculated based on total net revenue less non-interest expense for the period. Management believes that this financial metric is useful in assessing the ability of a lending institution to generate income in excess of its provision for credit losses. See appendix slides for the reconciliation of non-GAAP measures to our reported results.

Allowance for Credit Losses

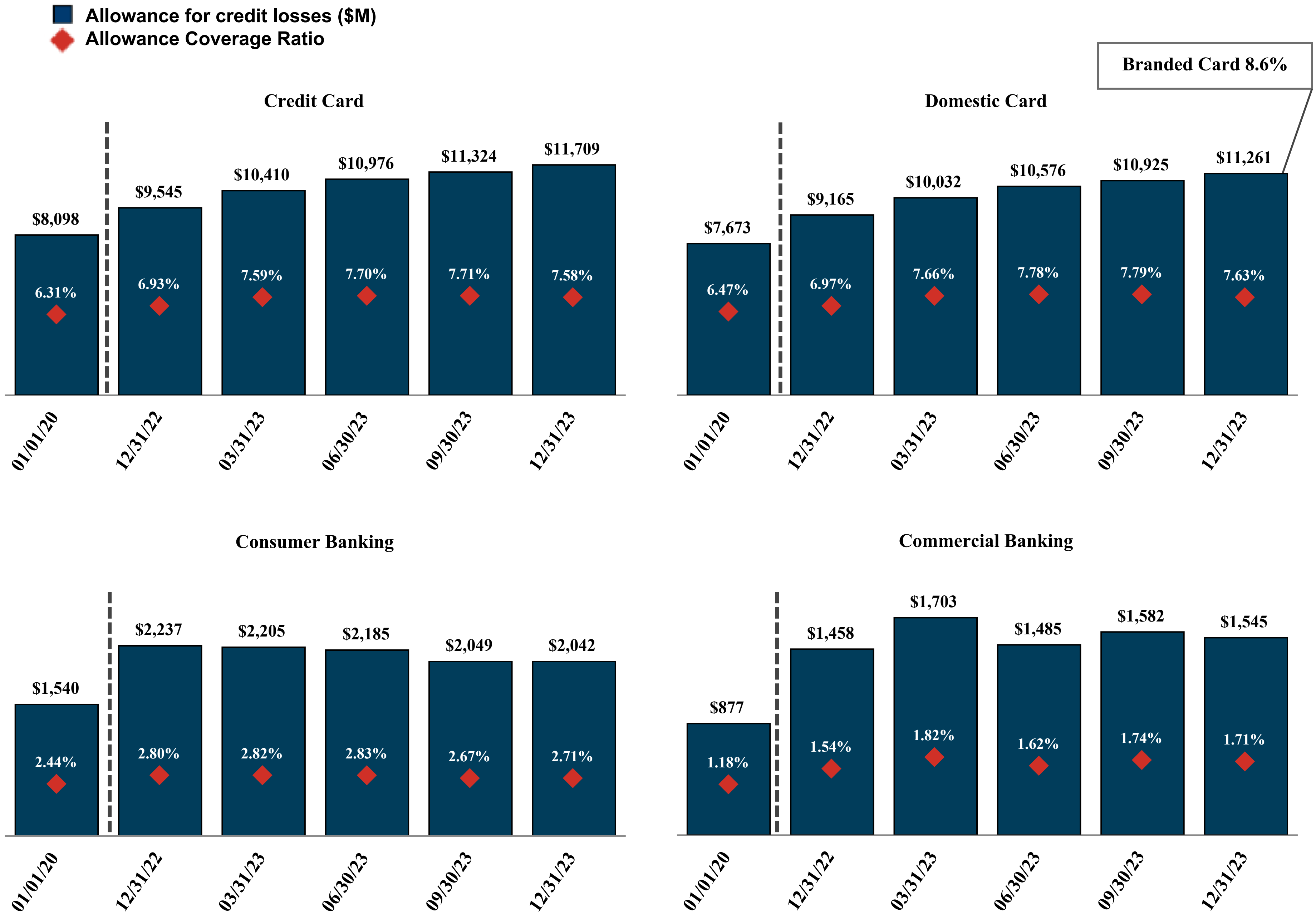
(Dollars in millions)	Credit Card	Consumer Banking	Commercial Banking	Total
Allowance for credit losses:				
Balance as of September 30, 2023	$ 11,324	$ 2,049	$ 1,582	$ 14,955
Charge-offs	**(2,306)**	**(674)**	**(126)**	**(3,106)**
Recoveries	**323**	**245**	**5**	**573**
Net charge-offs	**(1,983)**	**(429)**	**(121)**	**(2,533)**
Provision for credit losses[1]	**2,353**	**422**	**84**	**2,859**
Allowance build (release) for credit losses	**370**	**(7)**	**(37)**	**326**
Other changes[2]	**15**	**—**	**—**	**15**
Balance as of December 31, 2023	**$ 11,709**	**$ 2,042**	**$ 1,545**	**$ 15,296**
Allowance coverage ratio as of December 31, 2023	**7.58%**	**2.71%**	**1.71%**	**4.77%**

