

## ***INTERAGENCY BANK MERGER ACT APPLICATION***

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Public reporting burden for this collection of information is estimated to average 30 and 18 hours for nonaffiliate and affiliate transactions, respectively, including the time to gather and maintain data in the required form, to review instructions, and to complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Paperwork Reduction Act, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429; Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; or Licensing Activities Division, Comptroller of the Currency, 400 7th Street, S.W., Washington, DC 20219; and to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503.

An organization or a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

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### **General Information and Instructions**

#### **Preparation and Use**

This application is used to effect a merger transaction under section 18(c) of the Federal Deposit Insurance Act (FDIA), as amended (12 U.S.C. 1828(c)), and for national banks using other sources of merger authority, such as 12 U.S.C. 215, 215a. "Merger transaction" includes a merger, consolidation, assumption of deposit liabilities, and certain asset transfers between or among two or more institutions. An application is required for merger transactions between or among affiliated institutions (affiliate transactions) as well as for merger transactions between or among nonaffiliated institutions.

An affiliate transaction refers to a merger transaction between institutions that are commonly controlled. It includes a business combination between a depository institution and an affiliated interim institution. Applicants proposing affiliate transactions are not required to complete questions 12 through 14 of this form.

All questions must be answered with complete and accurate information that is subject to verification. If the answer is "none," "not applicable," "not available," or "unknown," so state. Answers of "not available" or "unknown" should be explained.

The questions in the application are not intended to limit the Applicant's presentation, nor are the questions intended to duplicate information supplied on another form or in an exhibit. A cross-reference to the information is acceptable. *Any cross-reference must be made to a specific location in the documents, so the information can be found easily.* Supporting information for all relevant factors, setting forth the basis for Applicant's conclusions, should accompany the application. The regulatory agency may request additional information.

The application must be submitted to the appropriate regulatory agency of the depository institution that would survive the proposed transaction (Resultant Institution). All inquiries on preparation of the application should be directed to that agency which, in some circumstances, may modify the information requested.

For additional information regarding the processing procedures and guidelines and any supplemental information that may be required, please refer to the appropriate regulatory

agency's procedural guidelines (that is, *Comptroller's Licensing Manual*, the FDIC's Rules and Regulations [12 C.F.R. 303] and Statement of Policy on Bank Merger Transactions, contact the agency directly for specific instruction or visit its Web site at [www.fdic.gov](http://www.fdic.gov), [www.occ.treas.gov](http://www.occ.treas.gov), and [www.federalreserve.gov](http://www.federalreserve.gov).

### **Interim Charters and Federal Deposit Insurance**

An interim state or federal depository institution charter may be used to facilitate a merger or consolidation. An interim institution is one that does not operate independently but exists, usually for a very short period of time, solely as a vehicle to accomplish a combination (for example, to facilitate the acquisition of 100 percent of the voting shares of an existing depository institution). The processing procedures and guidelines for chartering an interim institution may be found in the guidelines of the appropriate regulatory agency.

Applicants should contact the FDIC to discuss relevant deposit insurance requirements. An application for deposit insurance is not required in connection with a merger (other than a purchase and assumption) between a federally chartered interim institution and an existing FDIC-insured depository institution, including those instances in which the resulting institution is to operate under the charter of the federal interim institution. However, an application for deposit insurance is required if a state-chartered interim bank or savings association is to be insured. Mergers between an FDIC-insured institution and a noninsured institution are subject to FDIC approval under section 18(c)(1) of the FDIA (12 U.S.C. 1828(c)(1)).

In making its determination to grant deposit insurance under section 5(a) of the FDIA (12 U.S.C. 1815(a)), the FDIC will consider the factors enumerated in section 6 of the FDIA (12 U.S.C. 1816). If applying for deposit insurance under section 5(a), check the appropriate boxes on the top of Page 1 of this form and include with this application any additional relevant information.

### **Establishment of Branches and Branch Closings**

This Interagency Bank Merger Act Application will be deemed to constitute an application pursuant to section 9 of the Federal Reserve Act (12 U.S.C. 321) in the case of state member banks, section 18(d) of the FDIA (12 U.S.C. 1828(d)) for state nonmember banks, and 12 U.S.C. 36 for national banks to operate the Target Institution's main office and branches as branches of the Applicant.

If a branch is closed as a result of a merger, consolidation, or other combination, refer to the Interagency Policy Statement on Branch Closings and applicable law for branch closure notice requirements (12 U.S.C. 1831r-1).

### **Notice of Publication**

An Applicant must publish notice of the proposed acquisition in a newspaper of general circulation in the community or communities in which the main office of each of the parties to the transaction is located (12 U.S.C. 1828(c)(3)). A copy of the affidavit(s) of publication should be submitted to the appropriate regulatory agency. Contact the appropriate regulatory agency for the specific requirements of the notice of publication.

### **Compliance**

An Applicant is expected to comply with all representations and commitments made in the application.

Transactions subject to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a), which applies to certain very large transactions, require a pre-merger filing with the Federal Trade Commission and the Department of Justice. Refer to the Federal Trade Commission's Web site for specific details (<http://www.ftc.gov/bc/hsr/hsr.htm>).

### **Confidentiality**

Any Applicant desiring confidential treatment of specific portions of the application must submit a request in writing with the application. The request must discuss the justification for the requested treatment. The Applicant's reasons for requesting confidentiality should specifically demonstrate the harm (for example, loss of competitive position, invasion of privacy) that would result from public release of information (5 U.S.C. 552). Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the application (by reference to the confidential section); (2) separately bound; and (3) labeled "Confidential." The Applicant should follow the same procedure when requesting confidential treatment for the subsequent filing of supplemental information to the application.

The Applicant should contact the appropriate regulatory agency for specific instructions regarding requests for confidential treatment. The appropriate regulatory agency will determine whether the information will be treated as confidential and will advise the Applicant of any decision to make available to the public information labeled as "Confidential."

**INTERAGENCY BANK MERGER ACT APPLICATION**

Check all that apply:

Type of Filing	Form of Transaction	Filed Pursuant To
<input checked="" type="checkbox"/> Affiliate/Corporate Reorganization	<input checked="" type="checkbox"/> Merger	<input checked="" type="checkbox"/> 12 U.S.C. 1828(c)
<input type="checkbox"/> Combination with Interim Depository Institution	<input type="checkbox"/> Consolidation	<input checked="" type="checkbox"/> 12 U.S.C. 215, 215a-c
<input type="checkbox"/> Nonaffiliate Combination	<input type="checkbox"/> Purchase and Assumption	<input type="checkbox"/> 12 U.S.C. 1815(a)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Branch Purchase and Assumption	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Other _____	

**Applicant Depository Institution**

Capital One, National Association		13688
Name		Charter/Docket Number
McLean	VA	22102-0000
City	State	Zip Code

**Target Institution(s)**

Charter/Docket No.	Name	City	State
305649	Discover Bank	Greenwood	DE

**Resultant Institution (if different than Applicant)**

Capital One, National Association		13688
Name		Charter/Docket Number
1680 Capital One Drive		
Street		
McLean	VA	22102-0000
City	State	Zip Code

**Contact Person**

Rosemary Spaziani		Attorney
Name		Title/Employer
New York	NY	10019
City	State	Zip Code
212-403-1342		rspaziani@wlrk.com
Telephone Number	Fax Number	E-mail Address



## INTERAGENCY BANK MERGER ACT APPLICATION

1. Describe the transaction's purpose, structure, significant terms and conditions, and financing arrangements, including any plan to raise additional equity or incur debt. Also provide the approximate approval date needed to consummate.

See attachments

2. Provide a copy of (a) the executed merger or transaction agreement, including any amendments, (b) any board of directors' resolutions related to the transaction, and (c) interim charter, names of organizers, and related documents, if applicable.

See attachments

3. Describe any issues regarding the permissibility of the proposal with regard to applicable state or Federal laws or regulations (for example, nonbank activities, branching, qualified thrift lender's test).

See attachments

4. Describe any nonconforming or impermissible assets or activities that Applicant or Resultant Institution may not be permitted to retain under relevant law or regulation, including the method of and anticipated time period for divestiture or disposal.

Not applicable

5. Provide the indicated financial information and describe the assumptions used to prepare the projected statements, including those about the effect of the merger transaction. Material changes between the date of the financial statements and the date of the application should be disclosed. If there are no material changes, a statement to that effect should be made.
  - a. Pro Forma Balance Sheet, as of the end of the most recent quarter and for the first year of operation after the transaction. Indicate separately for the Applicant and Target Institution each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by footnotes) reflecting the proposed acquisition; and the resulting pro forma combined balance sheet. Goodwill and all other intangible assets should be listed separately on the balance sheet. Indicate the amortization period and method used for any intangible asset and the accretion period of any purchase discount on the balance sheet.

See attachments

- b. Projected Combined Statement of Income for the first year of operation following consummation.

See attachments

- c. Pro Forma and Projected Regulatory Capital Schedule, as of the end of the most recent quarter and for the first year of operation, indicating:

- Each component item for Tier 1 (Core) and Tier 2 (Supplementary) Capital, Subtotal for Tier 1 and Tier 2 Capital (less any investment in unconsolidated or nonincludable subsidiaries), Total Capital (*include Tier 3 if applicable*).
- Total risk-weighted assets
- Capital Ratios: (1) Tier 1 capital to total risk-weighted assets; (2) Total capital to total risk-weighted assets; and (3) Tier 1 capital to average total consolidated assets (leverage ratio).

See attachments

6. List the directors and senior executive officers of the Resultant Institution and provide the name, address, position with and shares held in Resultant Institution or holding company, and principal occupation (if a director).

See attachments

7. Describe how the proposal will meet the convenience and needs of the community. For the combining institutions, list any significant anticipated changes in services or products that will result from the consummation of the transaction. If any services or products will be discontinued, describe and explain the reasons.

See attachments

8. Discuss the programs, products, and activities of the Applicant or the Resultant Institution that will meet the existing or anticipated needs of its community(ies) under the applicable criteria of the Community Reinvestment Act (CRA) regulation, including the needs of low- and moderate-income geographies and individuals. For an Applicant or Target Institution that has received a CRA composite rating of "needs to improve" or "substantial noncompliance" institution-wide or, where applicable, in a state or a multi-state MSA, or has received an evaluation of less than satisfactory performance in an MSA or in the non-MSA portion of a state in which the applicant is expanding as a result of the combination, describe the specific actions, if any, that have been taken to address the deficiencies in the institution's CRA performance record since the rating.

See attachments

9. The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 imposes additional considerations for certain interstate mergers between insured banks. Savings associations are not subject to 12 U.S.C. 1831u. If subject to these provisions, discuss authority; compliance with state age limits and host state(s) filing requirements; and applicability of nationwide and statewide concentration limits. In addition, discuss any other restrictions that the states seek to apply (including state antitrust restrictions).

See attachments

10. This application will be deemed to constitute an application pursuant to 12 CFR 5.30, 5.31, and 12 USC 36 to establish and maintain the branches listed in the application.

a. List all offices that will be established or retained as branches, including the main or home office, of the target institution(s) in the Manage Branch section of the application. You will be required to provide the following information: popular name, street address, city, county, state, and ZIP code for each location being established or retained (branches acquired in a Purchase and Assumption transaction).

b. List all approved, but unopened branch(es) of the target institution(s), including the popular name, street address, city, county, state, and ZIP code. Also include the date the current federal and state agencies granted approval(s).

See attachments



c. List all banking offices, including branches and or the main or home office, that will be closed or consolidated as a result of the proposal to the extent the information is available and indicate the effect on the branch customers served. For each branch, list the popular name, street address, city, county, state, and ZIP code. In addition, indicate the date you sent or anticipate sending the Advance Branch Closing and Customer Notices to the OCC and the customer.

*If a branch is closed as a result of a merger, consolidation, or other combination, refer to the Joint Policy Statement on Branch Closing Notices and Policies, which can be found in the Appendix of the “Branch Closings” booklet of the Manual, and applicable law for branch closure notice requirements (12 USC 1831r-1).*

See attachments

11. As a result of this transaction, if the Applicant will be or will become affiliated with a company engaged in insurance activities that is subject to supervision by a state insurance regulator, provide:

a. The name of company.

b. A description of the insurance activity that the company is engaged in and has plans to conduct.

- c. A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.

**If a nonaffiliate transaction, the Applicant also must reply to items 12 through 14.**

12. Discuss the effects of the proposed transaction on existing competition in the relevant geographic market(s) where Applicant and Target Institution operate. Applicant should contact the appropriate regulatory agency for specific instructions to complete the competitive analysis.

13. If the proposed transaction involves a branch sale or any other divestiture of all or any portion of the bank, savings association or nonbank company (in the case of a merger under 12 U.S.C. 1828(c)(1)) to mitigate competitive effects, discuss the timing, purchaser, and other specific information.

14. Describe any management interlocking relationships (12 U.S.C. 3201-3208) that currently exist or would exist following consummation. Include a discussion of the permissibility of the interlock with regard to relevant laws and regulations.

**CERTIFICATION**

We hereby certify that our board of directors, by resolution, has authorized the filing of this application, and that to the best of our knowledge, it contains no misrepresentations or omissions of material facts. In addition, we agree to notify the agency if the facts described in the filing materially change prior to receiving a decision or prior to consummation. Any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject us to legal sanctions provided by 18 U.S.C. 1001 and 1007.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Capital One, National Association by  
(Applicant)

\_\_\_\_\_  
(Signature of Authorized Officer)<sup>1</sup>

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Title)

Discover Bank by  
(Target Institution)

\_\_\_\_\_  
(Signature of Authorized Officer)<sup>1</sup>

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Title)

<sup>1</sup>In multiple-step combinations, applicants should ensure that authorized officers of the combining institutions sign.

\_\_\_\_\_ by  
(Target Institution)

\_\_\_\_\_  
(Signature of Authorized Officer)<sup>1</sup>

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_ by  
(Target Institution)

\_\_\_\_\_  
(Signature of Authorized Officer)<sup>1</sup>

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_ by  
(Target Institution)

\_\_\_\_\_  
(Signature of Authorized Officer)<sup>1</sup>

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_ by  
(Target Institution)

\_\_\_\_\_  
(Signature of Authorized Officer)<sup>1</sup>

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Title)

<sup>1</sup>In multiple-step combinations, applicants should ensure that authorized officers of the combining institutions sign

## COMPTROLLER OF THE CURRENCY

### SUPPLEMENT TO INTERAGENCY BANK MERGER ACT APPLICATION

All OCC Applicants should provide the following supplemental information with their application:

15. If any of the combining institutions have entered into commitments with community organizations, civic associations, or similar entities concerning providing banking services to the community, describe the commitment.

16. If the Resultant Institution will not assume the obligations entered into by the Target Institution, explain the reasons and describe the impact on the communities to be affected.

17. If acquiring a non-national bank subsidiary, provide the information and analysis of the subsidiary's activities that would be required if it were established pursuant to 12 C.F.R. 5.34 or 5.39.

18. If applicable, provide the information to satisfy the requirements of 12 C.F.R. 163.22(d)(1)(vi).



## **FEDERAL RESERVE SYSTEM**

### **SUPPLEMENT TO INTERAGENCY BANK MERGER ACT APPLICATION**

With respect to question 6, FRB Applicants should consult with FRB staff regarding whether any biographical or financial information should be submitted with respect to any new principal shareholders, directors, and senior executive officers.

The Certification on page 5 need not be provided by the Target Institution. FRB Applicants should modify their Certification accordingly.

In addition, all FRB Applicants should provide the following supplemental information with their application:

15. If the pro forma consolidated assets of Applicant's parent holding company are less than \$150 million and parent company long-term debt will exceed 30 percent of parent company equity capital accounts on a pro forma basis, provide cash flow projections for the parent company which clearly demonstrate the ability to reduce the long-term debt-to-equity ratio to 30 percent or less within 12 years of consummation.

## FEDERAL DEPOSIT INSURANCE CORPORATION

### SUPPLEMENT TO INTERAGENCY BANK MERGER ACT APPLICATION

All FDIC Applicants should provide the following supplemental information with their application:

15. This section supplements question 12 of the Interagency Bank Merger Act Application for transactions between nonaffiliated parties. Additional guidance relating to the FDIC's consideration of the competitive factors in a proposed merger transaction is contained in the FDIC's Rules and Regulations (12 C.F.R. 303 Subpart D) and Statement of Policy on Bank Merger Transactions (2 FDIC Law, Regulations, and Related Acts 5145), which may be found at <http://www.fdic.gov/regulations/laws/rules/index.html>.

#### **I. Delineation of the relevant geographic market(s).**

The relevant geographic market includes the areas in which the offices to be acquired are located and from which those offices derive the predominant portion of their loans, deposits, or other business. The relevant geographic market also includes the areas where existing and potential customers impacted by the proposed merger may practically turn for alternative sources of banking services.

- (a) Prepare schedules for the Applicant Institution and Target Institution showing the total number of accounts and total dollar volume of deposits<sup>2</sup> for each municipality or census tract, where applicable, according to the recorded address of the depositor (do not submit supporting data). Small amounts may be aggregated and identified as "other." *If the Applicant Institution is a multi-office institution, Applicant Institution deposit information should be provided only for those offices within or proximate to the area(s) described below under paragraph (b).*

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<sup>2</sup> In most cases, total deposits will serve as an adequate proxy for the overall share of banking business in the relevant geographic market area; however, other analytical proxies may be appropriate in certain cases (for example, a merger transaction involving trust companies).

(b) Identify those areas where existing and potential customers of the offices to be acquired may practically turn for alternative sources of banking services. If consideration of the availability of such alternative banking services results in a market area considerably different from that indicated by the sources of deposits, discuss and provide necessary supporting information.

(c) Using the information collected in paragraphs (a) and (b), provide a narrative description of the delineated relevant geographic market(s).

(d) Provide any additional information necessary to support the delineated relevant geographic market(s). Supporting information may include relevant demographic information, locations of major employers, retail trade statistics, and/or information on traffic patterns. *Applicants should consult with the applicable FDIC Regional Office in determining whether additional information is necessary.*

## II. Competition in the relevant geographic market(s).

- (a) Prepare a schedule of participating and competing banking institutions' offices, divided into three sections:
- (i) Applicant Institution offices within or proximate to the relevant geographic market(s);
  - (ii) Target Institution offices within or proximate to the relevant geographic market(s); and
  - (iii) Competitor banking offices located or competing within the delineated relevant geographic market(s)

To the extent known, also include banking offices approved but not yet open. The following presentation format is suggested:

<b>Name and Location of Banking Office</b>	<b>Total Deposits</b>	<b>Distance and Direction From Nearest Office</b>	
		<b>Applicant Institution</b>	<b>Target Institution</b>

- (b) For each office listed in paragraph (a), provide the street address; total deposits as reported in the most recent *FDIC Summary of Deposits Data Book* (<http://www2.fdic.gov/sod/index.asp>); and distance and general direction from the nearest office of Applicant and Target Institution. *In cases where the delineated relevant geographic market includes a significant portion of a larger metropolitan area, provide only a listing of financial institutions and the aggregate total deposits of all offices operated by each within the delineated relevant geographic market(s).*
- (c) Discuss the extent and intensity of competition in the delineated relevant geographic market(s) provided by nonbank institutions, such as other depository institutions (for example, credit unions) and non-depository institutions (for example, finance companies, or government agencies). For those institutions regarded as competing in the delineated relevant geographic market(s), provide name, address, and services supplied.

## Checklist Questions

### Community Reinvestment Commitments

An applicant completing either the *Interagency Bank Merger Act Application* or the *Business Combination Application—Streamlined* must respond to the following two questions and, if applicable, provide the requested information.

1. Have any of the combining institutions entered into commitments with community organizations, civic associations, or similar entities to provide banking services to the community?

Yes  No

If the answer is yes, describe the commitment.

2. Will the resulting bank assume all the commitments described in the previous question?

Yes  No

If the answer is no, explain the reasons and describe the impact on the communities to be affected.

### **Competitive Factors - Removal from Expedited Processing**

Although an application may initially qualify for expedited processing, it could be removed from expedited processing if there are competitive issues that warrant additional review. Each applicant that submits a Competitive Analysis for an unaffiliated business combination must answer the following questions:

1. Does the HHI for any relevant banking market increase by more than 200 points with a post-acquisition HHI of at least 1800?

Yes  No

2. Excluding markets in which the acquiring bank has 35 percent or more of the deposits, will the resulting bank have greater than 35 percent of the deposits in a relevant market?

Yes  No

A yes answer for either question indicates the application will be removed from expedited processing for additional competitive review.



OCC Certification

We hereby certify that our board of directors, by resolution, has authorized the filing of this application, and that to the best of our knowledge, it contains no misrepresentations or omissions of material facts. In addition, we agree to notify the agency if the facts described in the filing materially change prior to receiving a decision or prior to consummation. Any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject us to legal sanctions provided by 18 USC 1001 and 1007.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

**[Electronically Signed]**

Rosemary Spaziani

\_\_\_\_\_  
Electronically Signed By

Attorney

\_\_\_\_\_  
Title

3/20/2024 11:48 PM EDT

\_\_\_\_\_  
Date and Time

Capital One, National  
Association

\_\_\_\_\_  
Institution

Business Combination - Affiliate  
Merger

\_\_\_\_\_  
Filing Type

13688

\_\_\_\_\_  
Institution Charter Number

2024-Combination-336070

\_\_\_\_\_  
Filing Control Number

# Documents Provided by Bank at Time of Submission

If no documents follow this page, the submitted application did not include any public attachments.

Capital One BMA Application - Public Exhibits Volume.pdf

Capital One, National Association Application, dated March 20, 2024.pdf

Letter submitting Capital One Application, dated March 20, 2024.pdf

# **PUBLIC EXHIBITS VOLUME**

## **APPLICATION**

**to the**

**OFFICE OF THE COMPTROLLER OF THE CURRENCY**

**By**

**CAPITAL ONE, NATIONAL ASSOCIATION**

**for prior approval to merge with**

**DISCOVER BANK**

**pursuant to**

**the Federal Deposit Insurance Act,  
12 U.S.C. §§ 1828(c) and 1831u, and  
the National Bank Act, 12 U.S.C. §§ 24, 36(d), 215a-1 and  
12 CFR part 5**

**March 20, 2024**

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## PUBLIC EXHIBITS VOLUME

### CAPITAL ONE, NATIONAL ASSOCIATION

March 20, 2024

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AGREEMENT AND PLAN OF MERGER

by and among

DISCOVER FINANCIAL SERVICES,

CAPITAL ONE FINANCIAL CORPORATION

AND

VEGA MERGER SUB, INC.

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Dated as of February 19, 2024

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## AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of February 19, 2024 (this “Agreement”), by and among Capital One Financial Corporation, a Delaware corporation (“Capital One”), Discover Financial Services, a Delaware corporation (“Discover”), and Vega Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Capital One (“Merger Sub”).

### WITNESSETH:

WHEREAS, the Boards of Directors of Capital One, Discover and Merger Sub have determined that it is in the best interests of their respective companies and their stockholders to consummate the strategic business combination transaction provided for herein, pursuant to which (a) Merger Sub will, subject to the terms and conditions set forth herein, merge with and into Discover (the “Merger”), so that Discover is the surviving corporation in the Merger (hereinafter sometimes referred to in such capacity as the “Surviving Company”), and (b) immediately following the Merger and as part of a single, integrated transaction, Capital One shall cause the Surviving Company to be merged with and into Capital One (the “Second Step Merger”, and together with the Merger, the “Mergers”), so that Capital One is the surviving corporation in the Second Step Merger (hereinafter sometimes referred to in such capacity as the “Surviving Entity”);

WHEREAS, in furtherance thereof, the respective Boards of Directors of Capital One, Discover and Merger Sub have approved the Mergers and this Agreement;

WHEREAS, for federal income tax purposes, it is intended that the Mergers, taken together, shall qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and this Agreement is intended to be and is adopted as a plan of reorganization for purposes of Sections 354 and 361 of the Code; and

WHEREAS, the parties desire to make certain representations, warranties and agreements in connection with the Merger and also to prescribe certain conditions to the Merger.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and intending to be legally bound hereby, the parties agree as follows:

### ARTICLE I

#### THE MERGER

1.1 The Merger. Subject to the terms and conditions of this Agreement, in accordance with the Delaware General Corporation Law (the “DGCL”), at the Effective Time, Merger Sub shall merge with and into Discover pursuant to this Agreement. Discover shall be the Surviving Company in the Merger, and shall continue its corporate existence under the laws

of the State of Delaware. Upon consummation of the Merger, the separate corporate existence of Merger Sub shall terminate.

1.2 Closing. Subject to the terms and conditions of this Agreement, the closing of the Merger (the "Closing") will take place by electronic exchange of documents at 10:00 a.m., New York City time, on a date which shall be no later than three (3) business days after the satisfaction or waiver (subject to applicable law) of all of the conditions set forth in Article VII hereof (other than those conditions that by their nature can only be satisfied at the Closing, but subject to the satisfaction or waiver thereof), unless another date, time or place is agreed to in writing by Discover and Capital One. The date on which the Closing occurs is referred to as the "Closing Date."