Fourth Quarter 2023 Highlights

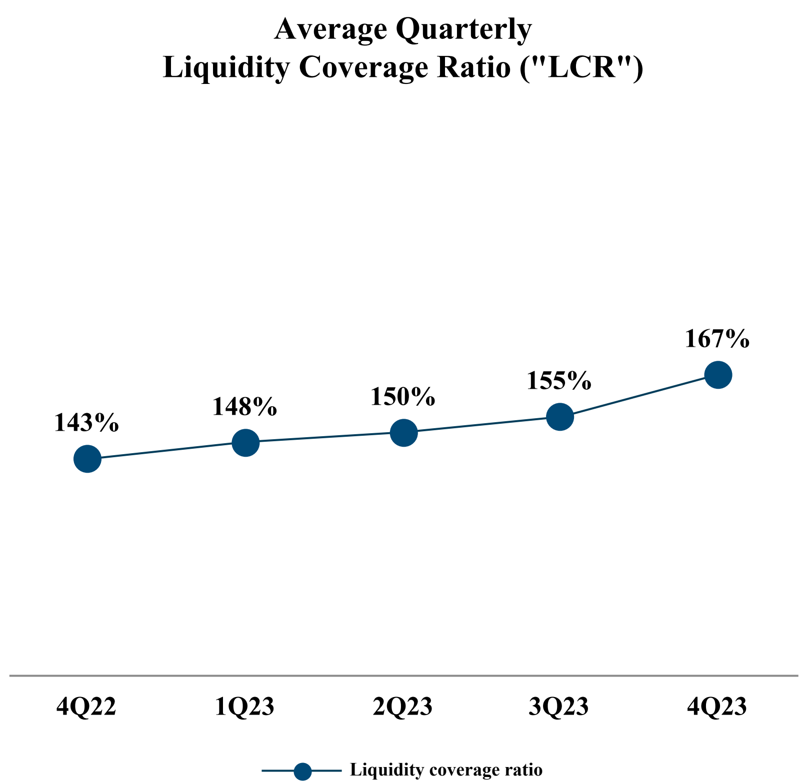
- Allowance build of $326 million primarily driven by growth in Domestic Credit Card loans
- Allowance coverage ratio of 4.77% at December 31, 2023, compared to 4.75% at September 30, 2023

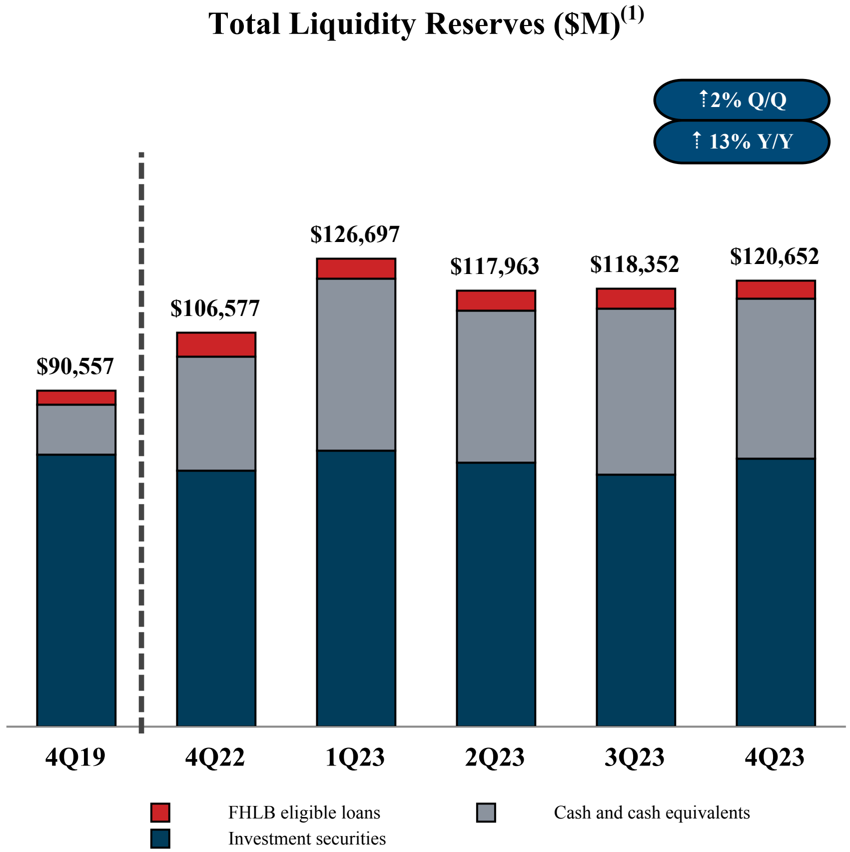
(1) Does not include $(2) million of provision (benefit) related to available for sale securities.
(2) Primarily represents foreign currency translation adjustments.

Allowance Coverage Ratios by Segment



Liquidity





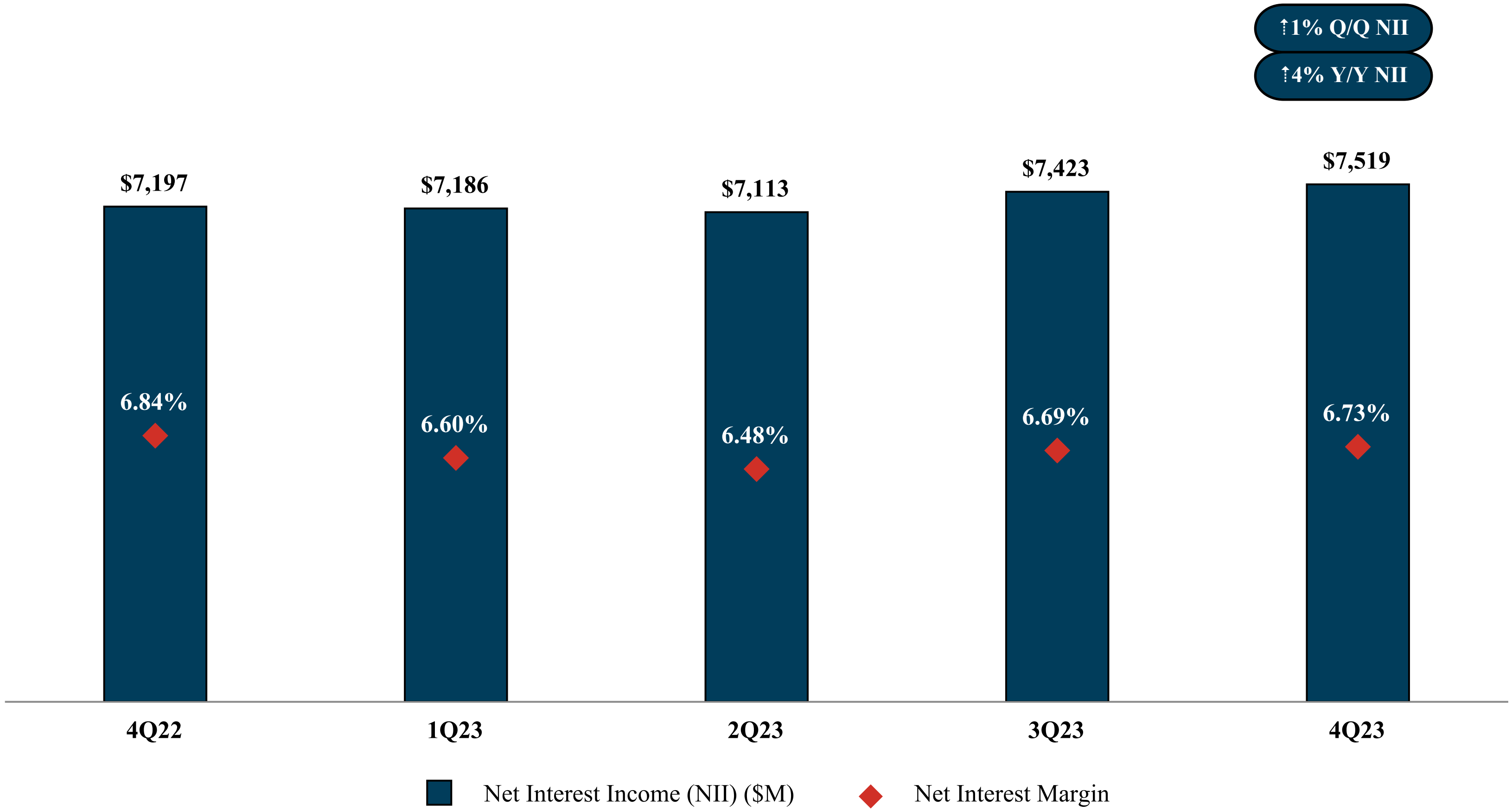
Fourth Quarter 2023 Highlights

- Average quarterly Liquidity Coverage Ratio of 167%
- Average quarterly Net Stable Funding Ratio ("NSFR") of 135%
- Total liquidity reserves of $120.7 billion as of December 31, 2023
  - $43.3 billion in cash and cash equivalents

Note: The 4Q23 LCR and NSFR are preliminary and therefore subject to change.