1.3 Effective Time. On or (if agreed by Discover and Capital One) prior to the Closing Date, Capital One and Discover shall cause to be filed a certificate of merger with respect to the Merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware (the "Delaware Secretary"). The Merger shall become effective at such time as specified in the Certificate of Merger in accordance with the relevant provisions of the DGCL, or at such other time as shall be provided by applicable law (such time hereinafter referred to as the "Effective Time").

1.4 Effects of the Merger. At and after the Effective Time, the Merger shall have the effects set forth in the applicable provisions of the DGCL.

1.5 Conversion of Discover Common Stock. At the Effective Time, by virtue of the Merger and without any action on the part of Capital One, Discover, Merger Sub or any holder of securities thereof:

(a) Subject to Section 2.2(e), each share of the common stock, par value \$0.01 per share, of Discover issued and outstanding immediately prior to the Effective Time (the "Discover Common Stock"), except for shares of Discover Common Stock owned by Discover or Capital One (in each case other than shares of Discover Common Stock (i) held in trust accounts, managed accounts, mutual funds and the like, or otherwise held in a fiduciary or agency capacity that are beneficially owned by third parties or (ii) held, directly or indirectly, by Discover or Capital One in respect of debts previously contracted), shall be converted into the right to receive 1.0192 shares (the "Exchange Ratio" and such shares the "Merger Consideration") of the common stock, par value \$0.01, of Capital One (the "Capital One Common Stock").

(b) All the shares of Discover Common Stock converted into the right to receive the Merger Consideration pursuant to this Article I shall no longer be outstanding and shall automatically be cancelled and shall cease to exist as of the Effective Time, and each certificate (each, an "Old Certificate," it being understood that any reference herein to "Old Certificate" shall be deemed to include reference to book-entry account statements relating to the ownership of shares of Discover Common Stock) previously representing any such shares of Discover Common Stock shall thereafter represent only the right to receive (i) a New Certificate representing the number of whole shares of Capital One Common Stock which such shares of Discover Common Stock have been converted into the right to receive pursuant to this Section



1.5, (ii) cash in lieu of fractional shares which the shares of Discover Common Stock represented by such Old Certificate have been converted into the right to receive pursuant to this Section 1.5 and Section 2.2(e), without any interest thereon and (iii) any dividends or distributions which the holder thereof has the right to receive pursuant to Section 2.2, in each case, without any interest thereon. If, prior to the Effective Time, the outstanding shares of Capital One Common Stock or Discover Common Stock shall have been increased, decreased, changed into or exchanged for a different number or kind of shares or securities as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split or reverse stock split, or there shall be any extraordinary dividend or distribution, an appropriate and proportionate adjustment shall be made to the Exchange Ratio to give Capital One and the holders of Discover Common Stock the same economic effect as contemplated by this Agreement prior to such event; provided, that nothing contained in this sentence shall be construed to permit Discover or Capital One to take any action with respect to its securities or otherwise that is prohibited by the terms of this Agreement.

(c) Notwithstanding anything in this Agreement to the contrary, at the Effective Time, all shares of Discover Common Stock that are owned by Discover, Capital One or Merger Sub (in each case other than shares of Discover Common Stock (i) held in trust accounts, managed accounts, mutual funds and the like, or otherwise held in a fiduciary or agency capacity that are beneficially owned by third parties or (ii) held, directly or indirectly, by Discover or Capital One in respect of debts previously contracted) shall be cancelled and shall cease to exist and no Capital One Common Stock or other consideration shall be delivered in exchange therefor.

1.6 Capital One Stock. At and after the Effective Time, each share of Capital One Common Stock and each share of Capital One Preferred Stock issued and outstanding immediately prior to the Effective Time shall remain an issued and outstanding share of common stock or preferred stock, as applicable, of Capital One and shall not be affected by the Merger.

1.7 Merger Sub Common Stock. At the Effective Time, by virtue of the Merger and without any action on the part of Capital One, Discover, Merger Sub or any holder of securities thereof, each share of the common stock, par value \$0.01 per share, of Merger Sub (the "Merger Sub Common Stock") issued and outstanding immediately prior to the Effective Time shall be converted into one share of common stock of the Surviving Company.

1.8 Discover Preferred Stock. At the Effective Time, each share of Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series C, par value \$0.01 per share, of Discover ("Discover Series C Preferred Stock") and each share of 6.125% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series D, par value \$0.01 per share, of Discover ("Discover Series D Preferred Stock") and collectively with the Discover Series C Preferred Stock, the "Discover Preferred Stock", in each case issued and outstanding immediately prior to the Effective Time shall remain outstanding.

1.9 Treatment of Discover Equity Awards; Discover ESPP.

(a) At the Effective Time, each restricted stock unit award in respect of shares of Discover Common Stock (a "Discover RSU Award") that is outstanding immediately prior to

the Effective Time shall, automatically and without any required action on the part of the holder thereof, be converted into a restricted stock unit award (a “Capital One RSU Award”) in respect of that number of shares of Capital One Common Stock (rounded to the nearest whole share) equal to the product of (i) the total number of shares of Discover Common Stock subject to the Discover RSU Award immediately prior to the Effective Time multiplied by (ii) the Exchange Ratio (as it may be adjusted if necessary pursuant to the last sentence of Section 1.5(b)). Each such Capital One RSU Award shall be settleable in shares of Capital One Common Stock. Except as expressly provided in this Section 1.9(a), each such Capital One RSU Award shall be subject to the same terms and conditions (including vesting terms) as applied to the corresponding Discover RSU Award immediately prior to the Effective Time.

(b) At the Effective Time, each performance stock unit award in respect of shares of Discover Common Stock (a “Discover PSU Award”) that is outstanding immediately prior to the Effective Time shall, automatically and without any required action on the part of the holder thereof, be converted into a cash-based award (a “Capital One Cash Based Award”) in respect of an amount in cash equal to the product of (i) the total number of shares of Discover Common Stock subject to the Discover PSU Award immediately prior to the Effective Time, with the number of shares of Discover Common Stock determined based on (A) the greater of target and actual performance through the last quarter ending simultaneously with or prior to the Effective Time for the Discover PSU Awards for which as of the Effective Time more than one year of the performance period has elapsed, with such performance level to be determined consistent with past practice by the compensation committee of the Discover Board of Directors (the “Discover Compensation Committee”) based on information available through the last quarter ending simultaneously with or prior to the Effective Time, and (B) target performance for the Discover PSU Awards for which as of the Effective Time one year or less of the performance period has elapsed, multiplied by (ii) the product of (1) the Exchange Ratio (as it may be adjusted if necessary pursuant to the last sentence of Section 1.5(b)), multiplied by (2) the average of the closing sale prices of Capital One Common Stock on the NYSE as reported by *The Wall Street Journal* for the consecutive period of five (5) full trading days ending on the day preceding the Closing Date. Each such Capital One Cash-Based Award shall be settleable in cash. Except as specifically provided in this Section 1.9(b), each such Capital One Cash-Based Award shall be subject to the same terms and conditions (including service-based vesting terms) as applied to the corresponding Discover PSU Award immediately prior to the Effective Time.

(c) Prior to the Effective Time, Discover, the Board of Directors of Discover and the Discover Compensation Committee, as applicable, will take action with respect to the Discover Employee Stock Purchase Plan (the “Discover ESPP”) to provide that the final exercise date (including for purposes of determining the Purchase Price (as defined in the Discover ESPP)) for the Purchase Period (as defined in the Discover ESPP) that otherwise would be in effect on the Closing Date will be no later than five (5) Business Days prior to the Effective Time. Discover will terminate the Discover ESPP as of no later than immediately prior to the Effective Time, pursuant to resolutions adopted by the Board of Directors of Discover or the Discover Compensation Committee, as applicable, copies of which shall be provided to Capital One prior to the Closing and shall be subject to Capital One’s reasonable review and comment.

(d) At or prior to the Effective Time, Discover, the Board of Directors of Discover and the Discover Compensation Committee, as applicable, shall adopt any resolutions

and take any actions that are necessary or appropriate to effectuate the provisions of this Section 1.9.

(e) Capital One shall take all corporate actions that are necessary for the assumption of the Discover RSU Awards pursuant to Section 1.9(a), including the reservation, issuance and listing of Capital One Common Stock as necessary to effect the transactions contemplated by this Section 1.9. As soon as practicable following the Effective Time, Capital One shall file with the SEC a post-effective amendment to the Form S-4 or a registration statement on Form S-8 (or any successor form) with respect to the shares of Capital One Common Stock underlying such Discover RSU Awards, and shall use reasonable best efforts to maintain the effectiveness of such registration statement for so long as such assumed Discover RSU Awards remain outstanding.

1.10 Certificate of Incorporation of Surviving Company. At the Effective Time, the certificate of incorporation of Discover, as in effect immediately prior to the Effective Time, shall be the certificate of incorporation of the Surviving Company until thereafter amended in accordance with applicable law.

1.11 Bylaws of Surviving Company. At the Effective Time, the bylaws of Merger Sub, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Company until thereafter amended in accordance with applicable law.

1.12 Tax Consequences. It is intended that the Mergers, taken together, shall qualify as a “reorganization” within the meaning of Section 368(a) of the Code, and that this Agreement is intended to be and is adopted as a plan of reorganization for the purposes of Sections 354 and 361 of the Code.

1.13 Officers and Directors of Surviving Company. The officers and directors of Merger Sub as of immediately prior to the Effective Time shall be the officers and directors of the Surviving Company.

1.14 Second Step Merger.

(a) The Second Step Merger. Immediately following the Effective Time, in accordance with the DGCL, Capital One shall cause the Surviving Company to be merged with and into Capital One in the Second Step Merger, with Capital One surviving the Second Step Merger as the Surviving Entity and continuing its existence under the laws of the State of Delaware, and the separate corporate existence of the Surviving Company ceasing as of the Second Effective Time. In furtherance of the foregoing, Capital One shall cause to be filed with the Delaware Secretary, in accordance with the DGCL, a certificate of merger with respect to the Second Step Merger (the “Second Step Certificate of Merger” and together with the Certificate of Merger, the “Certificates of Merger”). The Second Step Merger shall become effective at such time specified in the Second Step Certificate of Merger in accordance with the relevant provisions of the DGCL (such time hereinafter referred to as the “Second Effective Time”).

(b) Surviving Company Common Stock. At the Second Effective Time, by virtue of the Second Step Merger and without any action on the part of Capital One, the Surviving Company or any holder of securities thereof, each share of common stock of the

Surviving Company shall be cancelled and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(c) Surviving Company Preferred Stock. At the Second Effective Time, by virtue of the Second Step Merger and without any action on the part of Capital One, the Surviving Company, Merger Sub or any holder of securities thereof:

(i) Each share of Discover Series C Preferred Stock issued and outstanding immediately prior to the Second Effective Time shall automatically be converted into the right to receive a share of a newly created series of preferred stock of Capital One having terms that are not materially less favorable than the Discover Series C Preferred Stock (all shares of such newly created series, collectively, the “Capital One Series O Preferred Stock”) and, upon such conversion, the Discover Series C Preferred Stock shall no longer be outstanding and shall automatically be cancelled and shall cease to exist as of the Second Effective Time.

(ii) Each share of Discover Series D Preferred Stock issued and outstanding immediately prior to the Second Effective Time shall automatically be converted into the right to receive a share of a newly created series of preferred stock of Capital One having terms that are not materially less favorable than the Discover Series D Preferred Stock (all shares of such newly created series, collectively, the “Capital One Series P Preferred Stock,” and collectively with the Capital One Series O Preferred Stock, the “New Capital One Preferred Stock”) and, upon such conversion, the Discover Series D Preferred Stock shall no longer be outstanding and shall automatically be cancelled and shall cease to exist as of the Second Effective Time.

(d) Capital One Stock. At and after the Second Effective Time, each share of Capital One Common Stock and Capital One Preferred Stock issued and outstanding immediately prior to the Second Effective Time shall remain an issued and outstanding share of Capital One Common Stock and Capital One Preferred Stock and shall not be affected by the Second Step Merger; it being understood that upon the Second Effective Time, the Capital One Common Stock, including the shares issued to former holders of Discover Common Stock, shall be the common stock of the Surviving Entity.

(e) Certificate of Incorporation of Surviving Entity. At the Second Effective Time, the certificate of incorporation of Capital One, as in effect immediately prior to the Second Effective Time, shall be the certificate of incorporation of the Surviving Entity until thereafter amended in accordance with applicable law.

(f) Bylaws of Surviving Entity. At the Second Effective Time, the bylaws of Capital One, as in effect immediately prior to the Second Effective Time, shall be the bylaws of the Surviving Entity until thereafter amended in accordance with applicable law.

(g) Officers and Directors of Surviving Entity. At the Second Effective Time, the officers and directors of Capital One as of immediately prior to the Second Effective Time shall be the officers and directors of the Surviving Entity, subject to Section 6.12.

1.15 Bank Merger. Immediately following the Second Step Merger, Discover Bank, a Delaware-chartered bank and wholly-owned Subsidiary of Discover (“Discover Bank”), will merge with and into Capital One, National Association, a national banking association and wholly-owned Subsidiary of Capital One (“Capital One Bank”) (the “Bank Merger”). Capital One Bank shall be the surviving entity in the Bank Merger and, following the Bank Merger, the separate corporate existence of Discover Bank shall cease. Promptly after the date of this Agreement, Capital One Bank and Discover Bank will enter into an agreement and plan of merger in substantially the form set forth in Exhibit A (the “Bank Merger Agreement”). Each of Capital One and Discover shall adopt and approve the Bank Merger Agreement and the Bank Merger as the sole stockholder of Capital One Bank and Discover Bank, respectively, and Capital One and Discover shall, and shall cause Capital One Bank and Discover Bank, respectively, to, execute certificates or articles of merger and such other documents and certificates as are necessary to make the Bank Merger effective (“Bank Merger Certificates”) immediately following the Second Effective Time. The Bank Merger shall become effective at such time and date as specified in the Bank Merger Agreement in accordance with applicable law, or at such other time as shall be provided by applicable law.

## ARTICLE II

### EXCHANGE OF SHARES

2.1 Capital One to Make Consideration Available. At or prior to the Effective Time, Capital One shall deposit, or shall cause to be deposited, with a bank or trust company designated by Capital One and reasonably acceptable to Discover (the “Exchange Agent”), for exchange in accordance with this Article II for the benefit of the holders of Old Certificates (which for purposes of this Article II shall be deemed to include certificates or book-entry account statements representing shares of Discover Preferred Stock), certificates or, at Capital One’s option, evidence in book-entry form, representing shares of Capital One Common Stock or New Capital One Preferred Stock to be issued pursuant to Section 1.5 and Section 1.8, respectively (collectively, referred to herein as “New Certificates”), and cash in lieu of any fractional shares to be paid pursuant to Section 2.2(e) (such cash and New Certificates, together with any dividends or distributions with respect to shares of Capital One Common Stock or New Capital One Preferred Stock payable in accordance with Section 2.2(b), being hereinafter referred to as the “Exchange Fund”).

#### 2.2 Exchange of Shares.

(a) As promptly as practicable after the Effective Time, but in no event later than five (5) days thereafter, Capital One shall cause the Exchange Agent to mail to each holder of record of one or more Old Certificates representing shares of Discover Common Stock or Discover Preferred Stock immediately prior to the Effective Time that have been converted at the Effective Time or the Second Effective Time, as applicable, into the right to receive Capital One Common Stock or New Capital One Preferred Stock, as applicable, pursuant to Article I, a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Old Certificates shall pass, only upon proper delivery of the Old Certificates to the Exchange Agent) and instructions for use in effecting the surrender of the Old Certificates in exchange for New Certificates representing the number of whole shares of Capital One Common Stock and



any cash in lieu of fractional shares or shares of New Capital One Preferred Stock, as applicable, which the shares of Discover Common Stock or Discover Preferred Stock represented by such Old Certificate or Old Certificates shall have been converted into the right to receive pursuant to this Agreement as well as any dividends or distributions to be paid pursuant to Section 2.2(b). Upon proper surrender of an Old Certificate or Old Certificates for exchange and cancellation to the Exchange Agent, together with such properly completed letter of transmittal, duly executed, the holder of such Old Certificate or Old Certificates shall be entitled to receive in exchange therefor, as applicable, (i) (A) a New Certificate representing that number of whole shares of Capital One Common Stock to which such holder of Discover Common Stock shall have become entitled pursuant to the provisions of Article I and (B) a check representing the amount of (x) any cash in lieu of fractional shares which such holder has the right to receive in respect of the Old Certificate or Old Certificates surrendered pursuant to the provisions of this Article II and (y) any dividends or distributions which the holder thereof has the right to receive pursuant to Section 2.2(b) or (ii) (A) a New Certificate representing that number of shares of New Capital One Preferred Stock to which such holder of Discover Preferred Stock shall have become entitled pursuant to the provisions of Article I, and (B) a check representing the amount of any dividends or distributions which the holder thereof has the right to receive pursuant to Section 2.2(b), and the Old Certificate or Old Certificates so surrendered shall forthwith be cancelled. No interest will be paid or accrued on any cash in lieu of fractional shares or dividends or distributions payable to holders of Old Certificates. Until surrendered as contemplated by this Section 2.2, each Old Certificate shall be deemed at any time after the Effective Time or the Second Effective Time, as applicable, to represent only the right to receive, upon surrender, the number of whole shares of Capital One Common Stock or shares of New Capital One Preferred Stock which the shares of Discover Common Stock or Discover Preferred Stock, as applicable, represented by such Old Certificate have been converted into the right to receive and any cash in lieu of fractional shares or in respect of dividends or distributions as contemplated by this Section 2.2.

(b) No dividends or other distributions declared with respect to Capital One Common Stock or New Capital One Preferred Stock shall be paid to the holder of any unsurrendered Old Certificate until the holder thereof shall surrender such Old Certificate in accordance with this Article II. After the surrender of an Old Certificate in accordance with this Article II, the record holder thereof shall be entitled to receive any such dividends or other distributions, without any interest thereon, which theretofore had become payable with respect to the whole shares of Capital One Common Stock or shares of New Capital One Preferred Stock that the shares of Discover Common Stock or Discover Preferred Stock, as applicable, represented by such Old Certificate have been converted into the right to receive.

(c) If any New Certificate representing shares of Capital One Common Stock or New Capital One Preferred Stock is to be issued in a name other than that in which the Old Certificate or Old Certificates surrendered in exchange therefor is or are registered, it shall be a condition of the issuance thereof that the Old Certificate or Old Certificates so surrendered shall be properly endorsed (or accompanied by an appropriate instrument of transfer) and otherwise in proper form for transfer, and that the person requesting such exchange shall pay to the Exchange Agent in advance any transfer or other similar Taxes required by reason of the issuance of a New Certificate representing shares of Capital One Common Stock or New Capital One Preferred Stock in any name other than that of the registered holder of the Old Certificate or Old

Certificates surrendered, or required for any other reason, or shall establish to the satisfaction of the Exchange Agent that such Tax has been paid or is not payable.

(d) After the Effective Time or the Second Effective Time, as applicable, there shall be no transfers on the stock transfer books of Discover of the shares of Discover Common Stock or Discover Preferred Stock that were issued and outstanding immediately prior thereto. If, after the Effective Time or Second Effective Time, as applicable, Old Certificates representing such shares are presented for transfer to the Exchange Agent, they shall be cancelled and exchanged for New Certificates representing shares of Capital One Common Stock or New Capital One Preferred Stock, as applicable, as provided in this Article II.

(e) Notwithstanding anything to the contrary contained herein, no New Certificates or scrip representing fractional shares of Capital One Common Stock shall be issued upon the surrender for exchange of Old Certificates, no dividend or distribution with respect to Capital One Common Stock shall be payable on or with respect to any fractional share, and such fractional share interests shall not entitle the owner thereof to vote or to any other rights of a stockholder of Capital One. In lieu of the issuance of any such fractional share, Capital One shall pay to each former holder of Discover Common Stock who otherwise would be entitled to receive such fractional share an amount in cash (rounded to the nearest cent) determined by multiplying (i) the average of the closing sale prices of Capital One Common Stock on the New York Stock Exchange (the “NYSE”) as reported by *The Wall Street Journal* for the consecutive period of five (5) full trading days ending on the day preceding the Closing Date by (ii) the fraction of a share (after taking into account all shares of Discover Common Stock held by such holder immediately prior to the Effective Time and rounded to the nearest one-thousandth when expressed in decimal form) of Capital One Common Stock which such holder would otherwise be entitled to receive pursuant to Section 1.5. The parties acknowledge that payment of such cash consideration in lieu of issuing fractional shares is not separately bargained-for consideration, but merely represents a mechanical rounding off for purposes of avoiding the expense and inconvenience that would otherwise be caused by the issuance of fractional shares.

(f) Any portion of the Exchange Fund that remains unclaimed by the stockholders of Discover for twelve (12) months after the Effective Time shall be paid to the Surviving Entity. Any former holders of Discover Common Stock or Discover Preferred Stock who have not theretofore complied with this Article II shall thereafter look only to the Surviving Entity for payment of the shares of Capital One Common Stock, cash in lieu of any fractional shares and any unpaid dividends and distributions on the Capital One Common Stock deliverable in respect of each former share of Discover Common Stock such holder holds as determined pursuant to this Agreement, or the shares of New Capital One Preferred Stock and any unpaid dividends and distributions on the New Capital One Preferred Stock deliverable in respect of each former share of Discover Preferred Stock such holder holds as determined pursuant to this Agreement, in each case, without any interest thereon. Notwithstanding the foregoing, none of Capital One, Discover, the Surviving Entity, the Exchange Agent or any other person shall be liable to any former holder of shares of Discover Common Stock or Discover Preferred Stock for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

(g) Capital One shall be entitled to deduct and withhold, or cause the Exchange Agent to deduct and withhold, from any cash in lieu of fractional shares of Capital One Common Stock, cash dividends or distributions payable pursuant to this Section 2.2 or any other amounts otherwise payable pursuant to this Agreement to any holder of Discover Common Stock, Discover Preferred Stock or Discover Equity Awards, such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign Tax law. To the extent that amounts are so withheld by Capital One or the Exchange Agent, as the case may be, and paid over to the appropriate governmental authority, the withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of Discover Common Stock, Discover Preferred Stock or Discover Equity Awards in respect of which the deduction and withholding was made by Capital One or the Exchange Agent, as the case may be.

(h) In the event any Old Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Old Certificate to be lost, stolen or destroyed and, if required by Capital One or the Exchange Agent, the posting by such person of a bond in such amount as Capital One or the Exchange Agent may determine is reasonably necessary as indemnity against any claim that may be made against it with respect to such Old Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Old Certificate the shares of Capital One Common Stock and any cash in lieu of fractional shares, or the shares of New Capital One Preferred Stock, as applicable, deliverable in respect thereof pursuant to this Agreement.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF DISCOVER

Except (a) as disclosed in the disclosure schedule delivered by Discover to Capital One concurrently herewith (the “Discover Disclosure Schedule”); provided, that (i) no such item is required to be set forth as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect, (ii) the mere inclusion of an item in the Discover Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by Discover that such item represents a material exception or fact, event or circumstance or that such item would reasonably be expected to have a Material Adverse Effect and (iii) any disclosures made with respect to a section of Article III shall be deemed to qualify (1) any other section of Article III specifically referenced or cross-referenced and (2) other sections of Article III to the extent it is reasonably apparent on its face (notwithstanding the absence of a specific cross reference) from a reading of the disclosure that such disclosure applies to such other sections or (b) as disclosed in any Discover Reports filed by Discover since December 31, 2021 and prior to the date hereof (but disregarding risk factor disclosures contained under the heading “Risk Factors,” or disclosures of risks set forth in any “forward-looking statements” disclaimer or any other statements that are similarly cautionary, predictive or forward-looking in nature), Discover hereby represents and warrants to Capital One as follows:



### 3.1 Corporate Organization.

(a) Discover is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, is a bank holding company duly registered under the Bank Holding Company Act of 1956, as amended (the “BHC Act”) and has elected to be treated as a financial holding company under the BHC Act. Discover has the corporate power and authority to own, lease or operate all of its properties and assets and to carry on its business as it is now being conducted. Discover is duly licensed or qualified to do business and in good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such licensing, qualification or standing necessary, except where the failure to be so licensed or qualified or to be in good standing would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Discover. As used in this Agreement, the term “Material Adverse Effect” means, with respect to Capital One, Discover or the Surviving Entity, as the case may be, any effect, change, event, circumstance, condition, occurrence or development that, either individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on (i) the business, properties, assets, results of operations or financial condition of such party and its Subsidiaries taken as a whole (~~provided, however,~~ that, with respect to this clause (i), Material Adverse Effect shall not be deemed to include the impact of (A) changes, after the date hereof, in U.S. generally accepted accounting principles (“GAAP”) or applicable regulatory accounting requirements, (B) changes, after the date hereof, in laws, rules or regulations of general applicability to companies in the industries in which such party and its Subsidiaries operate, or interpretations thereof by courts or Governmental Entities, (C) changes, after the date hereof, in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market (including equity, credit and debt markets, as well as changes in interest rates) conditions affecting the financial services industry generally and not specifically relating to such party or its Subsidiaries, (D) changes, after the date hereof, resulting from hurricanes, earthquakes, tornados, floods or other natural disasters or from any outbreak of any disease or other public health events, (E) public disclosure of the transactions contemplated hereby (including any effect on a party’s relationships with its customers, vendors or employees) (it being understood and agreed that the foregoing shall not apply for purposes of the representations and warranties in Sections 3.3(b), 3.4, 3.11(j), 4.3(b), 4.4 or 4.11(j)), (F) any stockholder litigation arising out of the Agreement or the Mergers that is brought or threatened against a party or any party’s Board of Directors from and following the date of this Agreement and prior to the Effective Time (it being understood and agreed that the foregoing shall not apply for purposes of the representations and warranties in Sections 3.3(b), 3.4, 3.11(j), 4.3(b), 4.4 or 4.11(j)) or actions expressly required by this Agreement or that are taken with the prior written consent of the other party in contemplation of the transactions contemplated hereby or (G) a decline in the trading price of a party’s common stock or the failure, in and of itself, to meet earnings projections or internal financial forecasts, but not, in either case, including any underlying causes thereof; except, with respect to subclauses (A), (B), (C) or (D), to the extent that the effects of such change are materially disproportionately adverse to the business, properties, results of operations or financial condition of such party and its Subsidiaries, taken as a whole, in the case of both parties, as compared to banking organizations substantially engaged in the credit card lending business or, in the case of Discover, also as compared to banking organizations engaged in the funds transfer network or transaction processing network businesses or (ii) the ability of such party to timely consummate the transactions contemplated

hereby. As used in this Agreement, the word “Subsidiary” when used with respect to any person, means any corporation, partnership, limited liability company, bank or other organization, whether incorporated or unincorporated, or person of which such first person directly or indirectly owns or controls at least a majority of the securities or other interests having by their terms ordinary voting or other power to elect a majority of the board of directors or other managing authority of such persons performing similar functions. True, correct and complete copies of the Restated Certificate of Incorporation of Discover (the “Discover Charter”) and the Amended and Restated Bylaws of Discover (the “Discover Bylaws”), in each case as in effect as of the date of this Agreement, have previously been made available by Discover to Capital One.