(1) Amount above represents unencumbered liquidity reserves. Securities pledged and eligible to secure FHLB borrowing capacity are presented within investment securities above.

Net Interest Income and Net Interest Margin



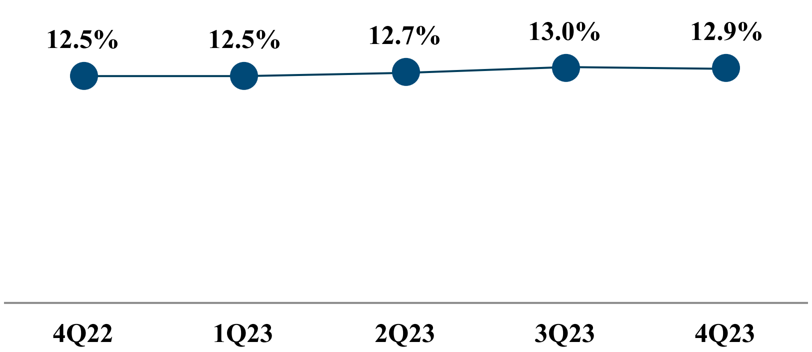
Fourth Quarter 2023 Highlights

- Net interest margin increased 4 basis points quarter-over-quarter driven by growth in our credit card loan portfolio and higher asset yields, partially offset by higher rates paid on interest-bearing deposits
- Net interest margin decreased 11 basis points year-over-year driven by higher rates paid on interest-bearing deposits, partially offset by higher asset yields and growth in our credit card loan portfolio

Capital

(Dollars in millions)	Amount	Ratio
Common equity Tier 1 (CET1) as of September 30, 2023	$ 47,106	13.0%
Q4 2023 Net income	**706**	**19 bps**
Common & Preferred Stock Dividends	**(289)**	**(8)bps**
Share Repurchases	**(150)**	**(4)bps**
Other quarterly activities[1]	**242**	**7 bps**
Risk Weighted Assets changes	**N/A**	**(22)bps**
CET1 as of December 31, 2023	**$ 47,615**	**12.9%**

Common Equity Tier 1 Capital Ratio



Fourth Quarter 2023 Highlights

- Well-capitalized with CET1 capital ratio of 12.9% as of December 31, 2023
- Stress Capital Buffer of 4.8% effective October 1, 2023
- Repurchased 1.4 million common shares for $150 million in the fourth quarter of 2023; YTD repurchases of $600 million

Note: Regulatory capital metrics and capital ratios as of December 31, 2023 are preliminary and therefore subject to change.

(1) Primarily represents net issuances of employee stock, AOCI included in our capital ratios, and adjustments for goodwill and intangibles, net of deferred taxes.

Financial Summary—Business Segment Results

(Dollars in millions)	Three Months Ended December 31, 2023				
	Credit Card	Consumer Banking	Commercial Banking	Other	Total
Net interest income (loss)	$ 5,231	$ 1,951	$ 617	$ (280)	$ 7,519
Non-interest income	1,565	163	245	14	1,987
Total net revenue (loss)	6,796	2,114	862	(266)	9,506
Provision (benefit) for credit losses	2,353	422	84	(2)	2,857
Non-interest expense	3,417	1,402	487	411	5,717
Income (loss) from continuing operations before income taxes	1,026	290	291	(675)	932
Income tax provision (benefit)	241	68	68	(151)	226
Income (loss) from continuing operations, net of tax	$ 785	$ 222	$ 223	$ (524)	$ 706

Credit Card

(Dollars in millions, except as noted)	2023 Q4	2023 Q3	2022 Q4	2023 Q4 vs. 2023 Q3	2023 Q4 vs. 2022 Q4
Earnings:					
Net interest income	**$ 5,231**	$ 5,114	$ 4,533	2%	15%
Non-interest income	**1,565**	1,513	1,449	3	8
Total net revenue	**6,796**	6,627	5,982	3	14
Provision for credit losses	**2,353**	1,953	1,878	20	25
Non-interest expense	**3,417**	3,015	3,069	13	11
Pre-tax income	**1,026**	1,659	1,035	(38)	(1)
Selected performance metrics:					
Period-end loans held for investment	**$ 154,547**	$ 146,783	$ 137,730	5%	12%
Average loans held for investment	**148,627**	144,049	130,652	3	14
Total net revenue margin	**18.24%**	18.40%	18.32%	(16)bps	(8)bps
Net charge-off rate	**5.33**	4.42	3.27	91	206
Purchase volume	**$ 162,055**	$ 158,640	$ 155,633	2%	4%

Fourth Quarter 2023 Highlights

- Ending loans held for investment up $16.8 billion, or 12%, year-over-year; average loans held for investment up $18.0 billion, or 14%, year-over-year
- Purchase volume up 4% year-over-year
- Revenue up $814 million, or 14%, year-over-year
- Revenue margin of 18.24%
- Non-interest expense up $348 million or 11% year-over-year
- Provision for credit losses up $475 million year-over-year
- Net charge-off rate of 5.33%

Domestic Card

(Dollars in millions, except as noted)	2023 Q4	2023 Q3	2022 Q4	2023 Q4 vs. 2023 Q3	2023 Q4 vs. 2022 Q4
Earnings:					
Net interest income	**$ 4,940**	$ 4,827	$ 4,280	2%	15%
Non-interest income	**1,498**	1,445	1,392	4	8
Total net revenue	**6,438**	6,272	5,672	3	14
Provision for credit losses	**2,238**	1,861	1,800	20	24
Non-interest expense	**3,186**	2,810	2,866	13	11
Pre-tax income	**1,014**	1,601	1,006	(37)	1
Selected performance metrics:					
Period-end loans held for investment	**$ 147,666**	$ 140,320	$ 131,581	5%	12%
Average loans held for investment	**142,112**	137,500	124,816	3	14
Total net revenue margin	**18.07%**	18.24%	18.18%	(17)bps	(11)bps
Net charge-off rate	**5.35**	4.40	3.22	95	213
30+ day performing delinquency rate	**4.61**	4.31	3.43	30	118
Purchase volume	**$ 158,290**	$ 154,880	$ 151,995	2%	4%

Fourth Quarter 2023 Highlights

- Ending loans held for investment up $16.1 billion, or 12%, year-over-year; average loans held for investment up $17.3 billion, or 14%, year-over-year
- Purchase volume up 4% year-over-year
- Revenue up $766 million, or 14%, year-over-year
- Revenue margin of 18.07%
- Non-interest expense up $320 million, or 11%, year-over-year
- Provision for credit losses up $438 million year-over-year
- Net charge-off rate of 5.35%

Consumer Banking

(Dollars in millions, except as noted)	2023 Q4	2023 Q3	2022 Q4	2023 Q4 vs. 2023 Q3	2023 Q4 vs. 2022 Q4
Earnings:					
Net interest income	**$ 1,951**	$ 2,133	$ 2,394	(9)%	(19)%
Non-interest income	**163**	142	139	15	17
Total net revenue	**2,114**	2,275	2,533	(7)	(17)
Provision for credit losses	**422**	213	477	98	(12)
Non-interest expense	**1,402**	1,262	1,450	11	(3)
Pre-tax income	**290**	800	606	(64)	(52)
Selected performance metrics:					
Period-end loans held for investment	**$ 75,437**	$ 76,844	$ 79,925	(2)%	(6)%
Average loans held for investment	**76,238**	77,154	80,700	(1)	(6)
Auto loan originations	**6,157**	7,452	6,635	(17)	(7)
Period-end deposits	**296,171**	290,789	270,592	2	9
Average deposits	**291,486**	287,457	262,844	1	11
Average deposits interest rate	**3.06%**	2.85%	1.42%	21 bps	164 bps
Net charge-off rate	**2.25**	1.81	1.73	44	52

Fourth Quarter 2023 Highlights

- Ending loans held for investment down $4.5 billion, or 6%, year-over-year; average loans held for investment down $4.5 billion, or 6%, year-over-year
- Ending deposits up $25.6 billion, or 9%, year-over-year
- Auto loan originations down $478 million, or 7%, year-over-year
- Revenue down $419 million, or 17%, year-over-year
- Non-interest expense down $48 million, or 3%, year-over-year
- Provision for credit losses down $55 million year-over-year
- Average deposits interest rate of 3.06%
- Net charge-off rate of 2.25%