(b) Each Subsidiary of Discover (a “Discover Subsidiary”) (i) is duly organized and validly existing under the laws of its jurisdiction of organization, (ii) is duly licensed or qualified to do business and, where such concept is recognized under applicable law, in good standing in all jurisdictions (whether federal, state, local or foreign) where its ownership, leasing or operation of property or the conduct of its business requires it to be so licensed or qualified or in good standing and in which the failure to be so licensed or qualified or in good standing would reasonably be expected to have a Material Adverse Effect on Discover and (iii) has all requisite corporate power and authority to own, lease or operate its properties and assets and to carry on its business as now conducted. There are no restrictions on the ability of Discover or any Subsidiary of Discover to pay dividends or distributions except, in the case of Discover or a Subsidiary that is a regulated entity, for restrictions on dividends or distributions generally applicable to all similarly regulated entities. The deposit accounts of each Subsidiary of Discover that is an insured depository institution are insured by the Federal Deposit Insurance Corporation (the “FDIC”) through the Deposit Insurance Fund (as defined in Section 3(y) of the Federal Deposit Insurance Act of 1950) to the fullest extent permitted by law, all premiums and assessments required to be paid in connection therewith have been paid when due, and no proceedings for the termination of such insurance are pending or threatened. Section 3.1(b) of the Discover Disclosure Schedule sets forth a true and complete list of all Subsidiaries of Discover that would constitute “significant subsidiaries” within the meaning of Rule 1-02 of Regulation S-X of the SEC as of the date hereof (any references to “significant Subsidiaries” of either Discover or Capital One in this Agreement shall mean “significant subsidiaries” within the meaning of Rule 1-02 of Regulation S-X of the SEC as of the date hereof and, in the case of Discover, the Subsidiaries of Discover set forth on Section 7.2(a) of the Discover Disclosure Schedule). There is no person whose results of operations, cash flows, changes in stockholders’ equity or financial position are consolidated in the financial statements of Discover other than the Discover Subsidiaries.

### 3.2 Capitalization.

(a) The authorized capital stock of Discover consists of 2,000,000,000 shares of Discover Common Stock and 200,000,000 shares of preferred stock, par value \$0.01 per share. As of February 15, 2024, there were (i) 250,557,658 shares of Discover Common Stock issued and outstanding; (ii) 320,984,826 shares of Discover Common Stock held in treasury; (iii) 1,345,280 shares of Discover Common Stock reserved for issuance upon the settlement of outstanding Discover RSU Awards (other than Discover RSU Awards outstanding under the Discover Directors’ Compensation Plan), (iv) 255,748 Discover RSU Awards outstanding under

the Discover Directors' Compensation Plan; (v) 334,218 shares of Discover Common Stock reserved for issuance upon the settlement of outstanding Discover PSU Awards (assuming performance goals are satisfied at the target level) or 501,327 shares of Discover Common Stock reserved for issuance upon the settlement of outstanding Discover PSU Awards (assuming performance goals are satisfied at the maximum level); (vi) 1,559,512 shares of Discover Common Stock reserved for issuance under the Discover ESPP; and (vii) (A) 5,700 shares of Discover Series C Preferred Stock issued and outstanding and (B) 5,000 shares of Discover Series D Preferred Stock issued and outstanding. As of the date of this Agreement, except as set forth in the immediately preceding sentence and for changes since February 15, 2024 resulting from the vesting or settlement of any Discover RSU Awards and Discover PSU Awards (collectively, "Discover Equity Awards") issued prior to the date of this Agreement as described in the immediately preceding sentence or the exercise of options to purchase shares of Discover Common Stock under the Discover ESPP, there are no shares of capital stock or other voting securities or equity interests of Discover issued, reserved for issuance or outstanding. All of the issued and outstanding shares of Discover Common Stock and Discover Preferred Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. Discover is current on all dividends payable on the outstanding shares of Discover Preferred Stock and has complied in all material respects with the terms and conditions thereof. There are no bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which stockholders of Discover may vote. No trust preferred or subordinated debt securities of Discover are issued or outstanding. Other than Discover Equity Awards issued prior to the date of this Agreement as described in this Section 3.2(a) or options to purchase shares of Discover Common Stock under the Discover ESPP, as of the date of this Agreement there are no outstanding subscriptions, options, warrants, stock appreciation rights, phantom units, scrip, rights to subscribe to, preemptive rights, anti-dilutive rights, rights of first refusal or similar rights, puts, calls, commitments or agreements of any character relating to, or securities or rights convertible or exchangeable into or exercisable for, shares of capital stock or other voting or equity securities of or ownership interest in Discover, or contracts, commitments, understandings or arrangements by which Discover may become bound to issue additional shares of its capital stock or other equity or voting securities of or ownership interests in Discover or that otherwise obligate Discover to issue, transfer, sell, purchase, redeem or otherwise acquire, any of the foregoing (collectively, "Discover Securities," and any of the foregoing in respect of Subsidiaries of Discover, collectively, "Discover Subsidiary Securities"). Other than Discover Equity Awards or options to purchase shares of Discover Common Stock under the Discover ESPP, no equity-based awards (including any cash awards where the amount of payment is determined in whole or in part based on the price of any capital stock of Discover or any of its Subsidiaries) are outstanding. There are no voting trusts, stockholder agreements, proxies or other agreements in effect to which Discover or any of its Subsidiaries is a party with respect to the voting or transfer of Discover Common Stock, capital stock or other voting or equity securities or ownership interests of Discover or granting any stockholder or other person any registration rights.

(b) Discover owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other equity ownership interests of each of the Discover Subsidiaries, free and clear of any liens, claims, title defects, mortgages, pledges, charges, encumbrances and security interests whatsoever ("Liens"), and all of such shares or equity ownership interests are duly authorized and validly issued and are fully paid, nonassessable (except, with respect to

Subsidiaries that are depository institutions, as provided under 12 U.S.C. § 55 or any comparable provision of applicable state law) and free of preemptive rights, with no personal liability attaching to the ownership thereof.

### 3.3 Authority; No Violation.

(a) Discover has full corporate power and authority to execute and deliver this Agreement and, upon receipt of the Requisite Discover Vote (as defined below), to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (including the Mergers) have been duly and validly approved by the Board of Directors of Discover. The Board of Directors of Discover has unanimously determined that the transactions contemplated hereby (including the Mergers), on the terms and conditions set forth in this Agreement, are advisable and in the best interests of Discover and its stockholders, has approved this Agreement and the transactions contemplated hereby (including the Mergers), and has directed that this Agreement be submitted to Discover's stockholders for adoption at a meeting of such stockholders and has adopted a resolution to the foregoing effect. Except for the adoption of this Agreement by the affirmative vote of the holders of a majority of the outstanding shares of Discover Common Stock entitled to vote on this Agreement (the "Requisite Discover Vote"), and the adoption and approval of the Bank Merger Agreement by Discover as Discover Bank's sole stockholder, no other corporate proceedings on the part of Discover are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Discover and (assuming due authorization, execution and delivery by Capital One and Merger Sub) constitutes a valid and binding obligation of Discover, enforceable against Discover in accordance with its terms (except in all cases as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws of general applicability affecting the rights of creditors generally and the availability of equitable remedies (the "Enforceability Exceptions")).

(b) Neither the execution and delivery of this Agreement by Discover nor the consummation by Discover of the transactions contemplated hereby (including the Mergers and the Bank Merger), nor compliance by Discover with any of the terms or provisions hereof, will (i) violate any provision of the Discover Charter or the Discover Bylaws or (ii) assuming that the consents and approvals referred to in Section 3.4 are duly obtained, (x) violate any law, statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to Discover or any of its Subsidiaries or any of their respective properties or assets or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Discover or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Discover or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound, except (in the case of clauses (x) and (y) above) for such violations, conflicts, breaches, defaults, terminations, cancellations, accelerations or creations which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Discover.



3.4 Consents and Approvals. Except for (a) the filing of any required applications, filings and notices, as applicable, with the New York Stock Exchange, (b) the filing of any required applications, filings and notices, as applicable, with the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”) under the BHC Act and approval of such applications, filings and notices, (c) the filing of any required applications, filings and notices, as applicable, with the Office of the Comptroller of the Currency (the “OCC”), and approval of such applications, filings and notices, (d) the filing of any required applications, filings or notices with the Financial Industry Regulatory Authority (“FINRA”) and approval of such applications, filings and notices, (e) the filing of any required applications, filings or notices with any state banking authorities listed on Section 3.4 of the Discover Disclosure Schedule or Section 4.4 of the Capital One Disclosure Schedule and approval of such applications, filings and notices, (f) the filing by Discover with the Securities and Exchange Commission (the “SEC”) of a joint proxy statement in definitive form (including any amendments or supplements thereto, the “Joint Proxy Statement”), and the registration statement on Form S-4 in which the Joint Proxy Statement will be included as a prospectus, to be filed with the SEC by Capital One in connection with the transactions contemplated by this Agreement (the “S-4”) and the declaration of effectiveness of the S-4, (g) the filing of the Certificates of Merger with the Delaware Secretary pursuant to the DGCL, the filing of the Bank Merger Certificates with the applicable Governmental Entities as required by applicable law, and the filing of the respective Certificates of Designation for the New Capital One Preferred Stock with the Delaware Secretary and (h) such filings and approvals as are required to be made or obtained under the securities or “Blue Sky” laws of various states in connection with the issuance of the shares of Capital One Common Stock and New Capital One Preferred Stock pursuant to this Agreement and the approval of the listing of such Capital One Common Stock on the NYSE, no consents or approvals of or filings or registrations with any court, administrative agency or commission or other governmental or regulatory authority or instrumentality or SRO (each a “Governmental Entity”) are necessary in connection with (i) the execution and delivery by Discover of this Agreement or (ii) the consummation by Discover of the Mergers and the other transactions contemplated hereby (including the Bank Merger). As of the date hereof, Discover is not aware of any reason why the necessary regulatory approvals and consents will not be received in order to permit consummation of the Mergers and Bank Merger on a timely basis.

3.5 Reports. Discover and each of its Subsidiaries have timely filed (or furnished) all reports, forms, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file (or furnish, as applicable) since January 1, 2021 with (i) any state regulatory authority, (ii) the SEC, (iii) the Federal Reserve Board, (iv) the FDIC, (v) the OCC, (vi) any foreign regulatory authority and (vii) any self-regulatory organization (an “SRO”) (clauses (i) – (vii), collectively “Regulatory Agencies”), including any report, form, registration or statement required to be filed (or furnished, as applicable) pursuant to the laws, rules or regulations of the United States, any state, any foreign entity, or any Regulatory Agency, and have paid all fees and assessments due and payable in connection therewith, except where the failure to file (or furnish, as applicable) such report, form, correspondence, registration or statement or to pay such fees and assessments, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Discover. Subject to Section 9.14, except for normal examinations conducted by a Regulatory Agency in the ordinary course of business of Discover and its Subsidiaries, no Regulatory Agency has initiated or has pending any proceeding or, to the knowledge of

Discover, investigation into the business or operations of Discover or any of its Subsidiaries since January 1, 2021, except where such proceedings or investigations would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover. Subject to Section 9.14, there (i) is no unresolved violation, criticism, or exception by any Regulatory Agency with respect to any report or statement relating to any examinations or inspections of Discover or any of its Subsidiaries and (ii) have been no formal or informal inquiries by, or disagreements or disputes with, any Regulatory Agency with respect to the business, operations, policies or procedures of Discover or any of its Subsidiaries since January 1, 2021, in each case, which would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover.

### 3.6 Financial Statements.

(a) The financial statements of Discover and its Subsidiaries included (or incorporated by reference) in the Discover Reports (including the related notes, where applicable) (i) have been prepared from, and are in accordance with, the books and records of Discover and its Subsidiaries, (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in stockholders' equity and consolidated financial position of Discover and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to year-end audit adjustments normal in nature and amount), (iii) complied, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, and (iv) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto. Since December 31, 2020, no independent public accounting firm of Discover has resigned (or informed Discover that it intends to resign) or been dismissed as independent public accountants of Discover as a result of or in connection with any disagreements with Discover on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, neither Discover nor any of its Subsidiaries has any liability of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether due or to become due), except for those liabilities that are reflected or reserved against on the consolidated balance sheet of Discover included in its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023 (including any notes thereto) and for liabilities incurred in the ordinary course of business consistent with past practice since September 30, 2023, or in connection with this Agreement and the transactions contemplated hereby.

(c) The records, systems, controls, data and information of Discover and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership of Discover or its Subsidiaries or accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership that would not reasonably be expected to have a Material Adverse Effect on Discover. Discover (x) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities

Exchange Act of 1934, as amended (the “Exchange Act”) to ensure that material information relating to Discover, including its Subsidiaries, is made known to the chief executive officer and the chief financial officer of Discover by others within those entities as appropriate to allow timely decisions regarding required disclosures and to make the certifications required by the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), and (y) has disclosed in writing, based on its most recent evaluation prior to the date hereof, to Discover’s outside auditors and the audit committee of the Board of Directors of Discover (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) which are reasonably likely to adversely affect Discover’s ability to record, process, summarize and report financial information, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Discover’s internal controls over financial reporting. There is no reason to believe that Discover’s outside auditors and its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

(d) Since January 1, 2021, (i) neither Discover nor any of its Subsidiaries, nor, to the knowledge of Discover, any director, officer, auditor, accountant or representative of Discover or any of its Subsidiaries, has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of Discover or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that Discover or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no employee of or attorney representing Discover or any of its Subsidiaries, whether or not employed by Discover or any of its Subsidiaries, has reported evidence of a material violation of securities laws or banking laws, breach of fiduciary duty or similar violation by Discover or any of its Subsidiaries or any of their respective officers, directors, employees or agents to the Board of Directors of Discover or any committee thereof or to the knowledge of Discover, to any director or officer of Discover.

3.7 Broker’s Fees. With the exception of PJT Partners LP and Morgan Stanley & Co. LLC, neither Discover nor any Discover Subsidiary nor any of their respective officers or directors has engaged any broker, finder or financial advisor or incurred any liability for any broker’s fees, commissions or finder’s fees in connection with the Merger or the other transactions contemplated by this Agreement. Discover has disclosed to Capital One as of the date hereof the aggregate fees to be paid by Discover to PJT Partners LP and Morgan Stanley & Co. LLC related to the Merger and the other transactions contemplated hereunder.

3.8 Absence of Certain Changes or Events.

(a) Since December 31, 2022, there has not been any effect, change, event, circumstance, condition, occurrence or development that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover.

(b) Since December 31, 2022, Discover and its Subsidiaries have carried on their respective businesses in all material respects in the ordinary course.

### 3.9 Legal and Regulatory Proceedings.

(a) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, neither Discover nor any of its Subsidiaries is a party to any, and there are no outstanding or pending or, to the knowledge of Discover, threatened in writing, legal, administrative, arbitral or other proceedings, claims, actions or governmental or regulatory investigations of any nature against Discover or any of its Subsidiaries or any of their current or former directors or executive officers or challenging the validity or propriety of the transactions contemplated by this Agreement.

(b) There is no injunction, order, judgment, decree, or regulatory restriction imposed upon Discover, any of its Subsidiaries or the assets of Discover or any of its Subsidiaries (or that, upon consummation of the Mergers, would apply to the Surviving Entity or any of its Affiliates) that would reasonably be expected to be material to the Surviving Entity and its Subsidiaries, taken as a whole.

### 3.10 Taxes and Tax Returns.

(a) Each of Discover and its Subsidiaries has duly and timely filed (including all applicable extensions) all material Tax Returns in all jurisdictions in which Tax Returns are required to be filed by it, and all such Tax Returns are true, correct, and complete in all material respects. Neither Discover nor any of its Subsidiaries is the beneficiary of any extension of time within which to file any material Tax Return (other than extensions to file Tax Returns obtained in the ordinary course). All material Taxes of Discover and its Subsidiaries (whether or not shown on any Tax Returns) that are due have been fully and timely paid. Each of Discover and its Subsidiaries has withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, creditor, stockholder, independent contractor or other third party. Neither Discover nor any of its Subsidiaries has received written notice of assessment or proposed assessment in connection with any material amount of Taxes, and there are no threatened in writing or pending disputes, claims, audits, examinations or other proceedings regarding any material Tax of Discover and its Subsidiaries or the assets of Discover and its Subsidiaries that has not been accrued in the latest audited balance sheet included in the Discover Reports. Neither Discover nor any of its Subsidiaries is a party to or is bound by any Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among Discover and its Subsidiaries). Neither Discover nor any of its Subsidiaries (A) has been a member of an affiliated group filing a consolidated federal income Tax Return for which the statute of limitations is open (other than a group the common parent of which was Discover) or (B) has any liability for the Taxes of any person (other than Discover or any of its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise. Neither Discover nor any of its Subsidiaries has been, within the past two (2) years or otherwise as part of a “plan (or series of related transactions)” within the meaning of Section 355(e) of the Code of which the Merger is also a part, a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a



distribution of stock intending to qualify for tax-free treatment under Section 355 of the Code. Neither Discover nor any of its Subsidiaries has participated in a “reportable transaction” within the meaning of Treasury Regulation Section 1.6011-4(b)(1). At no time during the past five (5) years has Discover been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code.

(b) As used in this Agreement, the term “Tax” or “Taxes” means all federal, state, local, and foreign income, excise, gross receipts, ad valorem, profits, gains, property, capital, sales, transfer, use, license, payroll, employment, social security, severance, unemployment, withholding, duties, excise, windfall profits, intangibles, franchise, backup withholding, value added, alternative or add-on minimum, estimated and other taxes, charges, levies or like assessments together with all penalties and additions to tax and interest thereon.

(c) As used in this Agreement, the term “Tax Return” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, supplied or required to be supplied to a Governmental Entity.

### 3.11 Employees.

(a) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, each Discover Benefit Plan has been established, operated and administered in accordance with its terms and the requirements of all applicable laws, including ERISA and the Code. For purposes of this Agreement, the term “Discover Benefit Plans” means all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)), whether or not subject to ERISA, and all equity, bonus or incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance, termination, change in control, retention, employment, welfare, insurance, medical, fringe or other benefit plans, programs, agreements, contracts, policies, arrangements or remuneration of any kind with respect to which Discover or any Subsidiary or any trade or business of Discover or any of its Subsidiaries, whether or not incorporated, all of which together with Discover would be deemed a “single employer” within the meaning of Section 4001 of ERISA (a “Discover ERISA Affiliate”), is a party or has any current or future obligation or that are maintained, contributed to or sponsored by Discover or any of its Subsidiaries for the benefit of any current or former employee, officer, director or independent contractor of Discover or any of its Subsidiaries, excluding, in each case, any “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA (a “Multiemployer Plan”) or any plan, program or arrangement sponsored by a Governmental Entity.

(b) Discover has made available to Capital One true and complete copies of each material Discover Benefit Plan and the following related documents, to the extent applicable: (i) all summary plan descriptions, amendments, modifications or material supplements, (ii) the most recent annual report (Form 5500) filed with the Internal Revenue Service (the “IRS”), (iii) the most recently received IRS determination letter and (iv) the most recently prepared actuarial report.

(c) The IRS has issued a favorable determination letter or opinion with respect to each Discover Benefit Plan that is intended to be qualified under Section 401(a) of the Code (the “Discover Qualified Plans”) and the related trust, which letter or opinion has not been revoked (nor has revocation been threatened), and, to the knowledge of Discover, there are no existing circumstances and no events have occurred that would reasonably be expected to adversely affect the qualified status of any Discover Qualified Plan or the related trust.

(d) Except as would not result in any material liability to Discover and its Subsidiaries, taken as a whole, with respect to each Discover Benefit Plan that is subject to Section 302 or Title IV of ERISA or Section 412, 430 or 4971 of the Code: (i) the minimum funding standard under Section 302 of ERISA and Sections 412 and 430 of the Code has been satisfied and no waiver of any minimum funding standard or any extension of any amortization period has been requested or granted, (ii) no such plan is in “at-risk” status for purposes of Section 430 of the Code, (iii) the present value of accrued benefits under such Discover Benefit Plan, based upon the actuarial assumptions used for funding purposes in the most recent actuarial report prepared by such Discover Benefit Plan’s actuary with respect to such Discover Benefit Plan, did not, as of its latest valuation date, exceed the then current fair market value of the assets of such Discover Benefit Plan allocable to such accrued benefits, (iv) no reportable event within the meaning of Section 4043(c) of ERISA for which the 30-day notice requirement has not been waived has occurred, (v) all premiums to the Pension Benefit Guaranty Corporation (the “PBGC”) have been timely paid in full, (vi) no liability (other than for premiums to the PBGC) under Title IV of ERISA has been or is expected to be insured by Discover or any of its Subsidiaries, and (viii) the PBGC has not instituted proceedings to terminate any such Discover Benefit Plan.

(e) None of Discover and its Subsidiaries nor any Discover ERISA Affiliate has, at any time during the last six (6) years, contributed to or been obligated to contribute to a Multiemployer Plan or a plan that has two (2) or more contributing sponsors at least two (2) of whom are not under common control, within the meaning of Section 4063 of ERISA (a “Multiple Employer Plan”), and none of Discover and its Subsidiaries nor any Discover ERISA Affiliate has incurred any liability that has not been satisfied to a Multiemployer Plan or Multiple Employer Plan as a result of a complete or partial withdrawal (as those terms are defined in Part I of Subtitle E of Title IV of ERISA) from a Multiemployer Plan or Multiple Employer Plan.

(f) Except as would not result in any material liability to Discover and its Subsidiaries, taken as a whole, no Discover Benefit Plan provides for any post-employment or post-retirement health or medical or life insurance benefits for retired, former or current employees or beneficiaries or dependents thereof, except as required by Section 4980B of the Code.

(g) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, all contributions required to be made to any Discover Benefit Plan by applicable law or by any plan document or other contractual undertaking for any period through the date hereof have been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been fully reflected on the books and records of Discover.

(h) There are no pending or threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations which have been asserted or instituted, and, to Discover's knowledge, no set of circumstances exists which may reasonably give rise to a claim or lawsuit, against the Discover Benefit Plans, any fiduciaries thereof with respect to their duties to the Discover Benefit Plans or the assets of any of the trusts under any of the Discover Benefit Plans that would reasonably be expected to result in any liability of Discover or any of its Subsidiaries in an amount that would be material to Discover and its Subsidiaries, taken as a whole.

(i) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, none of Discover and its Subsidiaries nor any Discover ERISA Affiliate has engaged in any "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA) which would reasonably be expected to subject any of the Discover Benefit Plans or their related trusts, Discover, any of its Subsidiaries or any Discover ERISA Affiliate to any material Tax or penalty imposed under Section 4975 of the Code or Section 502 of ERISA.

(j) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) result in the acceleration of vesting, exercisability, funding or delivery of, or increase in the amount or value of, any payment, right or other benefit to any employee, officer, director or other service provider of Discover or any of its Subsidiaries, or result in any limitation on the right of Discover or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Discover Benefit Plan or related trust on or after the Effective Time. Without limiting the generality of the foregoing, no amount paid or payable (whether in cash, in property, or in the form of benefits) by Discover or any of its Subsidiaries in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an "excess parachute payment" within the meaning of Section 280G of the Code.

(k) No Discover Benefit Plan provides for the gross-up or reimbursement of Taxes under Section 409A or 4999 of the Code, or otherwise.

(l) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, there are no pending or, to Discover's knowledge, threatened labor grievances or unfair labor practice claims or charges against Discover or any of its Subsidiaries, or any strikes or other labor disputes against Discover or any of its Subsidiaries. Neither Discover nor any of its Subsidiaries is party to or bound by any collective bargaining or similar agreement with any labor organization, or work rules or practices agreed to with any labor organization or employee association applicable to employees of Discover or any of its Subsidiaries and, except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, there are no pending or, to the knowledge of Discover, threatened organizing efforts by any union or other group seeking to represent any employees of Discover or any of its Subsidiaries.

(m) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, each Discover Benefit Plan that is

subject to the laws of a jurisdiction other than the United States (whether or not U.S. law also applies) (i) has been maintained in accordance with all applicable requirements, (ii) if intended to qualify for special tax treatment, meets all requirements for such treatment and (iii) if intended to be funded and/or book-reserved, is fully funded and/or book reserved, as appropriate, based upon reasonable actuarial assumptions.

3.12 SEC Reports. Discover has previously made available to Capital One an accurate and complete copy of each (a) final registration statement, prospectus, report, schedule and definitive proxy statement filed with or furnished to the SEC since December 31, 2020 by Discover pursuant to the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act (the “Discover Reports”) and (b) communication mailed by Discover to its stockholders since December 31, 2020 and prior to the date hereof, and no such Discover Report or communication, as of the date thereof (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively), contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading, except that information filed or furnished as of a later date (but before the date of this Agreement) shall be deemed to modify information as of an earlier date. Since December 31, 2020, as of their respective dates, all Discover Reports filed or furnished under the Securities Act and the Exchange Act complied in all material respects with the published rules and regulations of the SEC with respect thereto. No executive officer of Discover has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act.

3.13 Compliance with Applicable Law.

(a) Discover and each of its Subsidiaries hold, and have at all times since December 31, 2020, held, all licenses, registrations, franchises, certificates, permits, charters and authorizations necessary for the lawful conduct of their respective businesses and ownership of their respective properties, rights and assets under and pursuant to each (and have paid all fees and assessments due and payable in connection therewith), except where neither the cost of failure to hold nor the cost of obtaining and holding such license, registration, franchise, certificate, permit, charter or authorization (nor the failure to pay any fees or assessments) would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Discover, and to the knowledge of Discover, no suspension or cancellation of any such necessary license, registration, franchise, certificate, permit, charter or authorization is threatened.

(b) Except as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Discover, Discover and each of its Subsidiaries have complied with and are not in default or violation under any law, statute, order, rule, regulation, policy and/or guideline of any Governmental Entity applicable to Discover or any of its Subsidiaries, including all laws related to data protection or privacy (including laws relating to the privacy and security of data or information that constitutes personal data or personal information under applicable laws (“Personal Data,” and such laws relating thereto, “Data Protection Laws”)), the USA PATRIOT Act, the Bank Secrecy Act, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Community Reinvestment Act, the

Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, any regulations promulgated by the Consumer Financial Protection Bureau, any rules or regulations relating to interchange fees, including, but not limited to, 12 C.F.R. Part 235, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, Title V of the Gramm-Leach-Bliley Act, any and all sanctions or regulations enforced by the Office of Foreign Assets Control of the United States Department of Treasury and any other law, policy or guideline relating to the transmission, collection, processing, possession, handling, clearance, settlement and/or remittance of funds or to funds transfer or transaction processing networks (including with respect to transactions and relationships with merchants and merchant acquirers), bank secrecy, discriminatory lending, financing or leasing practices, consumer protection, money laundering prevention, foreign assets control, U.S. sanctions laws and regulations, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act, and all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans.

(c) Discover Bank has a Community Reinvestment Act rating of “satisfactory” or better.

(d) Discover maintains a written information privacy and security program that includes measures reasonably designed to protect the privacy, confidentiality and security of all Personal Data processed or otherwise handled by or on behalf of Discover against any (i) loss or misuse of such Personal Data, (ii) unauthorized or unlawful processing or handling of such Personal Data, or (iii) other act or omission that compromises the security or confidentiality of such Personal Data (each of clauses (i) through (iii), a “Security Breach”). Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, Discover and its Subsidiaries have taken commercially reasonable measures, consistent with general industry practices, designed to ensure the confidentiality, privacy and security of Personal Data processed or otherwise handled by or on behalf of Discover. To the knowledge of Discover, Discover has not experienced any Security Breach that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Discover. To the knowledge of Discover, there are no data security or other technological vulnerabilities with respect to its information technology systems or networks that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Discover. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, Discover and its Subsidiaries are in compliance with all of its and their privacy policies relating to Personal Data.

(e) Without limitation, none of Discover or any of its Subsidiaries or to the knowledge of Discover, any director, officer, employee, agent or other person acting on behalf of Discover or any of its Subsidiaries has, directly or indirectly, (i) used any funds of Discover or any of its Subsidiaries for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of Discover or any of its Subsidiaries, (iii) violated any provision that would result in the violation of the Foreign Corrupt Practices Act of 1977, as amended, or any similar law, (iv)



established or maintained any unlawful fund of monies or other assets of Discover or any of its Subsidiaries, (v) made any fraudulent entry on the books or records of Discover or any of its Subsidiaries, (vi) made any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, unlawful kickback or other unlawful payment to any person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business, to obtain special concessions for Discover or any of its Subsidiaries, to pay for favorable treatment for business secured or to pay for special concessions already obtained for Discover or any of its Subsidiaries or (vii) is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department, except in each case as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Discover.

(f) As of the date hereof, Discover and Discover Bank each meet the applicable published criteria to be “well-capitalized” (as such term is defined in the relevant regulation of the applicable institution’s primary federal banking regulator).

(g) Except as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Discover, (i) Discover and each of its Subsidiaries have properly administered all accounts for which it acts as a fiduciary, including accounts for which it serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment advisor, in accordance with the terms of the governing documents and applicable state, federal and foreign law; and (ii) none of Discover, any of its Subsidiaries, or any of its or its Subsidiaries’ directors, officers or employees, has committed any breach of trust or fiduciary duty with respect to any such fiduciary account, and the accountings for each such fiduciary account are true and correct and accurately reflect the assets and results of such fiduciary account.

### 3.14 Certain Contracts.

(a) Except as set forth in Section 3.14(a) of the Discover Disclosure Schedule or as filed with any Discover Reports, as of the date hereof, neither Discover nor any of its Subsidiaries is a party to or bound by any contract, arrangement, commitment or understanding (whether written or oral), but excluding any Discover Benefit Plan and any contract, arrangement, commitment or understanding solely among Discover and any wholly-owned Subsidiaries of Discover or solely among wholly owned Subsidiaries of Discover:

(i) which is a “material contract” (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC);

(ii) which contains a provision that materially restricts the conduct of any line of business by Discover or any of its Subsidiaries or upon consummation of the Mergers will materially restrict the ability of the Surviving Entity or any of its Affiliates to engage in any line of business or in any geographic region (including any exclusivity or exclusive dealing provisions with such an effect);

(iii) with or to a labor union or guild with respect to any employees of Discover or any its Subsidiaries (including any collective bargaining agreement);

(iv) any of the benefits of or obligations under which will arise or be increased or accelerated by the occurrence of the execution and delivery of this Agreement, receipt of the Requisite Discover Vote or the announcement or consummation of any of the transactions contemplated by this Agreement, or under which a right of cancellation or termination will arise as a result thereof, or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement, where such increase or acceleration of benefits or obligations, right of cancellation or termination, or change in calculation of value of benefits would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Discover;

(v) (A) that relates to the incurrence of indebtedness by Discover or any of its Subsidiaries, including any sale and leaseback transactions, securitizations, off-balance sheet financing arrangements, capitalized leases and other similar financing arrangements (other than deposit liabilities, trade payables, federal funds purchased, advances and loans from the Federal Home Loan Bank and securities sold under agreements to repurchase in each case incurred in the ordinary course of business consistent with past practice), or (B) that provides for the guarantee, support, indemnification, assumption or endorsement by Discover or any of its Subsidiaries of, or any similar commitment by Discover or any of its Subsidiaries with respect to, the obligations, liabilities or indebtedness of any other person, in the case of each of clauses (A) and (B), in the principal amount of \$40,000,000 or more;

(vi) that grants any right of first refusal, right of first offer or similar right with respect to any material assets, rights or properties of Discover or its Subsidiaries;

(vii) that is a consulting agreement or data processing, software programming or licensing contract involving the payment by Discover or any of its Subsidiaries of more than \$20,000,000 per annum (other than any such contracts which are terminable by Discover or any of its Subsidiaries on sixty (60) days' or less notice without any required payment or other conditions, other than the condition of notice);

(viii) that is one of the contracts related to the operations or the business of any of the Discover Network, the PULSE network or Diners Club International (each, a "Network" and collectively, the "Networks") listed on Section 3.14(a)(viii) of the Discover Disclosure Schedule;

(ix) any lease, sublease, license and other agreement under which Discover or any of its Subsidiaries leases, subleases, licenses, uses or occupies (in each case whether as landlord, tenant, sublandlord, subtenant or by other occupancy arrangement), or has the right to use or occupy, now or in the future, any real property pursuant to which the annual amount payable by Discover or any of its Subsidiaries is more than \$10,000,000;

(x) that is a settlement, consent or similar agreement and contains any material continuing obligations of Discover or any of its Subsidiaries; or

(xi) that relates to the acquisition or disposition of any person, business or asset and under which Discover or its Subsidiaries have or may have a material obligation or liability.

Each contract, arrangement, commitment or understanding of the type described in this Section 3.14(a), whether or not set forth in the Discover Disclosure Schedule, is referred to herein as a “Discover Contract.” Discover has made available to Capital One true, correct and complete copies of each Discover Contract in effect as of the date hereof.

(b) (i) Each Discover Contract is valid and binding on Discover or one of its Subsidiaries, as applicable, and in full force and effect, except as, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Discover, (ii) Discover and each of its Subsidiaries have in all material respects complied with and performed all obligations required to be complied with or performed by any of them to date under each Discover Contract, except where such noncompliance or nonperformance, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Discover, (iii) to the knowledge of Discover, each third-party counterparty to each Discover Contract has in all material respects complied with and performed all obligations required to be complied with and performed by it to date under such Discover Contract, except where such noncompliance or nonperformance, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Discover, (iv) neither Discover nor any of its Subsidiaries has knowledge of, or has received notice of, any violation of any Discover Contract by any of the other parties thereto which would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover and (v) no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute, a material breach or default on the part of Discover or any of its Subsidiaries or, to the knowledge of Discover, any other party thereto, of or under any such Discover Contract, except where such breach or default, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Discover.

3.15 Agreements with Regulatory Agencies. Subject to Section 9.14, neither Discover nor any of its Subsidiaries is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been ordered to pay any civil money penalty by, or has been since January 1, 2021, a recipient of any supervisory letter from, or since January 1, 2021, has adopted any policies, procedures or board resolutions at the request or suggestion of, any Regulatory Agency or other Governmental Entity that currently restricts in any material respect or would reasonably be expected to restrict in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management or its business (each, whether or not set forth in the Discover Disclosure Schedule, a “Discover Regulatory Agreement”), nor has Discover or any of its Subsidiaries been advised in writing since January 1, 2021, by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering, or requesting any such Discover Regulatory Agreement.



3.16 Risk Management Instruments. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, all interest rate swaps, caps, floors, option agreements, futures and forward contracts and other similar derivative transactions and risk management arrangements, whether entered into for the account of Discover or any of its Subsidiaries or for the account of a customer of Discover or one of its Subsidiaries, were entered into in the ordinary course of business and in accordance with applicable rules, regulations and policies of any Regulatory Agency and with counterparties reasonably believed to be financially responsible at the time and are legal, valid and binding obligations of Discover or one of its Subsidiaries enforceable in accordance with their terms (except as may be limited by the Enforceability Exceptions). Discover and each of its Subsidiaries have duly performed in all material respects all of their respective material obligations thereunder to the extent that such obligations to perform have accrued, and, to the knowledge of Discover, there are no material breaches, violations or defaults or allegations or assertions of such by any party thereunder.

3.17 Environmental Matters. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, Discover and its Subsidiaries are in compliance, and since December 31, 2020 have complied with, any federal, state or local law, regulation, order, decree, permit, authorization, common law or agency requirement relating to: (a) the protection or restoration of the environment, health and safety as it relates to hazardous substance exposure or natural resource damages, (b) the handling, use, presence, disposal, release or threatened release of, or exposure to, any hazardous substance or (c) noise, odor, wetlands, indoor air, pollution, contamination or any injury to persons or property from exposure to any hazardous substance (collectively, “Environmental Laws”). There are no legal, administrative, arbitral or other proceedings, claims or actions or, to the knowledge of Discover, any private environmental investigations or remediation activities or governmental investigations of any nature seeking to impose, or that could reasonably be expected to result in the imposition, on Discover or any of its Subsidiaries of any liability or obligation arising under any Environmental Law pending or threatened against Discover, which liability or obligation would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover. To the knowledge of Discover, there is no reasonable basis for any such proceeding, claim, action or governmental investigation that would impose any liability or obligation that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover. Discover is not subject to any agreement, order, judgment, decree, letter agreement or memorandum of agreement by or with any court, Governmental Entity, Regulatory Agency or other third party imposing any liability or obligation with respect to the foregoing that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover.

3.18 Investment Securities and Commodities. Each of Discover and its Subsidiaries has good title to all securities and commodities owned by it (except those sold under repurchase agreements) which are material to Discover’s business on a consolidated basis, free and clear of any Lien, except to the extent such securities or commodities are pledged in the ordinary course of business to secure obligations of Discover or its Subsidiaries. Such securities

and commodities are valued on the books of Discover in accordance with GAAP in all material respects.

3.19 Real Property. Discover or a Discover Subsidiary (a) has good and marketable title to all the real property reflected in the latest audited balance sheet included in the Discover Reports as being owned by Discover or a Discover Subsidiary or acquired after the date thereof which are material to Discover's business on a consolidated basis (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business) (the "Discover Owned Properties"), free and clear of all material Liens, except (i) statutory Liens securing payments not yet due, (ii) Liens for real property Taxes not yet due and payable, (iii) easements, rights of way, and other similar encumbrances that do not materially affect the value or use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties, (iv) landlords', lessors', merchants', materialmen's, warehousemen's, carriers', workers' or repairmen's Liens or similar Liens arising or incurred in the ordinary course of business and (v) such imperfections or irregularities of title or Liens as do not materially affect the value or use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties (collectively, "Permitted Encumbrances"), and (b) is the lessee of all leasehold estates reflected in the latest audited financial statements included in such Discover Reports or acquired after the date thereof which are material to Discover's business on a consolidated basis (except for leases that have expired by their terms since the date thereof) (such leasehold estates, collectively with the Discover Owned Properties, the "Discover Real Property"), free and clear of all material Liens, except for Permitted Encumbrances, and is in possession of the properties purported to be leased thereunder, and, to the knowledge of Discover, each such lease is valid without material default thereunder by the lessee or, to the knowledge of Discover, the lessor. There are no pending or, to the knowledge of Discover, threatened condemnation proceedings against the Discover Real Property.

3.20 Intellectual Property. Discover and each of its Subsidiaries owns (free and clear of any material Liens), or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover: (a) (1) to the knowledge of Discover, the conduct by Discover and its Subsidiaries of their respective businesses does not infringe, misappropriate or otherwise violate the rights of any person and (2) no person has asserted in writing to Discover that Discover or any of its Subsidiaries has infringed, misappropriated or otherwise violated the Intellectual Property rights of such person, (b) to the knowledge of Discover, no person is challenging, infringing on, misappropriating or otherwise violating any right of Discover or any of its Subsidiaries with respect to any Intellectual Property owned by Discover or its Subsidiaries, and (c) neither Discover nor any Discover Subsidiary has received any written notice of any pending claim challenging the ownership, validity or enforceability of any Intellectual Property owned by Discover or any Discover Subsidiary, and Discover and its Subsidiaries have taken commercially reasonable actions to avoid the abandonment, cancellation or unenforceability of all Intellectual Property owned by Discover and its Subsidiaries. For purposes of this Agreement, "Intellectual Property" means all rights anywhere in the world in or relating to: (i) trademarks, service marks, brand names, d/b/a's, internet domain names and URLs, logos, symbols, certification marks, trade dress and other indications of origin, all goodwill associated with the foregoing, and all

registrations and applications to register the foregoing, including any extension, modification or renewal of any such registration or application; (ii) inventions, discoveries and ideas, whether patentable or not, patents, applications for patents and invention disclosures (including divisionals, revisions, continuations, continuations in part and renewals), all improvements thereto, and any extensions, substitutes, reissues or re-examinations thereof; (iii) nonpublic information, trade secrets and know-how, including proprietary or confidential processes, technologies, protocols, formulae, prototypes and confidential information and rights to limit the use or disclosure thereof by any person; (iv) writings and other works of authorship, whether copyrightable or not (including software, content, data, databases and other compilations of information) and whether published or unpublished, registrations or applications for registration of copyrights, and any renewals or extensions thereof; and (v) any other intellectual property, industrial or proprietary rights.

3.21 Related Party Transactions. As of the date hereof, except as set forth in any Discover Reports, there are no transactions or series of related transactions, agreements, arrangements or understandings, nor are there any currently proposed transactions or series of related transactions, between Discover or any of its Subsidiaries, on the one hand, and any current or former director or “executive officer” (as defined in Rule 3b-7 under the Exchange Act) of Discover or any of its Subsidiaries or any person who beneficially owns (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) five percent (5%) or more of the outstanding Discover Common Stock (or any of such person’s immediate family members or Affiliates) (other than Subsidiaries of Discover), on the other hand, of the type required to be reported in any Discover Report pursuant to Item 404 of Regulation S-K promulgated under the Exchange Act.

3.22 State Takeover Laws. The Board of Directors of Discover has approved this Agreement and the transactions contemplated hereby and has taken all such other necessary actions as required to render inapplicable to such agreements and transactions the provisions of any potentially applicable takeover laws of any state, including any “moratorium,” “control share,” “fair price,” “takeover” or “interested stockholder” law or any similar provisions of the Discover Charter or Discover Bylaws (collectively, with any similar provisions of the Capital One Charter or Capital One Bylaws, “Takeover Statutes”). In accordance with Section 262 of the DGCL, no appraisal or dissenters’ rights will be available to the holders of Discover Common Stock or Discover Preferred Stock in connection with the Mergers.

3.23 Reorganization. Discover has not taken any action and is not aware of any fact or circumstance that could reasonably be expected to prevent the Mergers, taken together, from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code.

3.24 Opinion. The Board of Directors of Discover has received the opinion of PJT Partners LP to the effect that, as of the date of such opinion and subject to the assumptions, qualifications, limitations and other matters considered in connection with the preparation of such opinion, the Exchange Ratio in the Mergers is fair, from a financial point of view, to the holders of Discover Common Stock. Such opinion has not been amended or rescinded as of the date of this Agreement.

3.25 Discover Information. The information relating to Discover and its Subsidiaries or that is provided by Discover or its Subsidiaries or their respective representatives for inclusion in the Joint Proxy Statement and the S-4, or in any other document filed with any Regulatory Agency or Governmental Entity in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The Joint Proxy Statement (to the extent that portions thereof relate only to Discover or any of its Subsidiaries) will comply in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder.

3.26 Loan Portfolio.

(a) Section 3.26(a)(i) of the Discover Disclosure Schedule sets forth (i) the aggregate outstanding principal amount, as of September 30, 2023, of all written or oral loans, loan agreements, notes or borrowing arrangements (including leases, credit enhancements, commitments, guarantees and interest-bearing assets) (collectively, “Loans”) in which Discover or any Subsidiary of Discover is a creditor, other than “non-accrual” Loans (i.e., Loans under the terms of which the obligor was, as of September 30, 2023, over ninety (90) days or more delinquent in payment of principal or interest) and (ii) the aggregate outstanding principal amount, as of September 30, 2023, of all “non-accrual” Loans in which Discover or any Subsidiary of Discover is a creditor. As of September 30, 2023, Discover and its Subsidiaries did not have outstanding Loans and assets classified as “Other Real Estate Owned” with an aggregate then-outstanding fully committed principal amount in excess of the amount set forth on Section 3.26(a)(ii) of the Discover Disclosure Schedule, net of specific reserves with respect to such Loans and assets, that, as of September 30, 2023, were classified by Discover as “Other Loans Specially Mentioned,” “Special Mention,” “Substandard,” “Doubtful,” “Loss,” “Classified,” “Criticized,” “Credit Risk Assets,” “Concerned Loans,” “Watch List” or words of similar import (“Criticized Assets”). Section 3.26(a)(iii) of the Discover Disclosure Schedule sets forth (A) a summary of Criticized Assets as of September 30, 2023, by category of Loan (e.g., student, personal, home, etc.), together with the aggregate principal amount of such Loans by category and the amount of specific reserves with respect to each such category of Loans and (B) each asset of Discover or any of its Subsidiaries that, as of September 30, 2023, is classified as “Other Real Estate Owned” and the book value thereof.

(b) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, each Loan of Discover or any of its Subsidiaries (i) is evidenced by notes, agreements or other evidences of indebtedness that are true, genuine and what they purport to be, (ii) to the extent carried on the books and records of Discover and its Subsidiaries as secured Loans, has been secured by valid charges, mortgages, pledges, security interests, restrictions, claims, liens or encumbrances, as applicable, which have been perfected and (iii) is the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms, subject to the Enforceability Exceptions.

(c) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, each outstanding Loan of Discover or any of its Subsidiaries (including Loans held for resale to investors) was solicited and originated, and is and has been administered and, where applicable, serviced, and the relevant Loan files are

being maintained, in all material respects in accordance with the relevant notes or other credit or security documents, the written underwriting standards of Discover and its Subsidiaries (and, in the case of Loans held for resale to investors, the underwriting standards, if any, of the applicable investors) and with all applicable federal, state and local laws, regulations and rules.

3.27 Credit Card Accounts and Receivables. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, (a) the accounts and Receivables related to the credit cards issued by Discover Bank and any portfolio of credit card accounts and Receivables acquired by the Discover Bank (collectively, the “Discover Credit Card Accounts and Receivables”) (other than those acquired from a third party) have been originated, created, maintained and serviced in compliance with all applicable laws, rules and regulations and Discover’s policies and procedures, and are being maintained in accordance with the Account Agreements and the Discover’s written underwriting standards, (b) in the case of any Discover Credit Card Accounts and Receivables acquired from a third party, to the knowledge of Discover, such accounts and Receivables have been originated, created, maintained and serviced in compliance in all material respects with all applicable laws, rules and regulations and the originator’s policies and procedures, (c) the interest rates, fees and charges in connection with the Discover Credit Card Accounts and Receivables comply with all applicable laws, rules and regulations and the applicable Account Agreements, (d) all disclosures made in connection with the Discover Credit Card Accounts and Receivables complied with all applicable laws, rules and regulations as of the time made and (e) the Account Agreements, as they relate to the Discover Credit Card Accounts and Receivables, are enforceable in accordance with their terms (except as may be limited by the Enforceability Exceptions). For purposes of this Agreement:

(i) “Receivables” means, with respect to Discover Bank or Capital One Bank, as applicable, any amounts payable by an obligor under any credit card account, including any amounts owing for the payment of goods and services, donations and other gifts, cash advances, cash advance fees, access check fees, card membership fees, accrued interest and other finance charges, and any other fee, expense, charge, or other amount of every nature, kind and description whatsoever, less any amount owed by Discover Bank or Capital One Bank, as applicable, or any of its respective Affiliates, to the obligor as a credit balance, but only to the extent that such amounts payable by the obligor are owned by Discover Bank or Capital One Bank, as applicable, or its respective Affiliates, directly or indirectly through a securitization exposure or otherwise.

(ii) “Account Agreement” means, with respect to Discover Bank or Capital One Bank, as applicable, an agreement between Discover Bank or Capital One Bank, as applicable (whether as an original party, successor or assign to such agreement) or any other Subsidiary of Discover or Capital One, as applicable (whether as an original party, successor or assign to such agreement) and a person or persons under which an account is established and credit cards are issued to or on behalf of such person or persons.

3.28 Insurance. Except as would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect on Discover, (a) Discover and its Subsidiaries are insured with reputable insurers against such risks and in such amounts as the



management of Discover reasonably has determined to be prudent and consistent with industry practice, and Discover and its Subsidiaries are in compliance in all material respects with their insurance policies and are not in default under any of the terms thereof, (b) each such policy is outstanding and in full force and effect and, except for policies insuring against potential liabilities of officers, directors and employees of Discover and its Subsidiaries, Discover or the relevant Subsidiary thereof is the sole beneficiary of such policies, (c) all premiums and other payments due under any such policy have been paid, and all claims thereunder have been filed in due and timely fashion, (d) there is no claim for coverage by Discover or any of its Subsidiaries pending under any insurance policy as to which coverage has been questioned, denied or disputed by the underwriters of such insurance policy and (e) neither Discover nor any of its Subsidiaries has received notice of any threatened termination of, material premium increase with respect to, or material alteration of coverage under, any insurance policies.