Commercial Banking

(Dollars in millions, except as noted)	2023 Q4	2023 Q3	2022 Q4	2023 Q4 vs. 2023 Q3	2023 Q4 vs. 2022 Q4
Earnings:					
Net interest income	**$ 617**	$ 621	$ 520	(1)%	19%
Non-interest income	**245**	288	261	(15)	(6)
Total net revenue	**862**	909	781	(5)	10
Provision for credit losses	**84**	116	62	(28)	35
Non-interest expense	**487**	512	555	(5)	(12)
Pre-tax income	**291**	281	164	4	77
Selected performance metrics:					
Period-end loans held for investment	**$ 90,488**	$ 91,153	$ 94,676	(1)%	(4)%
Average loans held for investment	**91,025**	91,556	95,529	(1)	(5)
Period-end deposits	**32,712**	36,035	40,808	(9)	(20)
Average deposits	**34,525**	37,279	42,779	(7)	(19)
Average deposits interest rate	**2.79%**	2.93%	1.80%	(14)bps	99 bps
Net charge-off rate	**0.53**	0.25	0.06	28	47
Risk category as a percentage of period-end loans held for investment:[1]					
Criticized performing	**8.81%**	8.08%	6.71%	73 bps	210 bps
Criticized nonperforming	**0.84**	0.90	0.74	(6)	10

Fourth Quarter 2023 Highlights

- Ending loans held for investment down $665 million, or 1%, quarter-over-quarter; average loans held for investment down $531 million, or 1%, quarter-over-quarter
- Ending deposits down $3.3 billion, or 9%, quarter-over-quarter; average deposits down $2.8 billion, or 7%, quarter-over-quarter
- Revenue down $47 million, or 5%, quarter-over-quarter
- Non-interest expense down $25 million, or 5%, quarter-over-quarter
- Provision for credit losses down $32 million quarter-over-quarter
- Net charge-off rate of 0.53%
- Criticized performing loan rate of 8.81% and criticized nonperforming loan rate of 0.84%

(1) Criticized exposures correspond to the “Special Mention,” “Substandard” and “Doubtful” asset categories defined by bank regulatory authorities.

Appendix

Reconciliation of Non-GAAP Measures

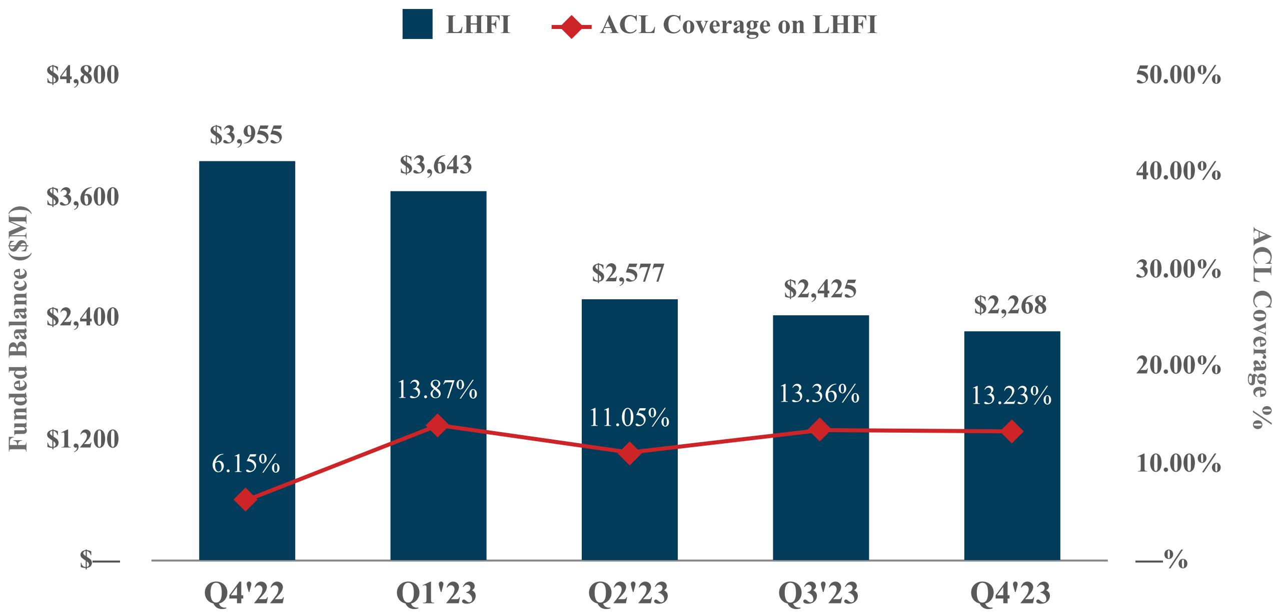
(Dollars in millions, except per share data and as noted)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	Year Ended December 31, 2023	Year Ended December 31, 2022
Adjusted diluted earnings per share ("EPS"):							
Net income available to common stockholders (GAAP)	**$ 639**	$ 1,705	$ 1,351	$ 887	$ 1,161	**$ 4,582**	$ 7,044
FDIC special assessment	**289**	—	—	—	—	**289**	—
Insurance recoveries and legal reserve activity	—	—	—	—	(177)	—	(177)
Restructuring charges	—	—	—	—	72	—	72
Adjusted net available to common stockholders before income tax impacts (non-GAAP)	**928**	1,705	1,351	887	1,056	**4,871**	6,939
Income tax impacts	**(70)**	—	—	—	25	**(70)**	25
Adjusted net income available to common stockholders (non-GAAP)	**$ 858**	$ 1,705	$ 1,351	$ 887	$ 1,081	**$ 4,801**	$ 6,964
Diluted weighted-average common shares outstanding (in millions) (GAAP)	**382.8**	383.3	383.7	383.8	383.7	**383.4**	393.2
Diluted EPS (GAAP)	**$ 1.67**	$ 4.45	$ 3.52	$ 2.31	$ 3.03	**$ 11.95**	$ 17.91
Impact of adjustments noted above	**0.57**	—	—	—	(0.21)	**0.57**	(0.20)
Adjusted diluted EPS (non-GAAP)	**$ 2.24**	$ 4.45	$ 3.52	$ 2.31	$ 2.82	**$ 12.52**	$ 17.71
Adjusted efficiency ratio:							
Non-interest expense (GAAP)	**$ 5,717**	$ 4,860	$ 4,794	$ 4,945	$ 5,080	**$ 20,316**	$ 19,163
FDIC special assessment	**(289)**	—	—	—	—	**(289)**	—
Insurance recoveries and legal reserve activity	—	—	—	—	177	—	177
Restructuring charges	—	—	—	—	(72)	—	(72)
Adjusted non-interest expense (non-GAAP)	**$ 5,428**	$ 4,860	$ 4,794	$ 4,945	$ 5,185	**$ 20,027**	$ 19,268
Total net revenue (GAAP)	**$ 9,506**	$ 9,366	$ 9,012	$ 8,903	$ 9,040	**$ 36,787**	$ 34,250
Efficiency ratio (GAAP)	**60.14%**	51.89%	53.20%	55.54%	56.19%	**55.23%**	55.95%
Impact of adjustments noted above	**(304)bps**	—	—	—	117bps	**(79)bps**	31bps
Adjusted efficiency ratio (non-GAAP)	**57.10%**	51.89%	53.20%	55.54%	57.36%	**54.44%**	56.26%