### 3.29 Networks.

(a) (i) Section 3.29(a)(i) of the Discover Disclosure Schedule sets forth a true and complete list of the Networks' ten (10) largest revenue relationships, as measured by revenue generated from such relationships in (A) the year ended December 31, 2022 and (B) the nine (9) months ended September 30, 2023, and (ii) Section 3.29(a)(ii) of the Discover Disclosure Schedule sets forth a true and complete list of the ten (10) largest vendors and service providers to the Networks, as measured by the costs accrued to such relationships in (A) the year ended December 31, 2022 and (B) the nine (9) months ended September 30, 2023 (each of the relationships contemplated by (i) and (ii), a "Covered Partner"). Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, since December 31, 2022, Discover and its Subsidiaries have not received any written notice from any Covered Partner that such Covered Partner intends to discontinue or substantially reduce its relationship with Discover or any of its Subsidiaries, terminate or adversely amend any existing material contract with Discover or any of its Subsidiaries, or not continue its relationship with Discover or any of its Subsidiaries.

(b) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, Discover and its Subsidiaries have, since January 1, 2021, complied with and are not in default under any law, statute, order, rule, regulation, policy, guideline, bylaws or requirements of any applicable network alliance, association or exchange, in each case applicable to the Networks or which maintain relationships with the Networks.

(c) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, to the knowledge of Discover, no third party has gained unauthorized access to or misused any Personal Data or any hardware, software, code, systems, servers, networks, data communications lines and other information technology and equipment (collectively "IT Systems") used in the operation, maintenance or support of the Networks (collectively, "Network Software and IT Systems"), in each case in a manner that has resulted or is reasonably likely to result in either (i) liability, cost or disruption to the Networks or (ii) a duty to notify any person. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, Discover and its Subsidiaries have taken commercially reasonable steps and implemented commercially

reasonable safeguards, consistent with accepted industry practices, Data Protection Laws and all contracts to the extent such contracts relate to the processing of Personal Data, that are designed to protect their products and services and the Network Software and IT Systems from unauthorized access and free from any disabling codes or instructions, spyware, trojan horses, worms, viruses, or other software routines that permit or cause unauthorized access to, or disruption, impairment, disablement, or destruction of software, data or other materials (“Malicious Code”). Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, the Network Software and IT Systems are (i) free from Malicious Code and (ii) have not, since December 31, 2020, experienced any failure or malfunction.

(d) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Discover, the Network Software and IT Systems have not, since December 31, 2020, suffered an unscheduled outage or other failure.

### 3.30 No Investment Adviser or Broker-Dealer Subsidiary.

(a) Neither Discover nor any Discover Subsidiary serves in a capacity described in Section 9(a) or 9(b) of the Investment Company Act of 1940, as amended, nor acts as an “investment adviser” required to register as such under the Investment Advisers Act of 1940, as amended.

(b) Neither Discover nor any Discover Subsidiary is a broker-dealer required to be registered under the Exchange Act with the SEC.

### 3.31 No Other Representations or Warranties.

(a) Except for the representations and warranties made by Discover in this Article III, neither Discover nor any other person makes any express or implied representation or warranty with respect to Discover, its Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and Discover hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, neither Discover nor any other person makes or has made any representation or warranty to Capital One or any of its Affiliates or representatives with respect to (i) any financial projection, forecast, estimate, budget or prospective information relating to Discover, any of its Subsidiaries or their respective businesses or (ii) except for the representations and warranties made by Discover in this Article III, any oral or written information presented to Capital One or any of its Affiliates or representatives in the course of their due diligence investigation of Discover, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

(b) Discover acknowledges and agrees that neither Capital One nor Merger Sub nor any other person has made or is making any express or implied representation or warranty other than those contained in Article IV.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF CAPITAL ONE AND MERGER SUB

Except (a) as disclosed in the disclosure schedule delivered by Capital One and Merger Sub to Discover concurrently herewith (the “Capital One Disclosure Schedule”); provided, that (i) no such item is required to be set forth as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect, (ii) the mere inclusion of an item in the Capital One Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by Capital One that such item represents a material exception or fact, event or circumstance or that such item would reasonably be expected to have a Material Adverse Effect and (iii) any disclosures made with respect to a section of Article IV shall be deemed to qualify (1) any other section of Article IV specifically referenced or cross-referenced and (2) other sections of Article IV to the extent it is reasonably apparent on its face (notwithstanding the absence of a specific cross reference) from a reading of the disclosure that such disclosure applies to such other sections or (b) as disclosed in any Capital One Reports filed by Capital One since December 31, 2021, and prior to the date hereof (but disregarding risk factor disclosures contained under the heading “Risk Factors,” or disclosures of risks set forth in any “forward-looking statements” disclaimer or any other statements that are similarly cautionary, predictive or forward-looking in nature), Capital One and Merger Sub hereby represent and warrant to Discover as follows:

#### 4.1 Corporate Organization.

(a) Capital One is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, is a bank holding company duly registered under the BHC Act and has elected to be treated as a financial holding company under the BHC Act. Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Each of Capital One and Merger Sub has the corporate power and authority to own, lease or operate all of its properties and assets and to carry on its business as it is now being conducted. Each of Capital One and Merger Sub is duly licensed or qualified to do business and in good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such licensing, qualification or standing necessary, except where the failure to be so licensed or qualified or to be in good standing would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Capital One. True and complete copies of the Restated Certificate of Incorporation of Capital One (the “Capital One Charter”) and the Amended and Restated Bylaws of Capital One (the “Capital One Bylaws”) and the certificate of incorporation of Merger Sub (the “Merger Sub Charter”) and the bylaws of Merger Sub (the “Merger Sub Bylaws”), in each case as in effect as of the date of this Agreement, have previously been made available by Capital One to Discover.

(b) Each Subsidiary of Capital One (a “Capital One Subsidiary”) (i) is duly organized and validly existing under the laws of its jurisdiction of organization, (ii) is duly licensed or qualified to do business and, where such concept is recognized under applicable law, in good standing in all jurisdictions (whether federal, state, local or foreign) where its ownership, leasing or operation of property or the conduct of its business requires it to be so licensed or



qualified or in good standing and in which the failure to be so licensed or qualified or in good standing would reasonably be expected to have a Material Adverse Effect on Capital One and (iii) has all requisite corporate power and authority to own, lease or operate its properties and assets and to carry on its business as now conducted. There are no restrictions on the ability of Capital One or any Subsidiary of Capital One to pay dividends or distributions except, in the case of Capital One or a Subsidiary that is a regulated entity, for restrictions on dividends or distributions generally applicable to all similarly regulated entities. The deposit accounts of each Subsidiary of Capital One that is an insured depository institution are insured by the FDIC through the Deposit Insurance Fund (as defined in Section 3(y) of the Federal Deposit Insurance Act of 1950) to the fullest extent permitted by law, all premiums and assessments required to be paid in connection therewith have been paid when due, and no proceedings for the termination of such insurance are pending or threatened. Section 4.1(b) of the Capital One Disclosure Schedule sets forth a true and complete list of all Subsidiaries of Capital One that would constitute significant Subsidiaries. There is no person whose results of operations, cash flows, changes in stockholders' equity or financial position are consolidated in the financial statements of Capital One other than the Capital One Subsidiaries.

#### 4.2 Capitalization.

(a) The authorized capital stock of Capital One consists of 1,000,000,000 shares of Capital One Common Stock and 50,000,000 shares of preferred stock, par value \$0.01 per share. As of February 15, 2024, there were (i) 380,373,476 shares of Capital One Common Stock issued and outstanding; (ii) 316,375,901 shares of Capital One Common Stock held in treasury; (iii) 403,823 shares of Capital One Common Stock reserved for issuance upon the exercise of outstanding stock options to purchase shares of Capital One Common Stock ("Capital One Stock Options"); (iv) 10,484,834 shares of Capital One Common Stock reserved for issuance upon the settlement of outstanding Capital One RSU Awards; (v) 1,340,794 shares of Capital One Common Stock (assuming performance goals are satisfied at the target level) or 2,011,317 shares of Capital One Common Stock (assuming performance goals are satisfied at the maximum level) reserved for issuance upon the settlement of outstanding performance unit awards in respect of shares of Capital One Common Stock ("Capital One PSU Awards"); (vi) 3,459,690 shares of Capital One Common Stock reserved for issuance under the Capital One Amended and Restated 2002 Associates Stock Purchase Plan (the "Capital One ASPP"); and (vii) (A) 1,500,000 shares of preferred stock, which have been designated as Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series I, issued and outstanding, (B) 1,250,000 shares of preferred stock, which have been designated as Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series J, issued and outstanding, (C) 125,000 shares of preferred stock, which have been designated as Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series K, issued and outstanding, (D) 675,000 shares of preferred stock, which have been designated as Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series L, issued and outstanding, (E) 1,000,000 shares of preferred stock, which have been designated as Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock, Series M, issued and outstanding and (F) 425,000 shares of preferred stock, which have been designated as Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series N, issued and outstanding (the preferred stock described in subclauses (A) through (F), the "Capital One Preferred Stock"). As of the date of this Agreement, except as set forth in the immediately preceding sentence and for changes since February 15, 2024 resulting from the exercise, vesting or settlement of any Capital One Stock Options, Capital One

RSU Awards and Capital One PSU Awards (collectively, the “Capital One Equity Awards”) issued prior to the date of this Agreement as described in the immediately preceding sentence or the exercise of options to purchase shares of Capital One Common Stock under the Capital One ASPP, there are no shares of capital stock or other voting securities or equity interests of Capital One issued, reserved for issuance or outstanding. All of the issued and outstanding shares of Capital One Common Stock and Capital One Preferred Stock and Merger Sub Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. Capital One is current on all dividends payable on the outstanding shares of Capital One Preferred Stock and has complied in all material respects with the terms and conditions thereof. There are no bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which stockholders of Capital One or Merger Sub may vote. Except as set forth in Section 4.2(a) of the Capital One Disclosure Schedule, no trust preferred or subordinated debt securities of Capital One are issued or outstanding. Other than Capital One Equity Awards and Capital One Preferred Stock issued prior to the date of this Agreement as described in this Section 4.2(a) or the exercise of options to purchase shares of Capital One Common Stock under the Capital One ASPP, as of the date of this Agreement there are no outstanding subscriptions, options, warrants, stock appreciation rights, phantom units, scrip, rights to subscribe to, preemptive rights, anti-dilutive rights, rights of first refusal or similar rights, puts, calls, commitments or agreements of any character relating to, or securities or rights convertible or exchangeable into or exercisable for, shares of capital stock or other voting or equity securities of or ownership interest in Capital One, or contracts, commitments, understandings or arrangements by which Capital One may become bound to issue additional shares of its capital stock or other equity or voting securities of or ownership interests in Capital One or that otherwise obligate Capital One to issue, transfer, sell, purchase, redeem or otherwise acquire, any of the foregoing. Other than the Capital One Equity Awards or options to purchase shares of Capital One Common Stock under the Capital One ASPP, no equity-based awards (including any cash awards where the amount of payment is determined in whole or in part based on the price of any capital stock of Capital One or any of its Subsidiaries) are outstanding. There are no voting trusts, stockholder agreements, proxies or other agreements in effect to which Capital One or any of its Subsidiaries is a party with respect to the voting or transfer of Capital One Common Stock, capital stock or other voting or equity securities or ownership interests of Capital One or granting any stockholder or other person any registration rights.

(b) Capital One owns, directly or indirectly, all of the issued and outstanding shares of capital stock or other equity ownership interests of each of the Capital One Subsidiaries, free and clear of any Liens, and all of such shares or equity ownership interests are duly authorized and validly issued and are fully paid, nonassessable (except, with respect to Subsidiaries that are depository institutions, as provided under 12 U.S.C. § 55 or any comparable provision of applicable state law) and free of preemptive rights, with no personal liability attaching to the ownership thereof. The authorized capital stock of Merger Sub consists of 100 shares of Merger Sub Common Stock of which, as of the date of this Agreement, 100 shares were issued and outstanding. All of the issued and outstanding capital stock of Merger Sub is, and as of immediately prior to the Effective Time will be, owned by Capital One. Merger Sub has not conducted any business other than (i) incident to its formation for the sole purpose of carrying out the transactions contemplated by this Agreement and (ii) in relation to this Agreement, the Mergers and the other transactions contemplated hereby.

#### 4.3 Authority; No Violation.

(a) Each of Capital One and Merger Sub has full corporate power and authority to execute and deliver this Agreement and, upon receipt of the Requisite Capital One Vote (as defined below), to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (including the Mergers) have been duly and validly approved by the Board of Directors of Capital One and Merger Sub. The Board of Directors of Capital One has unanimously determined that the transactions contemplated hereby (including the Mergers), on the terms and conditions set forth in this Agreement, are advisable and in the best interests of Capital One and its stockholders, has adopted and approved this Agreement and the transactions contemplated hereby (including the Mergers), and has directed that the issuance of shares of Capital One Common Stock in connection with the Merger (the “Capital One Share Issuance”) be submitted to Capital One’s stockholders for approval at a meeting of such stockholders and has adopted a resolution to the foregoing effect. The Board of Directors of Merger Sub has determined that the Merger, on the terms and conditions set forth in this Agreement, is in the best interests of Merger Sub and its sole stockholder and has adopted a resolution to the foregoing effect. Capital One, as Merger Sub’s sole stockholder, has adopted and approved this Agreement and the transactions contemplated hereby by written consent. Except for (i) the approval of the Capital One Share Issuance by the affirmative vote of a majority of the votes cast by the holders of Capital One Common Stock at the Capital One Meeting (the “Requisite Capital One Vote”), (ii) the adoption and approval of the Bank Merger Agreement by Capital One as Capital One Bank’s sole stockholder, (iii) the adoption, approval and filing of Certificates of Designation with respect to the New Capital One Preferred Stock with the Delaware Secretary, and (iv) the adoption of resolutions to give effect to the provisions of Section 6.12 in connection with the Closing, no other corporate proceedings on the part of Capital One or Merger Sub are necessary to approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by each of Capital One and Merger Sub and (assuming due authorization, execution and delivery by Discover) constitutes a valid and binding obligation of each of Capital One and Merger Sub, enforceable against each of Capital One and Merger Sub in accordance with its terms (except in all cases as such enforceability may be limited by the Enforceability Exceptions). The shares of Capital One Common Stock and New Capital One Preferred Stock to be issued in the Mergers have been validly authorized (subject to the receipt of the Requisite Capital One Vote), and when issued, will be validly issued, fully paid and nonassessable, and no current or past stockholder of Capital One will have any preemptive right or similar rights in respect thereof.

(b) Neither the execution and delivery of this Agreement by Capital One or Merger Sub, nor the consummation by Capital One or Merger Sub of the transactions contemplated hereby (including the Mergers and the Bank Merger), nor compliance by Capital One or Merger Sub with any of the terms or provisions hereof, will (i) violate any provision of the Capital One Charter or the Capital One Bylaws or the Merger Sub Charter or the Merger Sub Bylaws or (ii) assuming that the consents and approvals referred to in Section 4.4 are duly obtained, (x) violate any law, statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction applicable to Capital One or any of its Subsidiaries or any of their respective properties or assets or (y) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both,

would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Capital One or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Capital One or any of its Subsidiaries is a party, or by which they or any of their respective properties or assets may be bound, except (in the case of clauses (x) and (y) above) for such violations, conflicts, breaches, defaults, terminations, cancellations, accelerations or creations which, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Capital One.

4.4 Consents and Approvals. Except for (a) the filing of any required applications, filings and notices, as applicable, with the New York Stock Exchange, (b) the filing of any required applications, filings and notices, as applicable, with the Federal Reserve Board under the BHC Act and approval of such applications, filings and notices, (c) the filing of any required applications, filings and notices, as applicable, with the OCC and approval of such applications, filings and notices, (d) the filing of any required applications, filings or notices with FINRA and approval of such applications, filings and notices, (e) the filing of any required applications, filings or notices with any state banking authorities listed on Section 3.4 of the Discover Disclosure Schedule or Section 4.4 of the Capital One Disclosure Schedule and approval of such applications, filings and notices, (f) the filing with the SEC of the Joint Proxy Statement and the S-4 in which the Joint Proxy Statement will be included as a prospectus, and the declaration of effectiveness of the S-4, (g) the filing of the Certificates of Merger with the Delaware Secretary pursuant to the DGCL, the filing of the Bank Merger Certificates with the applicable Governmental Entities as required by applicable law, and the filing of Certificates of Designation for the New Capital One Preferred Stock with the Delaware Secretary and (h) such filings and approvals as are required to be made or obtained under the securities or “Blue Sky” laws of various states in connection with the issuance of the shares of Capital One Common Stock and New Capital One Preferred Stock pursuant to this Agreement and the approval of the listing of such Capital One Common Stock on the NYSE, no consents or approvals of or filings or registrations with any Governmental Entity are necessary in connection with (i) the execution and delivery by Capital One and Merger Sub of this Agreement or (ii) the consummation by Capital One and Merger Sub of the Mergers, as applicable, and the other transactions contemplated hereby (including the Bank Merger). As of the date hereof, Capital One is not aware of any reason why the necessary regulatory approvals and consents will not be received in order to permit consummation of the Mergers and Bank Merger on a timely basis.

4.5 Reports. Capital One and each of its Subsidiaries have timely filed (or furnished) all reports, forms, registrations and statements, together with any amendments required to be made with respect thereto, that they were required to file (or furnish, as applicable) since January 1, 2021 with any Regulatory Agencies, including any report, form, registration or statement required to be filed (or furnished, as applicable) pursuant to the laws, rules or regulations of the United States, any state, any foreign entity, or any Regulatory Agency, and have paid all fees and assessments due and payable in connection therewith, except where the failure to file (or furnish, as applicable) such report, form, correspondence, registration or statement or to pay such fees and assessments, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Capital One. Subject to Section



9.14, except for normal examinations conducted by a Regulatory Agency in the ordinary course of business of Capital One and its Subsidiaries, no Regulatory Agency has initiated or has pending any proceeding or, to the knowledge of Capital One, investigation into the business or operations of Capital One or any of its Subsidiaries since January 1, 2021, except where such proceedings or investigations would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One. Subject to Section 9.14, there (i) is no unresolved violation, criticism, or exception by any Regulatory Agency with respect to any report or statement relating to any examinations or inspections of Capital One or any of its Subsidiaries and (ii) have been no formal or informal inquiries by, or disagreements or disputes with, any Regulatory Agency with respect to the business, operations, policies or procedures of Capital One or any of its Subsidiaries since January 1, 2021, in each case, which would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One.

#### 4.6 Financial Statements.

(a) The financial statements of Capital One and its Subsidiaries included (or incorporated by reference) in the Capital One Reports (including the related notes, where applicable) (i) have been prepared from, and are in accordance with, the books and records of Capital One and its Subsidiaries, (ii) fairly present in all material respects the consolidated results of operations, cash flows, changes in stockholders' equity and consolidated financial position of Capital One and its Subsidiaries for the respective fiscal periods or as of the respective dates therein set forth (subject in the case of unaudited statements to year-end audit adjustments normal in nature and amount), (iii) complied, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, and (iv) have been prepared in accordance with GAAP consistently applied during the periods involved, except, in each case, as indicated in such statements or in the notes thereto. Since December 31, 2020, no independent public accounting firm of Capital One has resigned (or informed Capital One that it intends to resign) or been dismissed as independent public accountants of Capital One as a result of or in connection with any disagreements with Capital One on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

(b) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, neither Capital One nor any of its Subsidiaries has any liability of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether due or to become due), except for those liabilities that are reflected or reserved against on the consolidated balance sheet of Capital One included in its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023 (including any notes thereto) and for liabilities incurred in the ordinary course of business consistent with past practice since September 30, 2023, or in connection with this Agreement and the transactions contemplated hereby.

(c) The records, systems, controls, data and information of Capital One and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership of Capital One or its Subsidiaries or accountants (including all means of

access thereto and therefrom), except for any non-exclusive ownership that would not reasonably be expected to have a Material Adverse Effect on Capital One. Capital One (x) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) to ensure that material information relating to Capital One, including its Subsidiaries, is made known to the chief executive officer and the chief financial officer of Capital One by others within those entities as appropriate to allow timely decisions regarding required disclosures and to make the certifications required by the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act, and (y) has disclosed in writing, based on its most recent evaluation prior to the date hereof, to Capital One's outside auditors and the audit committee of the Board of Directors of Capital One (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) which are reasonably likely to adversely affect Capital One's ability to record, process, summarize and report financial information, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Capital One's internal controls over financial reporting. There is no reason to believe that Capital One's outside auditors and its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

(d) Since January 1, 2021, (i) neither Capital One nor any of its Subsidiaries, nor, to the knowledge of Capital One, any director, officer, auditor, accountant or representative of Capital One or any of its Subsidiaries, has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods (including with respect to loan loss reserves, write-downs, charge-offs and accruals) of Capital One or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion or claim that Capital One or any of its Subsidiaries has engaged in questionable accounting or auditing practices, and (ii) no employee of or attorney representing Capital One or any of its Subsidiaries, whether or not employed by Capital One or any of its Subsidiaries, has reported evidence of a material violation of securities laws or banking laws, breach of fiduciary duty or similar violation by Capital One or any of its Subsidiaries or any of their respective officers, directors, employees or agents to the Board of Directors of Capital One or to the knowledge of Capital One, to any director or officer of Capital One.

4.7 Broker's Fees. With the exception of the engagement of Centerview Partners LLC, neither Capital One nor any Capital One Subsidiary nor any of their respective officers or directors has employed any broker, finder or financial advisor or incurred any liability for any broker's fees, commissions or finder's fees in connection with the Mergers or the other transactions contemplated by this Agreement. Capital One has disclosed to Discover as of the date hereof the aggregate fees provided for in connection with the engagement by Capital One of Centerview Partners LLC related to the Mergers and the other transactions contemplated hereunder.

4.8 Absence of Certain Changes or Events.

(a) Since December 31, 2022, there has not been any effect, change, event, circumstance, condition, occurrence or development that has had or would reasonably be

expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One.

(b) Since December 31, 2022, Capital One and its Subsidiaries have carried on their respective businesses in all material respects in the ordinary course.

#### 4.9 Legal and Regulatory Proceedings.

(a) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, neither Capital One nor any of its Subsidiaries is a party to any, and there are no outstanding or pending or, to the knowledge of Capital One, threatened in writing, legal, administrative, arbitral or other proceedings, claims, actions or governmental or regulatory investigations of any nature against Capital One or any of its Subsidiaries or any of their current or former directors or executive officers or challenging the validity or propriety of the transactions contemplated by this Agreement.

(b) There is no injunction, order, judgment, decree, or regulatory restriction imposed upon Capital One, any of its Subsidiaries or the assets of Capital One or any of its Subsidiaries (or that, upon consummation of the Mergers, would apply to the Surviving Entity or any of its Affiliates) that would reasonably be expected to be material to the Surviving Entity and its Subsidiaries, taken as a whole.

4.10 Taxes and Tax Returns. Each of Capital One and its Subsidiaries has duly and timely filed (including all applicable extensions) all material Tax Returns in all jurisdictions in which Tax Returns are required to be filed by it, and all such Tax Returns are true, correct, and complete in all material respects. Neither Capital One nor any of its Subsidiaries is the beneficiary of any extension of time within which to file any material Tax Return (other than extensions to file Tax Returns obtained in the ordinary course). All material Taxes of Capital One and its Subsidiaries (whether or not shown on any Tax Returns) that are due have been fully and timely paid. Each of Capital One and its Subsidiaries has withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, creditor, stockholder, independent contractor or other third party. Neither Capital One nor any of its Subsidiaries has received written notice of assessment or proposed assessment in connection with any material amount of Taxes, and there are no threatened in writing or pending disputes, claims, audits, examinations or other proceedings regarding any material Tax of Capital One and its Subsidiaries or the assets of Capital One and its Subsidiaries that has not been accrued in the latest audited balance sheet included in the Capital One Reports. Neither Capital One nor any of its Subsidiaries is a party to or is bound by any Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among Capital One and its Subsidiaries). Neither Capital One nor any of its Subsidiaries (A) has been a member of an affiliated group filing a consolidated federal income Tax Return for which the statute of limitations is open (other than a group the common parent of which was Capital One) or (B) has any liability for the Taxes of any person (other than Capital One or any of its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise. Neither Capital One nor any of its Subsidiaries has been, within the past two (2) years or otherwise as part of a “plan (or series of related transactions)” within the meaning of

Section 355(e) of the Code of which the Merger is also a part, a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock intending to qualify for tax-free treatment under Section 355 of the Code. Neither Capital One nor any of its Subsidiaries has participated in a “reportable transaction” within the meaning of Treasury Regulation Section 1.6011-4(b)(1). At no time during the past five (5) years has Capital One been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code.

#### 4.11 Employees.

(a) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, each Capital One Benefit Plan has been established, operated and administered in accordance with its terms and the requirements of all applicable laws, including ERISA and the Code. For purposes of this Agreement, the term “Capital One Benefit Plans” means all employee benefit plans (as defined in Section 3(3) of ERISA), whether or not subject to ERISA, and all equity, bonus or incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance, termination change in control, retention, employment, welfare, insurance, medical, fringe or other benefit plans, programs, agreements, contracts, policies, arrangements or remuneration of any kind with respect to which Capital One or any Subsidiary or any trade or business of Capital One or any of its Subsidiaries, whether or not incorporated, all of which together with Capital One would be deemed a “single employer” within the meaning of Section 4001 of ERISA (a “Capital One ERISA Affiliate”), is a party or has any current or future obligation or that are maintained, contributed to or sponsored by Capital One or any of its Subsidiaries for the benefit of any current or former employee, officer, director or independent contractor of Capital One or any of its Subsidiaries, excluding, in each case, any Multiemployer Plan or any plan, program or arrangement sponsored by a Governmental Entity.

(b) Capital One has made available to Discover true and complete copies of each material Capital One Benefit Plan and the following related documents, to the extent applicable: (i) all summary plan descriptions, amendments, modifications or material supplements, (ii) the most recent annual report (Form 5500) filed with the IRS, (iii) the most recently received IRS determination letter and (iv) the most recently prepared actuarial report.

(c) The IRS has issued a favorable determination letter or opinion with respect to each Capital One Benefit Plan that is intended to be qualified under Section 401(a) of the Code (the “Capital One Qualified Plans”) and the related trust, which letter or opinion has not been revoked (nor has revocation been threatened), and, to the knowledge of Capital One, there are no existing circumstances and no events have occurred that would reasonably be expected to adversely affect the qualified status of any Capital One Qualified Plan or the related trust.

(d) Except as would not result in any material liability to Capital One and its Subsidiaries, taken as a whole, with respect to each Capital One Benefit Plan that is subject to Section 302 or Title IV of ERISA or Section 412, 430 or 4971 of the Code: (i) the minimum funding standard under Section 302 of ERISA and Sections 412 and 430 of the Code has been satisfied and no waiver of any minimum funding standard or any extension of any amortization



period has been requested or granted, (ii) no such plan is in “at-risk” status for purposes of Section 430 of the Code, (iii) the present value of accrued benefits under such Capital One Benefit Plan, based upon the actuarial assumptions used for funding purposes in the most recent actuarial report prepared by such Capital One Benefit Plan’s actuary with respect to such Capital One Benefit Plan, did not, as of its latest valuation date, exceed the then current fair market value of the assets of such Capital One Benefit Plan allocable to such accrued benefits, (iv) no reportable event within the meaning of Section 4043(c) of ERISA for which the 30-day notice requirement has not been waived has occurred, (v) all premiums to the PBGC have been timely paid in full, (vi) no liability (other than for premiums to the PBGC) under Title IV of ERISA has been or expected to be incurred by Capital One or any of its Subsidiaries, and (vii) the PBGC has not instituted proceedings to terminate any such Capital One Benefit Plan.

(e) None of Capital One and its Subsidiaries nor any Capital One ERISA Affiliate has, at any time during the last six (6) years, contributed to or been obligated to contribute to a Multiemployer Plan or a Multiple Employer Plan, and none of Capital One and its Subsidiaries nor any Capital One ERISA Affiliate has incurred any liability that has not been satisfied to a Multiemployer Plan or Multiple Employer Plan as a result of a complete or partial withdrawal (as those terms are defined in Part I of Subtitle E of Title IV of ERISA) from a Multiemployer Plan or Multiple Employer Plan.

(f) Except as would not result in any material liability to Capital One or its Subsidiaries, taken as a whole, no Capital One Benefit Plan provides for any post-employment or post-retirement health or medical or life insurance benefits for retired, former or current employees or beneficiaries or dependents thereof, except as required by Section 4980 of the Code.

(g) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, all contributions required to be made to any Capital One Benefit Plan by applicable law or by any plan document or other contractual undertaking, for any period through the date hereof, have been timely made or paid in full or, to the extent not required to be made or paid on or before the date hereof, have been fully reflected on the books and records of Capital One.

(h) There are no pending or threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations which have been asserted or instituted, and, to Capital One’s knowledge, no set of circumstances exists which may reasonably give rise to a claim or lawsuit, against the Capital One Benefit Plans, any fiduciaries thereof with respect to their duties to the Capital One Benefit Plans or the assets of any of the trusts under any of the Capital One Benefit Plans that would reasonably be expected to result in any liability of Capital One or any of its Subsidiaries in an amount that would be material to Capital One and its Subsidiaries, taken as a whole.

(i) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, none of Capital One and its Subsidiaries nor any Capital One ERISA Affiliate has engaged in any “prohibited transaction” (as defined in Section 4975 of the Code or Section 406 of ERISA) which would reasonably be expected to subject any of the Capital One Benefit Plans or their related trusts, Capital One, any

of its Subsidiaries or any Capital One ERISA Affiliate to any material Tax or penalty imposed under Section 4975 of the Code or Section 502 of ERISA.

(j) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) result in, the acceleration of vesting, exercisability, funding or delivery of, or increase in the amount or value of, any payment, right or other benefit to any employee, officer, director or other service provider of Capital One or any of its Subsidiaries, or result in any limitation on the right of Capital One or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Capital One Benefit Plan or related trust on or after the Effective Time. Without limiting the generality of the foregoing, no amount paid or payable (whether in cash, in property, or in the form of benefits) by Capital One or any of its Subsidiaries in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an “excess parachute payment” within the meaning of Section 280G of the Code.

(k) No Capital One Benefit Plan provides for the gross-up or reimbursement of Taxes under Section 409A or 4999 of the Code, or otherwise.

(l) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, there are no pending or, to Capital One’s knowledge, threatened labor grievances or unfair labor practice claims or charges against Capital One or any of its Subsidiaries, or any strikes or other labor disputes against Capital One or any of its Subsidiaries. Neither Capital One nor any of its Subsidiaries is party to or bound by any collective bargaining or similar agreement with any labor organization, or work rules or practices agreed to with any labor organization or employee association applicable to employees of Capital One or any of its Subsidiaries and, except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, there are no pending or, to the knowledge of Capital One, threatened organizing efforts by any union or other group seeking to represent any employees of Capital One or any of its Subsidiaries.

(m) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, each Capital One Benefit Plan that is subject to the laws of a jurisdiction other than the United States (whether or not U.S. law also applies) (i) has been maintained in accordance with all applicable requirements, (ii) if intended to qualify for special tax treatment, meets all requirements for such treatment and (iii) if intended to be funded and/or book-reserved, is fully funded and/or book reserved, as appropriate, based upon reasonable actuarial assumptions.

4.12 SEC Reports. Capital One has previously made available to Discover an accurate and complete copy of each (a) final registration statement, prospectus, report, schedule and definitive proxy statement filed with or furnished to the SEC since December 31, 2020 by Capital One pursuant to the Securities Act or the Exchange Act (the “Capital One Reports”) and (b) communication mailed by Capital One to its stockholders since December 31, 2020 and prior to the date hereof, and no such Capital One Report or communication, as of the date thereof (and, in the case of registration statements and proxy statements, on the dates of effectiveness and the dates of the relevant meetings, respectively), contained any untrue statement of a material fact or

omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading, except that information filed or furnished as of a later date (but before the date of this Agreement) shall be deemed to modify information as of an earlier date. Since December 31, 2020, as of their respective dates, all Capital One Reports filed or furnished under the Securities Act and the Exchange Act complied in all material respects with the published rules and regulations of the SEC with respect thereto. No executive officer of Capital One has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act.

#### 4.13 Compliance with Applicable Law.

(a) Capital One and each of its Subsidiaries hold, and have at all times since December 31, 2020, held, all licenses, registrations, franchises, certificates, permits charters and authorizations necessary for the lawful conduct of their respective businesses and ownership of their respective properties, rights and assets under and pursuant to each (and have paid all fees and assessments due and payable in connection therewith), except where neither the cost of failure to hold nor the cost of obtaining and holding such license, registration, franchise, certificate, permit, charter or authorization (nor the failure to pay any fees or assessments) would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Capital One, and to the knowledge of Capital One, no suspension or cancellation of any such necessary license, registration, franchise, certificate, permit, charter or authorization is threatened.

(b) Except as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Capital One, Capital One and each of its Subsidiaries have complied with and are not in default or violation under any law, statute, order, rule, regulation, policy and/or guideline of any Governmental Entity applicable to Capital One or any of its Subsidiaries, including all laws related to data protection or privacy (including Data Protection Laws), the USA PATRIOT Act, the Bank Secrecy Act, the Equal Credit Opportunity Act and Regulation B, the Fair Housing Act, the Community Reinvestment Act, the Fair Credit Reporting Act, the Truth in Lending Act and Regulation Z, the Home Mortgage Disclosure Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, any regulations promulgated by the Consumer Financial Protection Bureau, the Interagency Policy Statement on Retail Sales of Nondeposit Investment Products, the SAFE Mortgage Licensing Act of 2008, the Real Estate Settlement Procedures Act and Regulation X, Title V of the Gramm-Leach-Bliley Act, any and all sanctions or regulations enforced by the Office of Foreign Assets Control of the United States Department of Treasury and any other law, policy or guideline relating to bank secrecy, discriminatory lending, financing or leasing practices, consumer protection, money laundering prevention, foreign assets control, U.S. sanctions laws and regulations, Sections 23A and 23B of the Federal Reserve Act, the Sarbanes-Oxley Act, and all agency requirements relating to the origination, sale and servicing of mortgage and consumer loans.

(c) Capital One Bank has a Community Reinvestment Act rating of “satisfactory” or better.

(d) Capital One maintains a written information privacy and security program that includes measures reasonably designed to protect the privacy, confidentiality and security of all Personal Data processed or otherwise handled by or on behalf of Capital One against any Security Breach. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, Capital One and its Subsidiaries have taken commercially reasonable measures, consistent with general industry practices, designed to ensure the confidentiality, privacy and security of Personal Data processed or otherwise handled by or on behalf of Capital One. To the knowledge of Capital One, Capital One has not experienced any Security Breach that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Capital One. To the knowledge of Capital One, there are no data security or other technological vulnerabilities with respect to its information technology systems or networks that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Capital One. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, Capital One and its Subsidiaries are in compliance with all of its and their privacy policies relating to Personal Data.

(e) Without limitation, none of Capital One or any of its Subsidiaries or to the knowledge of Capital One, any director, officer, employee, agent or other person acting on behalf of Capital One or any of its Subsidiaries has, directly or indirectly, (i) used any funds of Capital One or any of its Subsidiaries for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of Capital One or any of its Subsidiaries, (iii) violated any provision that would result in the violation of the Foreign Corrupt Practices Act of 1977, as amended, or any similar law, (iv) established or maintained any unlawful fund of monies or other assets of Capital One or any of its Subsidiaries, (v) made any fraudulent entry on the books or records of Capital One or any of its Subsidiaries, (vi) made any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, unlawful kickback or other unlawful payment to any person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business, to obtain special concessions for Capital One or any of its Subsidiaries, to pay for favorable treatment for business secured or to pay for special concessions already obtained for Capital One or any of its Subsidiaries or (vii) is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department, except in each case as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Capital One.

(f) As of the date hereof, Capital One and Capital One Bank each meet the applicable published criteria to be “well-capitalized” (as such term is defined in the relevant regulation of the applicable institution’s primary federal banking regulator).

(g) Except as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Capital One, (i) Capital One and each of its Subsidiaries have properly administered all accounts for which it acts as a fiduciary, including accounts for which it serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment advisor, in accordance with the terms of the governing documents and applicable state, federal and foreign law; and (ii) none of Capital One, any of its Subsidiaries, or

any of its or its Subsidiaries' directors, officers or employees, has committed any breach of trust or fiduciary duty with respect to any such fiduciary account, and the accountings for each such fiduciary account are true and correct and accurately reflect the assets and results of such fiduciary account.

#### 4.14 Certain Contracts.

(a) Except as set forth in Section 4.14(a) of the Capital One Disclosure Schedule or as filed with any Capital One Reports, as of the date hereof, neither Capital One nor any of its Subsidiaries is a party to or bound by any contract, arrangement, commitment or understanding (whether written or oral), but excluding any Capital One Benefit Plan and any contract, arrangement, commitment or understanding solely among Capital One and any wholly owned Subsidiaries of Capital One or solely among wholly owned Subsidiaries of Capital One:

(i) which is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC);

(ii) which contains a provision that materially restricts the conduct of any line of business by Capital One or any of its Subsidiaries or upon consummation of the Mergers will materially restrict the ability of the Surviving Entity or any of its Affiliates to engage in any line of business or in any geographic region (including any exclusivity or exclusive dealing provisions with such an effect);

(iii) with or to a labor union or guild with respect to any employees of Capital One or any its Subsidiaries (including any collective bargaining agreement);

(iv) any of the benefits of or obligations under which will arise or be increased or accelerated by the occurrence of the execution and delivery of this Agreement, receipt of the Requisite Capital One Vote or the announcement or consummation of any of the transactions contemplated by this Agreement, or under which a right of cancellation or termination will arise as a result thereof, or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement, where such increase or acceleration of benefits or obligations, right of cancellation or termination, or change in calculation of value of benefits would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Capital One;

(v) (A) that relates to the incurrence of indebtedness by Capital One or any of its Subsidiaries, including any sale and leaseback transactions, securitizations, off-balance sheet financing arrangements, capitalized leases and other similar financing arrangements (other than deposit liabilities, trade payables, federal funds purchased, advances and loans from the Federal Home Loan Bank and securities sold under agreements to repurchase in each case incurred in the ordinary course of business consistent with past practice), or (B) that provides for the guarantee, support, indemnification, assumption or endorsement by Capital One or any of its Subsidiaries of, or any similar commitment by Capital One or any of its Subsidiaries with respect to, the



obligations, liabilities or indebtedness of any other person, in the case of each of clauses (A) and (B), in the principal amount of \$40,000,000 or more;

(vi) that grants any right of first refusal, right of first offer or similar right with respect to any material assets, rights or properties of Capital One or its Subsidiaries;

(vii) that is a settlement, consent or similar agreement and contains any material continuing obligations of Capital One or any of its Subsidiaries; or

(viii) that relates to the acquisition or disposition of any person, business or asset and under which Capital One or its Subsidiaries have or may have a material obligation or liability.

Each contract, arrangement, commitment or understanding of the type described in this Section 4.14(a), whether or not set forth in the Capital One Disclosure Schedule, is referred to herein as a “Capital One Contract.” Capital One has made available to Discover true, correct and complete copies of each Capital One Contract in effect as of the date hereof.

(b) (i) Each Capital One Contract is valid and binding on Capital One or one of its Subsidiaries, as applicable, and in full force and effect, except as, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Capital One, (ii) Capital One and each of its Subsidiaries have in all material respects complied with and performed all obligations required to be complied with or performed by any of them to date under each Capital One Contract, except where such noncompliance or nonperformance, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Capital One, (iii) to the knowledge of Capital One, each third-party counterparty to each Capital One Contract has in all material respects complied with and performed all obligations required to be complied with and performed by it to date under such Capital One Contract, except where such noncompliance or nonperformance, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Capital One, (iv) neither Capital One nor any of its Subsidiaries has knowledge of, or has received notice of, any violation of any Capital One Contract by any of the other parties thereto which would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One and (v) no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute, a material breach or default on the part of Capital One or any of its Subsidiaries or, to the knowledge of Capital One, any other party thereto, of or under any such Capital One Contract, except where such breach or default, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Capital One.

4.15 Agreements with Regulatory Agencies. Subject to Section 9.14, neither Capital One nor any of its Subsidiaries is subject to any cease-and-desist or other order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any order or directive by, or has been ordered to pay any civil money penalty by, or has been since January 1, 2021, a recipient of any supervisory letter from, or since January 1, 2021, has adopted any policies, procedures or board resolutions at the request

or suggestion of, any Regulatory Agency or other Governmental Entity that currently restricts in any material respect or would reasonably be expected to restrict in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its management or its business (each, whether or not set forth in the Capital One Disclosure Schedule, a “Capital One Regulatory Agreement”), nor has Capital One or any of its Subsidiaries been advised since January 1, 2021, by any Regulatory Agency or other Governmental Entity that it is considering issuing, initiating, ordering or requesting any such Capital One Regulatory Agreement.

4.16 Risk Management Instruments. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, all interest rate swaps, caps, floors, option agreements, futures and forward contracts and other similar derivative transactions and risk management arrangements, whether entered into for the account of Capital One or any of its Subsidiaries or for the account of a customer of Capital One or one of its Subsidiaries, were entered into in the ordinary course of business and in accordance with applicable rules, regulations and policies of any Regulatory Agency and with counterparties reasonably believed to be financially responsible at the time and are legal, valid and binding obligations of Capital One or one of its Subsidiaries enforceable in accordance with their terms (except as may be limited by the Enforceability Exceptions). Capital One and each of its Subsidiaries have duly performed in all material respects all of their respective material obligations thereunder to the extent that such obligations to perform have accrued, and, to the knowledge of Capital One, there are no material breaches, violations or defaults or allegations or assertions of such by any party thereunder.

4.17 Environmental Matters. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, Capital One and its Subsidiaries are in compliance, and since December 31, 2022 have complied, with all Environmental Laws. There are no legal, administrative, arbitral or other proceedings, claims or actions or, to the knowledge of Capital One, any private environmental investigations or remediation activities or governmental investigations of any nature seeking to impose, or that could reasonably be expected to result in the imposition, on Capital One or any of its Subsidiaries of any liability or obligation arising under any Environmental Law pending or threatened against Capital One, which liability or obligation would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One. To the knowledge of Capital One, there is no reasonable basis for any such proceeding, claim, action or governmental investigation that would impose any liability or obligation that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One. Capital One is not subject to any agreement, order, judgment, decree, letter agreement or memorandum of agreement by or with any court, Governmental Entity, Regulatory Agency or other third party imposing any liability or obligation with respect to the foregoing that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One.

4.18 Investment Securities and Commodities. Each of Capital One and its Subsidiaries has good title to all securities and commodities owned by it (except those sold under repurchase agreements) which are material to Capital One’s business on a consolidated basis, free and clear of any Lien, except to the extent such securities or commodities are pledged in the

ordinary course of business to secure obligations of Capital One or its Subsidiaries. Such securities and commodities are valued on the books of Capital One in accordance with GAAP in all material respects.

4.19 Real Property. Capital One or a Capital One Subsidiary (a) has good and marketable title to all the real property reflected in the latest audited balance sheet included in the Capital One Reports as being owned by Capital One or a Capital One Subsidiary or acquired after the date thereof which are material to Capital One's business on a consolidated basis (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business) (the "Capital One Owned Properties"), free and clear of all material Liens, except for Permitted Encumbrances, and (b) is the lessee of all leasehold estates reflected in the latest audited financial statements included in such Capital One Reports or acquired after the date thereof which are material to Capital One's business on a consolidated basis (except for leases that have expired by their terms since the date thereof) (such leasehold estates, collectively with the Capital One Owned Properties, the "Capital One Real Property"), free and clear of all material Liens, except for Permitted Encumbrances, and is in possession of the properties purported to be leased thereunder, and to the knowledge of Capital One, each such lease is valid without material default thereunder by the lessee or, to the knowledge of Capital One, the lessor. There are no pending or, to the knowledge of Capital One, threatened condemnation proceedings against the Capital One Real Property.

4.20 Intellectual Property. Capital One and each of its Subsidiaries owns (free and clear of any material Liens), or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One: (a) (i) to the knowledge of Capital One, the conduct by Capital One and its Subsidiaries of their respective businesses does not infringe, misappropriate or otherwise violate the rights of any person and (ii) no person has asserted in writing to Capital One that Capital One or any of its Subsidiaries has infringed, misappropriated or otherwise violated the Intellectual Property rights of such person, (b) to the knowledge of Capital One, no person is challenging, infringing on, misappropriating or otherwise violating any right of Capital One or any of its Subsidiaries with respect to any Intellectual Property owned by Capital One or its Subsidiaries, and (c) neither Capital One nor any Capital One Subsidiary has received any written notice of any pending claim challenging the ownership, validity or enforceability of any Intellectual Property owned by Capital One or any Capital One Subsidiary, and Capital One and its Subsidiaries have taken commercially reasonable actions to avoid the abandonment, cancellation or unenforceability of all Intellectual Property owned by Capital One and its Subsidiaries.

4.21 Related Party Transactions. As of the date hereof, except as set forth in any Capital One Reports, there are no transactions or series of related transactions, agreements, arrangements or understandings, nor are there any currently proposed transactions or series of related transactions, between Capital One or any of its Subsidiaries, on the one hand, and any current or former director or "executive officer" (as defined in Rule 3b-7 under the Exchange Act) of Capital One or any of its Subsidiaries or any person who beneficially owns (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) five percent (5%) or more of the outstanding Capital One Common Stock (or any of such person's immediate family members or Affiliates) (other than Subsidiaries of Capital One), on the other hand, of the type required to be reported in



any Capital One Report pursuant to Item 404 of Regulation S-K promulgated under the Exchange Act.

4.22 State Takeover Laws. The Board of Directors of each of Capital One and Merger Sub has approved this Agreement and the transactions contemplated hereby and has taken all such other necessary actions as required to render inapplicable to such agreements and transactions the provisions of any potentially applicable Takeover Statutes.

4.23 Reorganization. Capital One has not taken any action and is not aware of any fact or circumstance that could reasonably be expected to prevent the Mergers, taken together, from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code.

4.24 Opinion. Prior to the execution of this Agreement, Capital One has received an opinion (which if initially rendered orally, has been or will be confirmed by written opinion of the same date) from Centerview Partners LLC, to the effect that as of the date thereof and based upon and subject to the matters set forth therein, the Exchange Ratio provided for pursuant to this Agreement is fair, from a financial point of view, to Capital One. Such opinion has not been amended or rescinded as of the date of this Agreement.

4.25 Capital One Information. The information relating to Capital One and its Subsidiaries or that is provided by Capital One or its Subsidiaries or their respective representatives for inclusion in the Joint Proxy Statement and the S-4, or in any other document filed with any Regulatory Agency or Governmental Entity in connection herewith, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading. The Joint Proxy Statement (to the extent that portions thereof relate only to Capital One or any of its Subsidiaries) will comply in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder. The S-4 (to the extent that portions thereof relate only to Capital One or any of its Subsidiaries) will comply in all material respects with the provisions of the Securities Act and the rules and regulations thereunder.

4.26 Loan Portfolio.

(a) As of the date hereof, except as set forth in Section 4.26(a) of the Capital One Disclosure Schedule, neither Capital One nor any of its Subsidiaries is a party to any written or oral Loan in which Capital One or any Subsidiary of Capital One is a creditor that, as of September 30, 2023, had an outstanding balance of \$100,000,000 or more and under the terms of which the obligor was, as of September 30, 2023, over ninety (90) days or more delinquent in payment of principal or interest. Set forth in Section 4.26(a) of the Capital One Disclosure Schedule is a true, correct and complete list of (A) all of the Loans of Capital One and its Subsidiaries that, as of September 30, 2023, had an outstanding balance of \$100,000,000 or more and were classified by Capital One as “Other Loans Specially Mentioned,” “Special Mention,” “Substandard,” “Doubtful,” “Loss,” “Classified,” “Criticized,” “Credit Risk Assets,” “Concerned Loans,” “Watch List” or words of similar import, together with the principal amount of and accrued and unpaid interest on each such Loan and the identity of the borrower thereunder, together with the aggregate principal amount of and accrued and unpaid interest on such Loans,

by category of Loan (e.g., commercial, consumer, etc.), together with the aggregate principal amount of such Loans by category and (B) each asset of Capital One or any of its Subsidiaries that, as of September 30, 2023, is classified as “Other Real Estate Owned” and the book value thereof.

(b) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, each Loan of Capital One or any of its Subsidiaries (i) is evidenced by notes, agreements or other evidences of indebtedness that are true, genuine and what they purport to be, (ii) to the extent carried on the books and records of Capital One and its Subsidiaries as secured Loans, has been secured by valid charges, mortgages, pledges, security interests, restrictions, claims, liens or encumbrances, as applicable, which have been perfected and (iii) is the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms, subject to the Enforceability Exceptions.

(c) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, each outstanding Loan of Capital One or any of its Subsidiaries (including Loans held for resale to investors) was solicited and originated, and is and has been administered and, where applicable, serviced, and the relevant Loan files are being maintained, in all material respects in accordance with the relevant notes or other credit or security documents, the written underwriting standards of Capital One and its Subsidiaries (and, in the case of Loans held for resale to investors, the underwriting standards, if any, of the applicable investors) and with all applicable federal, state and local laws, regulations and rules.

4.27 Credit Card Accounts and Receivables. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, (a) the accounts and Receivables related to the credit cards issued by Capital One Bank and any portfolio of credit card accounts and Receivables acquired by the Capital One Bank (collectively, the “Capital One Credit Card Accounts and Receivables”) (other than those acquired from a third party) have been originated, created, maintained and serviced in compliance with all applicable laws, rules and regulations and Capital One’s policies and procedures, and are being maintained in accordance with the Account Agreements and the Capital One’s written underwriting standards, (b) in the case of any Capital One Credit Card Accounts and Receivables acquired from a third party, to the knowledge of Capital One, such accounts and Receivables have been originated, created, maintained and serviced in compliance in all material respects with all applicable laws, rules and regulations and the originator’s policies and procedures, (c) the interest rates, fees and charges in connection with the Capital One Credit Card Accounts and Receivables comply with all applicable laws, rules and regulations and the applicable Account Agreements, (d) all disclosures made in connection with the Capital One Credit Card Accounts and Receivables complied with all applicable laws, rules and regulations as of the time made and (e) the Account Agreements, as they relate to the Capital One Credit Card Accounts and Receivables, are enforceable in accordance with their terms (except as may be limited by the Enforceability Exceptions).