Reconciliation of Non-GAAP Measures

(Dollars in millions)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	Year Ended December 31, 2023	Year Ended December 31, 2022
Adjusted operating efficiency ratio:							
Operating expense (GAAP)	**$ 4,463**	$ 3,888	$ 3,908	$ 4,048	$ 3,962	**$ 16,307**	$ 15,146
FDIC special assessment	**(289)**	—	—	—	—	**(289)**	—
Legal reserve activity, including insurance recoveries	—	—	—	—	177	—	177
Restructuring charges	—	—	—	—	(72)	—	(72)
Adjusted operating expense (non-GAAP)	**$ 4,174**	$ 3,888	$ 3,908	$ 4,048	$ 4,067	**$ 16,018**	$ 15,251
Total net revenue (GAAP)	**$ 9,506**	$ 9,366	$ 9,012	$ 8,903	$ 9,040	**$ 36,787**	$ 34,250
Operating efficiency ratio (GAAP)	**46.95%**	41.51%	43.36%	45.47%	43.83%	**44.33%**	44.22%
Impact of adjustments noted above	**(304)bps**	—	—	—	116 bps	**(79)bps**	31 bps
Adjusted operating efficiency ratio (non-GAAP)	**43.91%**	41.51%	43.36%	45.47%	44.99%	**43.54%**	44.53%

	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Pre- Provision Earnings					
Total net revenue	**$ 9,506**	$ 9,366	$ 9,012	$ 8,903	$ 9,040
Non-interest expense	**(5,717)**	(4,860)	(4,794)	(4,945)	(5,080)
Pre-provision earnings	**$ 3,789**	$ 4,506	$ 4,218	$ 3,958	$ 3,960
Tangible Book Value per Common Share					
Tangible common equity (Period-end)	**$ 37,955**	$ 33,515	$ 34,358	$ 34,710	$ 32,835
Outstanding Common Shares	**380.4**	381.0	381.4	382.0	381.3
Tangible book value per common share	**$ 99.78**	$ 87.97	$ 90.07	$ 90.86	$ 86.11

Commercial Office Real Estate



	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Annualized Net charge-off rate for LHFI[1]	0.37 %	1.84 %	46.38 %	3.73 %	15.50 %
Total criticized rate for LHFI	35.40 %	43.30 %	32.80 %	39.70 %	48.50 %
Nonperforming loan rate for LHFI	3.00 %	5.50 %	11.30 %	9.70 %	12.20 %
Office Real Estate LHFI as a % of Total LHFI	1.3 %	1.2 %	0.8 %	0.8 %	0.7 %