4.28 Insurance. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, (a) Capital One and its Subsidiaries are insured with reputable insurers against such risks and in such amounts as the

management of Capital One reasonably has determined to be prudent and consistent with industry practice, and Capital One and its Subsidiaries are in compliance in all material respects with their insurance policies and are not in default under any of the terms thereof, (b) each such policy is outstanding and in full force and effect and, except for policies insuring against potential liabilities of officers, directors and employees of Capital One and its Subsidiaries, Capital One or the relevant Subsidiary thereof is the sole beneficiary of such policies, (c) all premiums and other payments due under any such policy have been paid, and all claims thereunder have been filed in due and timely fashion, (d) there is no claim for coverage by Capital One or any of its Subsidiaries pending under any insurance policy as to which coverage has been questioned, denied or disputed by the underwriters of such insurance policy and (e) neither Capital One nor any of its Subsidiaries has received notice of any threatened termination of, material premium increase with respect to, or material alteration of coverage under, any insurance policies.

#### 4.29 IT Systems.

(a) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, to the knowledge of Capital One, no third party has gained unauthorized access to or misused any Personal Data or any IT Systems used in the operation of their respective businesses (collectively, “Capital One Software and IT Systems”), in each case in a manner that has resulted or is reasonably likely to result in either (i) liability, cost or disruption to the Networks or (ii) a duty to notify any person. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, Capital One and its Subsidiaries have taken commercially reasonable steps and implemented commercially reasonable safeguards, consistent with accepted industry practices, Data Protection Laws and all contracts to the extent such contracts relate to the processing of Personal Data, that are designed to protect their products and services and the Capital One Software and IT Systems from unauthorized access and free from any Malicious Code. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, the Capital One IT Systems are (i) free from Malicious Code and (ii) have not, since December 31, 2020, experienced any failure or malfunction.

(b) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, the Capital One Software and IT Systems have not, since December 31, 2020, suffered an unscheduled outage or other failure.

4.30 No Investment Advisor Subsidiary. Neither Capital One nor any Capital One Subsidiary serves in a capacity described in Section 9(a) or 9(b) of the Investment Company Act of 1940, as amended, nor acts as an “investment adviser” required to register as such under the Investment Advisers Act of 1940, as amended.

#### 4.31 Broker-Dealer Subsidiary.

(a) Capital One has certain Subsidiaries that are broker-dealers (each, a “Capital One Broker-Dealer Subsidiary”). Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One: (i) each

Capital One Broker-Dealer Subsidiary is duly registered under the Exchange Act as a broker-dealer with the SEC and is in compliance with the applicable provisions of the Exchange Act, including the net capital requirements and customer protection requirements thereof; (ii) each Capital One Broker-Dealer Subsidiary is a member in good standing with FINRA and all other required SROs and in compliance with all applicable rules and regulations of FINRA and any such SRO of which it is a member or which otherwise has authority over it; (iii) each Capital One Broker-Dealer Subsidiary (and each registered representative thereof) is duly registered, licensed or qualified as a broker-dealer or registered representative, as applicable, under, and in compliance with, the applicable laws of all jurisdictions in which it is required to be so registered and each such registration, license or qualification is in full force and effect and in good standing; and (iv) there is no action, suit, proceeding or investigation pending or, to the knowledge of Capital One, threatened that would reasonably be likely to lead to the revocation, amendment, failure to renew, limitation, suspension or restriction of any such registrations, licenses and qualifications.

(b) Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Capital One, (i) none of the Capital One Broker-Dealer Subsidiaries nor any “associated person” thereof (A) is or has been ineligible to serve as a broker-dealer or an associated person of a broker-dealer under Section 15(b) of the Exchange Act, (B) is subject to a “statutory disqualification” as defined in Section 3(a)(39) of the Exchange Act or (C) is subject to a disqualification that would be a basis for censure, limitations on the activities, functions or operations of, or suspension or revocation of the registration of any Capital One Broker-Dealer Subsidiary as broker-dealer, municipal securities dealer, government securities broker or government securities dealer under Section 15, Section 15B or Section 15C of the Exchange Act, and (ii) there is no action, suit, proceeding or investigation pending or, to the knowledge of Capital One, threatened, that is reasonably likely to result in any such person being deemed ineligible as described in clause (A), subject to a “statutory disqualification” as described in clause (B) or subject to a disqualification as described in clause (C).

#### 4.32 No Other Representations or Warranties.

(a) Except for the representations and warranties made by Capital One and Merger Sub in this Article IV, neither Capital One nor Merger Sub any other person makes any express or implied representation or warranty with respect to Capital One, its Subsidiaries, Merger Sub or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and Capital One and Merger Sub hereby disclaim any such other representations or warranties. In particular, without limiting the foregoing disclaimer, neither Capital One nor Merger Sub nor any other person makes or has made any representation or warranty to Discover or any of its Affiliates or representatives with respect to (i) any financial projection, forecast, estimate, budget or prospective information relating to Capital One, Merger Sub, any of their respective Subsidiaries or their respective businesses or (ii) except for the representations and warranties made by Capital One and Merger Sub in this Article IV, any oral or written information presented to Discover or any of its Affiliates or representatives in the course of their due diligence investigation of Capital One, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

(b) Capital One and Merger Sub acknowledge and agree that neither Discover nor any other person has made or is making any express or implied representation or warranty other than those contained in Article III.

## ARTICLE V

### COVENANTS RELATING TO CONDUCT OF BUSINESS

5.1 Conduct of Business Prior to the Effective Time. During the period from the date of this Agreement to the Effective Time or earlier termination of this Agreement, except as expressly contemplated or permitted by this Agreement (including as set forth in the Discover Disclosure Schedule or the Capital One Disclosure Schedule), required by law or as consented to in writing by the other party (such consent not to be unreasonably withheld, conditioned or delayed), Discover and Capital One shall, and shall cause each of its Subsidiaries to, (a) use reasonable best efforts to conduct its business in the ordinary course in all material respects and (b) use reasonable best efforts to maintain and preserve intact its business organization, employees and advantageous business relationships.

5.2 Discover Forbearances. During the period from the date of this Agreement to the Effective Time or earlier termination of this Agreement, except as set forth in the Discover Disclosure Schedule, as expressly contemplated or permitted by this Agreement or as required by law, Discover shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Capital One (such consent not to be unreasonably withheld, conditioned or delayed):

(a) other than (i) federal funds and Federal Home Loan Bank borrowings, (ii) borrowings pursuant to the Bank Term Funding Program or Discount Window, (iii) entry into repurchase agreements, (iv) deposits (including brokered deposits), (v) purchases of federal funds, (vi) asset securitizations, (vii) sales of certificates of deposit, (viii) capitalized leases and (ix) issuances of letters of credit, in each case, in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money (other than indebtedness of Discover or any of its wholly-owned Subsidiaries to Discover or any of its wholly-owned Subsidiaries), or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual, corporation or other entity;

(b) (i) adjust, split, combine or reclassify any capital stock;

(ii) make, declare, pay or set a record date for any dividend, or any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or other equity or voting securities or any securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) or exchangeable into or exercisable for any shares of its capital stock or other equity or voting securities, including any Discover Securities or Discover Subsidiary Securities, except, in each case, (A) regular quarterly cash dividends by Discover at a rate not in excess of \$0.700 per share of Discover Common Stock, (B) dividends paid by any of the Subsidiaries of Discover to Discover or any of its wholly-owned Subsidiaries, (C) dividends provided for and paid on



Discover Preferred Stock in accordance with the terms of such Discover Preferred Stock or (D) the acceptance of shares of Discover Common Stock for withholding Taxes incurred in connection with the vesting or settlement of Discover RSU Awards or Discover PSU Awards, in each case, in accordance with past practice and the terms of the applicable award agreements;

(iii) grant any stock options, stock-appreciation rights, restricted stock units, performance stock units, phantom stock units, restricted shares or other equity-based awards or interests, or grant any person any right to acquire any Discover Securities or Discover Subsidiary Securities; or

(iv) issue, sell, transfer, encumber or otherwise permit to become outstanding any shares of capital stock or voting securities or equity interests or securities convertible (whether currently convertible or convertible only after the passage of time of the occurrence of certain events) or exchangeable into, or exercisable for, any shares of its capital stock or other equity or voting securities, including any Discover Securities or Discover Subsidiary Securities, or any options, warrants, or other rights of any kind to acquire any shares of capital stock or other equity or voting securities, including any Discover Securities or Discover Subsidiary Securities, except pursuant to the settlement of Discover RSU Awards or Discover PSU Awards, in each case, in accordance with the terms of the applicable award agreements;

(c) sell, transfer, mortgage, encumber or otherwise dispose of any of its material properties or assets (including any material Intellectual Property) to any individual, corporation or other entity other than a wholly-owned Subsidiary, or cancel, release or assign any indebtedness to any such person or any claims held by any such person, in each case other than (i) in the ordinary course of business, (ii) cancellation, abandonment, lapse or expiry in the ordinary course of business of any Intellectual Property owned by Discover or its Subsidiaries that is not material to any of their businesses and (iii) grants of non-exclusive licenses to Intellectual Property in the ordinary course of business;

(d) except for foreclosure or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith in the ordinary course of business, make any material investment in or acquisition of (whether by purchase of stock or securities, contributions to capital, property transfers, merger or consolidation, or formation of a joint venture or otherwise) any other person or the property or assets of any other person, in each case other than a wholly-owned Subsidiary of Discover;

(e) (i) terminate, materially amend, or waive any material provision of, any Discover Contract, or make any change in any instrument or agreement governing the terms of any of its securities, other than in the ordinary course of business without material adverse changes of terms with respect to Discover or (ii) enter into any contract that would constitute a Discover Contract of the type described in Section 3.14(a)(ii), (iii), (iv), (vi), (vii) or (xi) if it were in effect on the date of this Agreement (other than normal renewals of contracts or replacement of substantially similar services in the ordinary course of business without material adverse changes of terms with respect to Discover);

(f) except as required under applicable law or the terms of any Discover Benefit Plan existing as of the date hereof, as applicable, (i) enter into, establish, adopt, materially amend or terminate any Discover Benefit Plan, or any arrangement that would be a Discover Benefit Plan if in effect on the date hereof, other than (x) in the ordinary course of business consistent with past practice and (y) with respect to Discover Benefit Plans that are health and welfare plans, as would not reasonably be expected to materially increase the cost of providing benefits under any such Discover Benefit Plan, (ii) increase the compensation or benefits payable to any current or former employee, officer, director or individual contractor or consultant, other than increases in annual base salary or wages in the ordinary course of business consistent with past practice and within the limitations set forth in Section 5.2(f) of the Discover Disclosure Schedule, (iii) accelerate the vesting of any equity-based awards or other compensation, (iv) enter into any new, or amend any existing, employment, severance, change in control, retention, collective bargaining agreement or similar agreement or arrangement, other than the entry into offer letters in the ordinary course of business consistent with past practice that do not provide for enhanced or change in control severance (other than within the limitations on participation in the Discover Change in Control Severance Policy set forth in Section 5.2(f) of the Discover Disclosure Schedule), (v) fund any rabbi trust or similar arrangement or in any other way secure the payment of compensation or benefits under any Discover Benefit Plan, (vi) terminate the employment of any employee at the level of Executive Vice President or above, other than for cause, (vii) hire any employee at the level of Senior Vice President or above or any individual independent contractor with annual compensation of \$250,000 or more (other than as a replacement hire receiving substantially similar annual compensation and with terms consistent with and subject to the limitations on participation in the Discover Change in Control Severance Policy set forth in Section 5.2(f) of the Discover Disclosure Schedule), or (viii) promote, change the employee level, grade or title of or otherwise materially alter the role of any employee to the level of Senior Vice President or above or any individual independent contractor with annual compensation of \$250,000 or more (unless such action (x) is to fill a vacant position (in lieu of a replacement hire) with substantially similar annual compensation as the individual being replaced and with the terms of such promotion to be consistent with and subject to the limitations on participation in the Discover Change in Control Severance Policy set forth in Section 5.2(f) of the Discover Disclosure Schedule or (y) does not affect the individual's compensation or benefits);

(g) settle any claim, suit, action or proceeding, other than the settlement of any claim, suit, action or proceeding involving a monetary payment by Discover or its Subsidiaries in an amount not to exceed \$10,000,000 individually or \$50,000,000, in excess of current reserves as of the date of this Agreement, in the aggregate and which does not involve any injunctive relief against, or any finding or admission of any violation of law or wrongdoing by, and would not impose any material restriction on, or create any precedent that would be materially adverse to, Discover or its Subsidiaries or the Surviving Entity or its Subsidiaries;

(h) take any action or knowingly fail to take any action where such action or failure to act could reasonably be expected to prevent the Mergers, taken together, from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code;

(i) amend the Discover Charter, the Discover Bylaws or comparable governing documents of its Subsidiaries that are "significant Subsidiaries";

(j) merge or consolidate itself or any of its “significant Subsidiaries” with any other person, or restructure, reorganize or completely or partially liquidate or dissolve it or any of its “significant Subsidiaries”;

(k) other than in prior consultation with Capital One, materially restructure or materially change its investment securities or derivatives portfolio or its interest rate exposure, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported;

(l) implement or adopt any material change in its accounting principles, practices or methods, other than as may be required by GAAP;

(m) enter into any new material line of business or business operations, or abandon or discontinue any existing material line of business or business operations, or change in any material respect its lending, investment, underwriting, risk and asset liability management and other banking and operating, hedging, securitization and servicing policies (including any change in the maximum ratio or similar limits as a percentage of its capital exposure applicable with respect to its loan portfolio or any segment thereof), except as required by applicable law, regulation or policies imposed by any Governmental Entity;

(n) make, or commit to make, any capital expenditures that exceed \$10,000,000 individually or \$30,000,000 in the aggregate, other than as set forth in Discover’s capital expenditure budget set forth in Section 5.2(n) of the Discover Disclosure Schedule;

(o) make, change or revoke any material Tax election, change an annual Tax accounting period, adopt or change any material Tax accounting method, file any material amended Tax Return, enter into any closing agreement with respect to a material amount of Taxes, or settle any material Tax claim, audit, assessment or dispute or surrender any material right to claim a refund of Taxes;

(p) knowingly take any action that is intended to or would reasonably be likely to adversely affect or materially delay the ability of Discover or its Subsidiaries to obtain any necessary approvals of any Governmental Entity required for the transactions contemplated hereby or by the Bank Merger Agreement or the Requisite Discover Vote or to perform its covenants and agreements under this Agreement or the Bank Merger Agreement or to consummate the transactions contemplated hereby or thereby; or

(q) agree to take, make any commitment to take, or adopt any resolutions of its Board of Directors or similar governing body in support of, any of the actions prohibited by this Section 5.2.

5.3 Capital One Forbearances. During the period from the date of this Agreement to the Effective Time or earlier termination of this Agreement, except as set forth in the Capital One Disclosure Schedule, as expressly contemplated or permitted by this Agreement or as required by law, Capital One shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Discover (such consent not to be unreasonably withheld, conditioned or delayed):



(a) amend the Capital One Charter or the Capital One Bylaws in a manner that would adversely affect the holders of Discover Common Stock, or adversely affect the holders of Discover Common Stock relative to other holders of Capital One Common Stock;

(b) adjust, split, combine or reclassify any capital stock of Capital One;

(c) make, declare, pay or set a record date for any dividend, or any other distribution on, any shares of its capital stock or other equity or voting securities or any securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) or exchangeable into or exercisable for any shares of its capital stock or other equity or voting securities, except, in each case, (A) regular quarterly cash dividends by Capital One at a rate not in excess of \$0.600 per share of Capital One Common Stock, (B) dividends paid by any of the Subsidiaries of Capital One to Capital One or any of its wholly-owned Subsidiaries, (C) dividends provided for and paid on Capital One Preferred Stock in accordance with the terms of such Capital One Preferred Stock or (D) the acceptance of shares of Capital One Common Stock as payment for the exercise price of stock options or for withholding Taxes incurred in connection with the exercise of stock options or the vesting or settlement of equity compensation awards, in each case, in accordance with past practice and the terms of the applicable award agreements;

(d) take any action or knowingly fail to take any action where such action or failure to act could reasonably be expected to prevent the Mergers, taken together, from qualifying as a “reorganization” within the meaning of Section 368(a) of the Code;

(e) knowingly take any action that is intended to or would reasonably be likely to adversely affect or materially delay the ability of Capital One or its Subsidiaries to obtain any necessary approvals of any Governmental Entity required for the transactions contemplated hereby or by the Bank Merger Agreement or the Requisite Capital One Vote or to perform its covenants and agreements under this Agreement or the Bank Merger Agreement or to consummate the transactions contemplated hereby or thereby; or

(f) agree to take, make any commitment to take, or adopt any resolutions of its Board of Directors or similar governing body in support of, any of the actions prohibited by this Section 5.3.

## ARTICLE VI

### ADDITIONAL AGREEMENTS

#### 6.1 Regulatory Matters.

(a) Promptly after the date of this Agreement, Capital One and Discover shall prepare and file with the SEC the Joint Proxy Statement, and Capital One shall prepare and file with the SEC the S-4, in which the Joint Proxy Statement will be included as a prospectus. Capital One and Discover, as applicable, shall use reasonable best efforts to make such filings within forty-five (45) days of the date of this Agreement. Each of Capital One and Discover shall use its reasonable best efforts to have the S-4 declared effective under the Securities Act as promptly as practicable after such filings, and Capital One and Discover shall thereafter mail or

deliver the Joint Proxy Statement to their respective stockholders. Capital One shall also use its reasonable best efforts to obtain all necessary state securities law or “Blue Sky” permits and approvals required to carry out the transactions contemplated by this Agreement, and Discover shall furnish all information concerning Discover and the holders of Discover Common Stock and Discover Preferred Stock as may be reasonably requested in connection with any such action.

(b) The parties hereto shall cooperate with each other and use their reasonable best efforts to (i) promptly prepare and file all necessary documentation to effect all applications, notices, petitions and filings (and in the case of the applications, notices, petitions and filings in respect of the Requisite Regulatory Approvals, use their reasonable best efforts to make such filings within thirty (30) days of the date of this Agreement), (ii) obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and Governmental Entities which are necessary or advisable to consummate the transactions contemplated by this Agreement (including the Mergers and the Bank Merger), and comply with the terms and conditions of all such permits, consents, approvals and authorizations of all such Governmental Entities and (iii) contest, defend and appeal any action or proceeding by a Governmental Entity (other than a bank regulatory agency), whether judicial or administrative, challenging this Agreement or the consummation of the Mergers and the transactions contemplated hereby. Capital One and Discover shall have the right to review in advance, and, unless not practicable, each will consult the other on, and give reasonable time to comment on, in each case subject to applicable laws relating to the exchange of information, any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of the parties hereto shall act reasonably and as promptly as practicable. The parties hereto agree that they will consult with each other with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement and each party will keep the other apprised of the status of matters relating to completion of the transactions contemplated herein. Each party shall consult with the other in advance of any meeting or conference with any Governmental Entity in connection with the transactions contemplated by this Agreement and, to the extent permitted by such Governmental Entity, give the other party and/or its counsel the opportunity to attend and participate in such meetings and conferences, in each case subject to applicable law. As used in this Agreement, the term “Requisite Regulatory Approvals” shall mean all regulatory authorizations, consents, orders and approvals (and the expiration or termination of all statutory waiting periods in respect thereof) (i) from the Federal Reserve Board and the OCC or (ii) as set forth in Section 3.4 or Section 4.4, that are necessary to consummate the transactions contemplated by this Agreement (including the Mergers and the Bank Merger) or those the failure of which to be obtained would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Surviving Entity.

(c) Each party shall use its reasonable best efforts to respond to any request for information and resolve any objection that may be asserted by any Governmental Entity with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, nothing contained herein shall be deemed to require Capital One or Discover or any of their respective Subsidiaries, and neither Capital One nor Discover nor any of their respective Subsidiaries shall be permitted (without the written consent of the other party), to take any

action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining the foregoing permits, consents, approvals and authorizations of Governmental Entities that would reasonably be expected to have a material adverse effect on the Surviving Entity and its Subsidiaries, taken as a whole, after giving effect to the Mergers (a “Materially Burdensome Regulatory Condition”).

(d) Capital One and Discover shall, upon request, furnish each other with all information concerning themselves, their Subsidiaries, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with the Joint Proxy Statement, the S-4 or any other statement, filing, notice or application made by or on behalf of Capital One, Discover or any of their respective Subsidiaries to any Governmental Entity in connection with the Mergers, the Bank Merger and the other transactions contemplated by this Agreement.

(e) Capital One and Discover shall promptly advise each other upon receiving any material substantive communication from any Governmental Entity relating to any Requisite Regulatory Approval or other approval or clearance of any Governmental Entity being sought in connection with the transactions contemplated by this Agreement and/or the Bank Merger Agreement. For the avoidance of doubt, Section 9.14 shall not preclude either party from fulfilling its obligation under this Section 6.1(e) to the extent permissible under applicable law.

## 6.2 Access to Information; Confidentiality.

(a) Upon reasonable notice and subject to applicable laws, each of Capital One and Discover, for the purposes of verifying the representations and warranties of the other and preparing for the Mergers and the other matters contemplated by this Agreement, shall, and shall cause each of their respective Subsidiaries to, afford to the officers, employees, accountants, counsel, advisors and other representatives of the other party, access, during normal business hours during the period prior to the Effective Time, to such properties, books, contracts, personnel and records as reasonably requested by the other party, and each shall cooperate with the other party in preparing to execute after the Effective Time the conversion or consolidation of systems and business operations generally, and, during such period, each of Capital One and Discover shall, and shall cause its respective Subsidiaries to, make available to the other party (i) a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of federal securities laws or federal or state banking laws (other than reports or documents that Capital One or Discover, as the case may be, is not permitted to disclose under applicable law) and (ii) such other information concerning its business, properties and personnel as such party may reasonably request (other than reports or documents that Capital One or Discover, as the case may be, is not permitted to disclose under applicable law). Neither Capital One nor Discover nor any of their respective Subsidiaries shall be required to provide access to or disclose information where such access or disclosure would violate or prejudice the rights of Capital One’s or Discover’s, as the case may be, customers, jeopardize the attorney-client privilege of the institution in possession or control of such information (after giving due consideration to the existence of any common interest, joint defense or similar agreement between the parties) or contravene any law, rule, regulation, order, judgment, decree, fiduciary duty or binding agreement entered into prior to the date of this

Agreement. The parties hereto will make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

(b) Each of Capital One and Discover shall hold all information furnished by or on behalf of the other party or any of such party's Subsidiaries or representatives pursuant to Section 6.2(a) in confidence to the extent required by, and in accordance with, the provisions of the confidentiality agreement, dated November 23, 2023 between Capital One Services, LLC and Discover (the "Confidentiality Agreement").

(c) No investigation by either of the parties or their respective representatives shall affect or be deemed to modify or waive the representations and warranties of the other set forth herein. Nothing contained in this Agreement shall give either party, directly or indirectly, the right to control or direct the operations of the other party prior to the Effective Time. Prior to the Effective Time, each party shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries' respective operations.