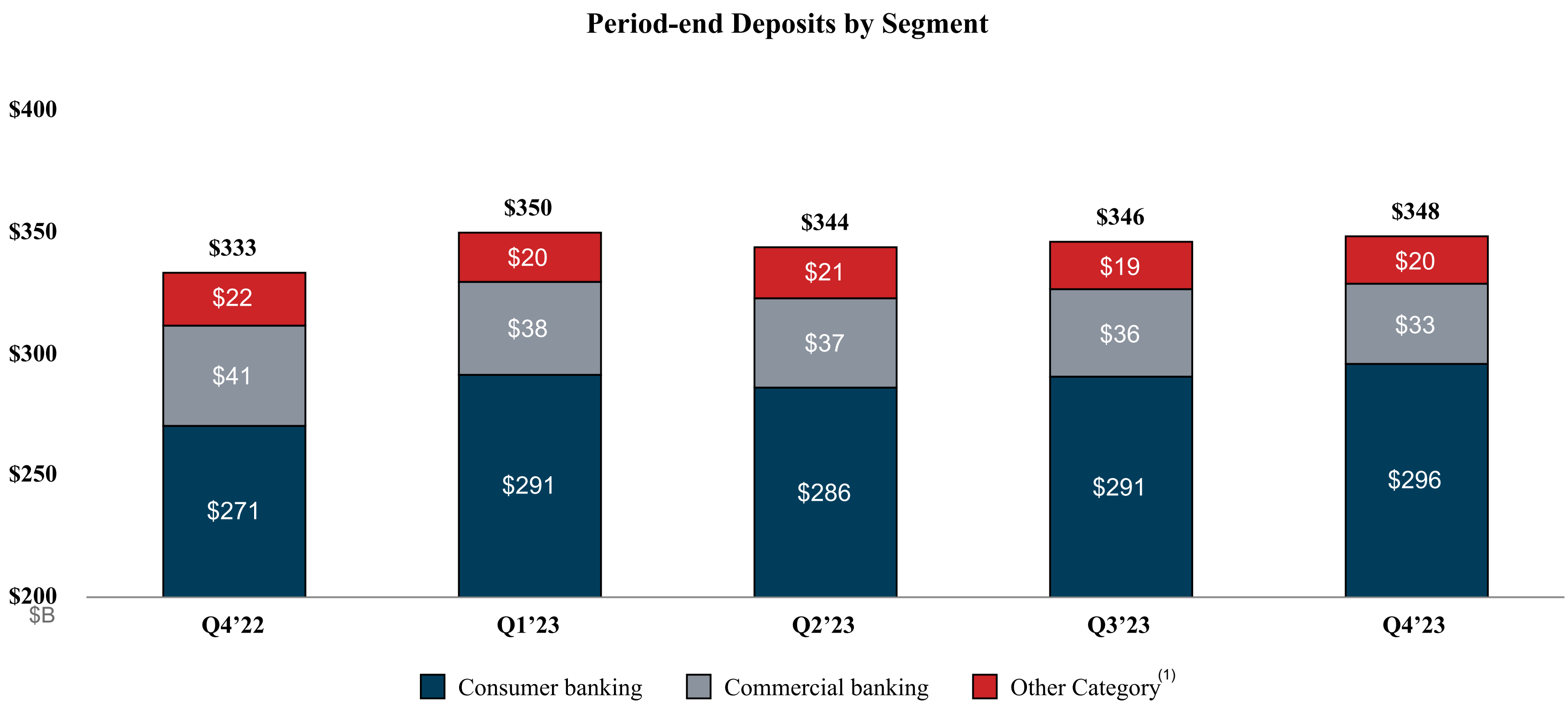
Fourth Quarter 2023 Highlights

- Office Real Estate represented 2.5% of our Commercial Banking LHFI portfolio and 0.7% of total LHFI
- The allowance coverage ratio decreased from 13.36% in Q3’23 to 13.23% in Q4’23, while the annualized net charge-off rate increased from 3.73% to 15.50%.

Note: Excludes loans in our Healthcare Real Estate business secured by Medical Office properties and loans to office real estate investment trusts (REIT) and real estate investment funds (REIF).

(1) Net charge-off rate is calculated based on annualized net charge-offs for the period divided by average loans held for investment for the period.

Deposits



Fourth Quarter 2023 Highlights

- Period-end insured deposits were $284.3 billion or 82% of total deposits

(1) Includes brokered deposits of $18.5 billion, $18.1 billion, $19.7 billion, $19.2 billion and $20.6 billion as of December 31, 2023, September 30, 2023, June 30, 2023, March 31, 2023 and December 31, 2022 respectively.