6.3 Stockholders' Approvals. Each of Capital One and Discover shall call a meeting of its stockholders (the "Capital One Meeting" and the "Discover Meeting," respectively) to be held as soon as reasonably practicable after the S-4 is declared effective, for the purpose of obtaining (a) the Requisite Discover Vote and the Requisite Capital One Vote required in connection with this Agreement and the Merger and (b) if so desired and mutually agreed, a vote upon other matters of the type customarily brought before a meeting of stockholders in connection with the approval of a merger agreement or the transactions contemplated thereby, and each of Discover and Capital One shall use its reasonable best efforts to cause such meetings to occur as soon as reasonably practicable and on the same date. Each of Capital One and Discover and their respective Boards of Directors shall use its reasonable best efforts to obtain from the stockholders of Capital One and Discover, as applicable, the Requisite Capital One Vote and the Requisite Discover Vote, as applicable, including by communicating to the respective stockholders of Capital One and Discover its respective recommendation (and including such recommendation in the Joint Proxy Statement) that, in the case of Capital One, the stockholders of Capital One approve the Capital One Share Issuance (the "Capital One Board Recommendation"), and in the case of Discover, the stockholders of Discover adopt this Agreement (the "Discover Board Recommendation"). Each of Capital One and Discover and their respective Boards of Directors shall not (i) withhold, withdraw, modify or qualify in a manner adverse to the other party the Capital One Board Recommendation, in the case of Capital One, or the Discover Board Recommendation, in the case of Discover, (ii) fail to make the Capital One Board Recommendation, in the case of Capital One, or the Discover Board Recommendation, in the case of Discover, in the Joint Proxy Statement, (iii) adopt, approve, recommend or endorse an Acquisition Proposal or publicly announce an intention to adopt, approve, recommend or endorse an Acquisition Proposal, (iv) fail to publicly and without qualification (A) recommend against any Acquisition Proposal or (B) reaffirm the Capital One Board Recommendation, in the case of Capital One, or the Discover Board Recommendation, in the case of Discover, in each case within ten (10) business days (or such fewer number of days as remains prior to the Capital One Meeting or the Discover Meeting, as applicable) after an Acquisition Proposal is made public or any request by the other party to do so, or (v) publicly propose to do any of the foregoing (any of the foregoing a "Recommendation Change"). However, subject to Section 8.1 and Section 8.2, if the Board of Directors of Capital One or

Discover, after receiving the advice of its outside counsel and, with respect to financial matters, its financial advisors, determines in good faith that it would more likely than not result in a violation of its fiduciary duties under applicable law to make or continue to make the Capital One Board Recommendation or the Discover Board Recommendation, as applicable, such Board of Directors may, in the case of Capital One, prior to the receipt of the Requisite Capital One Vote, and in the case of Discover, prior to the receipt of the Requisite Discover Vote, submit this Agreement to its stockholders without recommendation (although the resolutions approving this Agreement as of the date hereof may not be rescinded or amended), in which event such Board of Directors may communicate the basis for its lack of a recommendation to its stockholders in the Joint Proxy Statement or an appropriate amendment or supplement thereto to the extent required by law; provided that such Board of Directors may not take any actions under this sentence unless it (A) gives the other party at least three (3) business days' prior written notice of its intention to take such action and a reasonable description of the event or circumstances giving rise to its determination to take such action (including, in the event such action is taken in response to an Acquisition Proposal, the latest material terms and conditions of, and the identity of the third party making, any such Acquisition Proposal, or any amendment or modification thereof, or describe in reasonable detail such other event or circumstances) and (B) at the end of such notice period, takes into account any amendment or modification to this Agreement proposed by the other party and, after receiving the advice of its outside counsel and, with respect to financial matters, its financial advisors, determines in good faith that it would nevertheless more likely than not result in a violation of its fiduciary duties under applicable law to make or continue to make the Capital One Board Recommendation or Discover Board Recommendation, as the case may be. Any material amendment to any Acquisition Proposal will be deemed to be a new Acquisition Proposal for purposes of this Section 6.3 and will require a new notice period as referred to in this Section 6.3. Capital One or Discover shall adjourn or postpone the Capital One Meeting or the Discover Meeting, as the case may be, if, as of the time for which such meeting is originally scheduled there are insufficient shares of Capital One Common Stock or Discover Common Stock, as the case may be, represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting, or if on the date of such meeting Discover or Capital One, as applicable, has not received proxies representing a sufficient number of shares necessary to obtain the Requisite Discover Vote or the Requisite Capital One Vote; provided that the date of the Capital One Meeting or the Discover Meeting, as applicable, is not postponed or adjourned more than twice and in each case for more than an aggregate of 15 days in connection with any one postponement or adjournment or more than an aggregate of 30 days from the original date of the applicable meeting in reliance on the preceding sentence (excluding any adjournments or postponements required by applicable law). Notwithstanding anything to the contrary herein, unless this Agreement has been terminated in accordance with its terms, (x) the Capital One Meeting shall be convened and the Capital One Share Issuance shall be submitted to the stockholders of Capital One at the Capital One Meeting and (y) the Discover Meeting shall be convened and this Agreement shall be submitted to the stockholders of Discover at the Discover Meeting, and nothing contained herein shall be deemed to relieve either Capital One or Discover of such obligation. As used in this Agreement, "Acquisition Proposal" shall mean, with respect to Capital One or Discover, as applicable, other than the transactions contemplated by this Agreement, any offer, inquiry or proposal relating to, or any third party indication of interest in, (i) any acquisition or purchase, direct or indirect, of twenty-five percent (25%) or more of the consolidated assets of a party and its Subsidiaries or



twenty-five percent (25%) or more of any class of equity or voting securities of a party or its Subsidiaries whose assets, individually or in the aggregate, constitute twenty-five percent (25%) or more of the consolidated assets of the party, (ii) any tender offer (including a self-tender offer) or exchange offer that, if consummated, would result in such third party beneficially owning twenty-five percent (25%) or more of any class of equity or voting securities of a party or its Subsidiaries whose assets, individually or in the aggregate, constitute twenty-five percent (25%) or more of the consolidated assets of the party, or (iii) a merger, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving a party or its Subsidiaries whose assets, individually or in the aggregate, constitute twenty-five percent (25%) or more of the consolidated assets of the party.

6.4 Legal Conditions to Merger. Subject in all respects to Section 6.1 of this Agreement, each of Capital One and Discover shall, and shall cause its Subsidiaries to, use their reasonable best efforts (a) to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal requirements that may be imposed on such party or its Subsidiaries with respect to the Mergers and the Bank Merger and, subject to the conditions set forth in Article VII hereof, to consummate the transactions contemplated by this Agreement, and (b) to obtain (and to cooperate with the other party to obtain) any material consent, authorization, order or approval of, or any exemption by, any Governmental Entity and any other third party that is required to be obtained by Discover or Capital One or any of their respective Subsidiaries in connection with the Mergers, the Bank Merger and the other transactions contemplated by this Agreement.

6.5 Stock Exchange Listing. Capital One shall cause the shares of Capital One Common Stock to be issued in the Merger to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Effective Time.

6.6 Employee Matters.

(a) Capital One shall, and shall cause each of its Subsidiaries to, for the one-year period following the Effective Time, maintain for the each employee of Discover and any of its Subsidiaries as of the Effective Time who remains so employed immediately following the Effective Time (the “Continuing Employees”), for so long as they are employed by the Surviving Entity following the Effective Time (i) base salary or wages (as applicable) that is no less favorable than that provided to the Continuing Employee as of immediately prior to the Effective Time, (ii) target annual cash incentive compensation and target long-term incentive compensation opportunities that are no less favorable in the aggregate to the aggregate target annual cash incentive compensation and target long-term incentive compensation opportunities provided to the Continuing Employee as of immediately prior to the Effective Time, (iii) employee benefits (other than severance) that are substantially comparable in the aggregate to the employee benefits (other than severance) provided by Discover to the Continuing Employees as of immediately prior to the Effective Time, and (iv) severance benefits no less favorable than the severance benefits provided to the Continuing Employees under the plans listed in Section 6.6(a) of the Discover Disclosure Schedule.

(b) With respect to any Capital One Benefit Plans in which any Continuing Employees become eligible to participate on or after the Effective Time, Capital One shall, and

shall cause each of its Subsidiaries to: (i) waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to such employees and their eligible dependents under any such Capital One Benefit Plans that provide health care benefits, except to the extent such pre-existing conditions, exclusions or waiting periods would apply under the analogous Discover Benefit Plan, (ii) use commercially reasonable efforts to provide each such employee and their eligible dependents with credit for any co-payments or coinsurance and deductibles paid prior to the Effective Time under a Capital One Benefit Plan that provides health care benefits, to the same extent that such credit was given under the analogous Discover Benefit Plan prior to the Effective Time, in satisfying any applicable deductible, co-payment, coinsurance or maximum out-of-pocket requirements under any such Capital One Benefit Plan, and (iii) use commercially reasonable efforts to recognize all service of such employees with Discover and its Subsidiaries for purposes of eligibility to participate, vesting and levels of benefits in any such Capital One Benefit Plan to the same extent that such service was taken into account under the analogous Discover Benefit Plan prior to the Effective Time; provided, that the foregoing service recognition shall not apply (A) to the extent it would result in a duplication of benefits for the same period of service, (B) for purposes of any pension plan or (C) for purposes of any benefit plan that is a frozen plan or provides grandfathered benefits.

(c) If requested by Capital One in writing delivered to Discover not less than twenty (20) business days before the Closing Date, the Board of Directors of Discover (or the appropriate committee thereof) shall adopt resolutions and take such corporate action as is necessary or appropriate to terminate the Discover 401(k) Plan (the “Discover 401(k) Plan”), effective as of the day prior to the Closing Date and contingent upon the occurrence of the Effective Time. If Capital One requests that the Discover 401(k) Plan be terminated, (i) Discover shall provide Capital One with evidence that such plan has been terminated (the form and substance of which shall be subject to reasonable review and comment by Capital One) not later than five (5) days immediately preceding the Closing Date and (ii) the Continuing Employees shall be eligible to participate, effective as of the Effective Time, in a 401(k) plan sponsored or maintained by Capital One or one of its Subsidiaries (the “Capital One 401(k) Plan”). Capital One and Discover shall take all actions as may be required, including amendments to the Discover 401(k) Plan and/or the Capital One 401(k) Plan, to permit the Continuing Employees to make rollover contributions to the Capital One 401(k) Plan of “eligible rollover distributions” (within the meaning of Section 401(a)(31) of the Code) in the form of cash, notes (in the case of loans) or a combination thereof.

(d) Effective as of the Effective Time, Capital One shall, or shall cause one of its Subsidiaries to, assume and honor the Discover Benefit Plans in accordance with their terms, it being understood that this sentence shall not be construed to limit the ability of Capital One or any of its Subsidiaries or Affiliates to amend or terminate any Discover Benefit Plan in accordance with its terms.

(e) Following the date hereof, Discover and Capital One shall, and shall cause their respective Affiliates to, cooperate and use good faith efforts in all matters reasonably necessary for employee, compensation and benefits integration, including exchanging information and data relating to employees, organizational structure, compensation and employee benefits, and distributing communications to the employees of Discover and its

Affiliates. Prior to the Closing, Capital One shall be provided the opportunity to review and comment on any broad-based or otherwise material employee notices or communication materials (including website postings) regarding the transactions contemplated by this Agreement from Discover or its Affiliates to the employees of Discover and its Affiliates, including broad-based or otherwise material notices or communication materials with respect to employment, compensation or benefits matters addressed in this Agreement or related, directly or indirectly, to the transactions contemplated by this Agreement or employment after the Closing prepared by Discover or its Affiliates prior to their distribution, and Discover and its Affiliates shall reflect any reasonable comments promptly received from Capital One.

(f) Nothing in this Agreement shall confer upon any employee, officer, director or consultant of Capital One or Discover or any of their Subsidiaries or Affiliates any right to continue in the employ or service of the Surviving Entity, Discover, Capital One or any Subsidiary or Affiliate thereof, or shall interfere with or restrict in any way the rights of the Surviving Entity, Discover, Capital One or any Subsidiary or Affiliate thereof to discharge or terminate the services of any employee, officer, director or consultant of the Surviving Entity, Discover, Capital One or any of their Subsidiaries or Affiliates at any time for any reason whatsoever, with or without cause. Nothing in this Agreement shall be deemed to (i) establish, amend, or modify any Discover Benefit Plan, Capital One Benefit Plan or any other benefit or employment plan, program, agreement or arrangement, or (ii) alter or limit the ability of the Surviving Entity, Discover, Capital One or any of their Subsidiaries or Affiliates to amend, modify or terminate any Discover Benefit Plan, Capital One Benefit Plan or any other benefit or employment plan, program, agreement or arrangement after the Effective Time. Without limiting the generality of Section 9.11, nothing in this Section 6.6, express or implied, is intended to or shall confer upon any person, including any current or former employee, officer, director or consultant of the Surviving Entity, Discover, Capital One or any of their Subsidiaries or Affiliates, any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

#### 6.7 Indemnification; Directors' and Officers' Insurance.

(a) From and after the Effective Time, the Surviving Entity shall indemnify and hold harmless and shall advance expenses as incurred, in each case to the extent (subject to applicable law) such persons are indemnified as of the date of this Agreement by Discover pursuant to the Discover Charter, the Discover Bylaws, the governing or organizational documents of any Subsidiary of Discover and any indemnification agreements in existence as of the date hereof and disclosed in Section 6.7(a) of the Discover Disclosure Schedule, each present and former director, officer or employee of Discover and its Subsidiaries (in each case, when acting in such capacity) (collectively, the "Discover Indemnified Parties") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, damages or liabilities incurred in connection with any threatened or actual claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, whether arising before or after the Effective Time, arising out of or pertaining to the fact that such person is or was a director, officer or employee of Discover or any of its Subsidiaries and pertaining to matters or facts existing or occurring at or prior to the Effective Time, including the transactions contemplated by this Agreement; provided, that in the case of advancement of expenses, any Discover Indemnified Party to whom expenses are advanced provides an undertaking to repay



such advances if it is ultimately determined that such Discover Indemnified Party is not entitled to indemnification.

(b) For a period of six (6) years after the Effective Time, the Surviving Entity shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by Discover (provided, that the Surviving Entity may substitute therefor policies with a substantially comparable insurer of at least the same coverage and amounts containing terms and conditions that are no less advantageous to the insured) with respect to claims against the present and former officers and directors of Discover and any of its Subsidiaries arising from facts or events which occurred at or before the Effective Time; provided, however, that the Surviving Entity shall not be obligated to expend, on an annual basis, an amount in excess of 300% of the current annual premium paid as of the date hereof by Discover for such insurance (the "Premium Cap"), and if such premiums for such insurance would at any time exceed the Premium Cap, then the Surviving Entity shall cause to be maintained policies of insurance which, in the Surviving Entity's good faith determination, provide the maximum coverage available at an annual premium equal to the Premium Cap. In lieu of the foregoing, Capital One or Discover, in consultation with, but only upon the consent of Capital One, may (and at the request of Capital One, Discover shall use its reasonable best efforts to) obtain at or prior to the Effective Time a six (6)-year "tail" policy under Discover's existing directors' and officers' insurance policy providing equivalent coverage to that described in the preceding sentence if and to the extent that the same may be obtained for an amount that, in the aggregate, does not exceed the Premium Cap.

(c) The provisions of this Section 6.7 shall survive the Effective Time and are intended to be for the benefit of, and shall be enforceable by, each Discover Indemnified Party and his or her heirs and representatives, each of whom shall be express third-party beneficiaries of this Section 6.7. If the Surviving Entity or any of its successors or assigns (i) consolidates with or merges into any other person and is not the continuing or surviving entity of such consolidation or merger, or (ii) transfers all or substantially all of its assets or deposits to any other person or engages in any similar transaction, then in each such case, the Surviving Entity will cause proper provision to be made so that the successors and assigns of the Surviving Entity will expressly assume the obligations set forth in this Section 6.7. The obligations of the Surviving Entity or any of its successors under this Section 6.7 shall not be terminated or modified after the Effective Time in a manner so as to adversely affect any Discover Indemnified Party or any other person entitled to the benefit of this Section 6.7 without the prior written consent of the affected Discover Indemnified Party or affected person.

6.8 Additional Agreements. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement (including any merger between a Subsidiary of Capital One, on the one hand, and a Subsidiary of Discover, on the other hand) or to vest the Surviving Entity with full title to all properties, assets, rights, approvals, immunities and franchises of any of the parties to the Mergers or the Bank Merger, the proper officers and directors of each party to this Agreement and their respective Subsidiaries shall take all such necessary action as may be reasonably requested by Capital One.

6.9 Advice of Changes. Capital One and Discover shall each promptly advise the other party of any effect, change, event, circumstance, condition, occurrence or development

(i) that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on it or (ii) that it believes would or would reasonably be expected to cause or constitute a material breach of any of its representations, warranties, obligations, covenants or agreements contained herein that reasonably could be expected to give rise, individually or in the aggregate, to the failure of a condition in Article VII; provided, that any failure to give notice in accordance with the foregoing with respect to any breach shall not be deemed to constitute a violation of this Section 6.9 or the failure of any condition set forth in Section 7.2 or 7.3 to be satisfied, or otherwise constitute a breach of this Agreement by the party failing to give such notice, in each case unless the underlying breach would independently result in a failure of the conditions set forth in Section 7.2 or 7.3 to be satisfied; and provided, further, that the delivery of any notice pursuant to this Section 6.9 shall not cure any breach of, or noncompliance with, any other provision of this Agreement or limit the remedies available to the party receiving such notice.

6.10 Dividends. After the date of this Agreement, each of Capital One and Discover shall coordinate with the other the declaration of any dividends in respect of Capital One Common Stock and Discover Common Stock and the record dates and payment dates relating thereto, it being the intention of the parties hereto that holders of Discover Common Stock shall not receive two dividends, or fail to receive one dividend, in any quarter with respect to their shares of Discover Common Stock and any shares of Capital One Common Stock any such holder receives in exchange therefor in the Merger.

6.11 Stockholder Litigation. Each party shall give the other party prompt notice of any stockholder litigation against such party or its directors or officers relating to the transactions contemplated by this Agreement. Each party shall give the other party the opportunity to participate (at the other party's expense) in the defense or settlement of any such litigation. Each party shall give the other party the right to review and comment on all filings or responses to be made in connection with any such litigation, and will in good faith take such comments into account. No party shall agree to settle any such litigation without the other party's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that a party shall not be obligated to consent to any settlement which does not include a full release of such party and its Affiliates or which imposes an injunction or other equitable relief after the Effective Time upon the Surviving Entity or any of its Affiliates.

6.12 Board Representation. Capital One shall take all appropriate action so that, as of the Effective Time, the number of directors constituting the Board of Directors of Capital One shall be increased by three (3) for a total of fifteen (15) directors, and three (3) current directors of Discover, determined by mutual agreement of Discover and Capital One, shall be appointed to the Board of Directors of Capital One (the "Discover Directors").

6.13 Acquisition Proposals.

(a) Each party agrees that it will not, will cause each of its Subsidiaries not to and will cause its and their respective officers, directors and employees not to, and will use its reasonable best efforts to cause its agents, advisors and representatives (collectively, "Representatives") not to, directly or indirectly, (i) initiate, solicit, knowingly encourage or knowingly facilitate any inquiries or proposals with respect to any Acquisition Proposal, (ii)

engage or participate in any negotiations with any person concerning any Acquisition Proposal, (iii) provide any confidential or nonpublic information or data to, or have or participate in any discussions with any person relating to any Acquisition Proposal or (iv) unless this Agreement has been terminated in accordance with its terms, approve or enter into any term sheet, letter of intent, commitment, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement or other agreement (whether written or oral, binding or non-binding) (other than a confidentiality agreement referred to and entered into in accordance with this Section 6.13) in connection with or relating to any Acquisition Proposal. Notwithstanding the foregoing, in the event that after the date of this Agreement and prior to the receipt of the Requisite Capital One Vote, in the case of Capital One, or the Requisite Discover Vote, in the case of Discover, a party receives an unsolicited *bona fide* written Acquisition Proposal, such party may, and may permit its Subsidiaries and its and its Subsidiaries' Representatives to, furnish or cause to be furnished confidential or nonpublic information or data and participate in such negotiations or discussions with the person making the Acquisition Proposal if the Board of Directors of such party concludes in good faith (after receiving the advice of its outside counsel, and with respect to financial matters, its financial advisors) that failure to take such actions would be more likely than not to result in a violation of its fiduciary duties under applicable law; provided, that, prior to furnishing any confidential or nonpublic information permitted to be provided pursuant to this sentence, such party shall have entered into a confidentiality agreement with the person making such Acquisition Proposal on terms no less favorable to it than the Confidentiality Agreement, which confidentiality agreement shall not provide such person with any exclusive right to negotiate with such party. Each party will, and will cause its Representatives to, immediately cease and cause to be terminated any activities, discussions or negotiations conducted before the date of this Agreement with any person other than Discover or Capital One, as applicable, with respect to any Acquisition Proposal. Each party will promptly (within twenty-four (24) hours) advise the other party following receipt of any Acquisition Proposal or any inquiry which could reasonably be expected to lead to an Acquisition Proposal, and the substance thereof (including the terms and conditions of and the identity of the person making such inquiry or Acquisition Proposal), will provide the other party with an unredacted copy of any such Acquisition Proposal and any draft agreements, proposals or other materials received in connection with any such inquiry or Acquisition Proposal, and will keep the other party apprised of any related developments, discussions and negotiations on a current basis, including any amendments to or revisions of the terms of such inquiry or Acquisition Proposal. Each party shall use its reasonable best efforts to enforce any existing confidentiality or standstill agreements to which it or any of its Subsidiaries is a party in accordance with the terms thereof.

(b) Nothing contained in this Agreement shall prevent a party or its Board of Directors from complying with Rule 14d-9 and Rule 14e-2 under the Exchange Act with respect to an Acquisition Proposal; provided, that such rules will in no way eliminate or modify the effect that any action pursuant to such rules would otherwise have under this Agreement.

6.14 Public Announcements. Discover and Capital One agree that the initial press release with respect to the execution and delivery of this Agreement shall be a release mutually agreed to by the parties. Thereafter, each of the parties agrees that no public release or announcement or statement concerning this Agreement or the transactions contemplated hereby shall be issued by any party without the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed), except (i) as required by applicable

law or the rules or regulations of any applicable Governmental Entity or stock exchange to which the relevant party is subject, in which case the party required to make the release or announcement shall consult with the other party about, and allow the other party reasonable time to comment on, such release or announcement in advance of such issuance or (ii) for such releases, announcements or statements that are consistent with other such releases, announcements or statements made after the date of this Agreement in compliance with this Section 6.14.

6.15 Change of Method. Discover and Capital One shall be empowered, upon their mutual agreement, at any time prior to the Effective Time, to change the method or structure of effecting the transactions contemplated by this Agreement (including the provisions of Article I), if and to the extent they both deem such change to be necessary, appropriate or desirable; provided, however, that no such change shall (i) alter or change the Exchange Ratio or the number of shares of Capital One Common Stock received by holders of Discover Common Stock in exchange for each share of Discover Common Stock or the treatment of the Discover Preferred Stock, (ii) adversely affect the Tax treatment of Discover's stockholders or Capital One's stockholders pursuant to this Agreement, (iii) adversely affect the Tax treatment of Discover or Capital One pursuant to this Agreement or (iv) materially impede or delay the consummation of the transactions contemplated by this Agreement in a timely manner. The parties agree to reflect any such change in an appropriate amendment to this Agreement executed by both parties in accordance with Section 9.1.

6.16 Restructuring Efforts. If either Discover or Capital One shall have failed to obtain the Requisite Discover Vote or the Requisite Capital One Vote at the duly convened Discover Meeting or Capital One Meeting, as applicable, or any adjournment or postponement thereof, each of the parties shall in good faith use its reasonable best efforts to negotiate a restructuring of the transactions contemplated by this Agreement (it being understood that neither party shall have any obligation to alter or change any material terms, including the Exchange Ratio, the treatment of the Discover Preferred Stock or the amount or kind of the consideration to be issued to holders of the capital stock of Discover as provided for in this Agreement or any term that would adversely affect the tax treatment of the transactions contemplated hereby in a manner adverse to such party or its stockholders) and/or resubmit this Agreement and the transactions contemplated hereby (or as restructured pursuant to this Section 6.16) to its respective stockholders for adoption or approval.

6.17 Takeover Statutes. None of Discover, Capital One, Mergers Sub or their respective Boards of Directors shall take any action that would cause any Takeover Statute to become applicable to this Agreement, the Mergers, or any of the other transactions contemplated hereby, and each shall take all necessary steps to exempt (or ensure the continued exemption of) the Mergers and the other transactions contemplated hereby from any applicable Takeover Statute now or hereafter in effect. If any Takeover Statute may become, or may purport to be, applicable to the transactions contemplated hereby, each party and the members of their respective Boards of Directors will grant such approvals and take such actions as are necessary so that the transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of any Takeover Statute on any of the transactions contemplated by this Agreement, including, if necessary, challenging the validity or applicability of any such Takeover Statute.

6.18 Treatment of Discover Indebtedness. Upon the Second Effective Time, Capital One and/or its Subsidiaries shall assume the due and punctual performance and observance of the covenants and other obligations to be performed by Discover and/or its Subsidiaries under the definitive documents governing the indebtedness and other instruments related thereto of Discover and/or its Subsidiaries, and the due and punctual payment of the principal of (and premium, if any) and interest on the notes or other instruments governed thereby. In connection therewith, Capital One and Discover shall cooperate and use reasonable best efforts to execute and deliver (and cause their respective Subsidiaries to execute and deliver, if applicable) any supplemental indentures, officer's certificates or other documents, and the parties hereto shall cooperate and use reasonable best efforts to provide any opinion of counsel required to make such assumption effective as of the Second Effective Time.

6.19 Exemption from Liability Under Section 16(b). Discover and Capital One agree that, in order to most effectively compensate and retain Discover Insiders, both prior to and after the Effective Time, it is desirable that Discover Insiders not be subject to a risk of liability under Section 16(b) of the Exchange Act to the fullest extent permitted by applicable law in connection with the conversion of shares of Discover Common Stock and Discover Preferred Stock into shares of Capital One Common Stock and New Capital One Preferred Stock in the Mergers and the conversion of Discover Equity Awards into corresponding Capital One Equity Awards in the Merger, and for that compensatory and retentive purpose agree to the provisions of this Section 6.19. Discover shall deliver to Capital One in a reasonably timely fashion prior to the Effective Time accurate information regarding those officers and directors of Discover subject to the reporting requirements of Section 16(a) of the Exchange Act (the "Discover Insiders"), and the Board of Directors of Capital One and of Discover, or a committee of non-employee directors thereof (as such term is defined for purposes of Rule 16b-3(d) under the Exchange Act), shall reasonably promptly thereafter, and in any event prior to the Effective Time, take all such steps as may be required to cause (in the case of Discover) any dispositions of Discover Common Stock, Discover Preferred Stock or Discover Equity Awards by the Discover Insiders, and (in the case of Capital One) any acquisitions of Capital One Common Stock, New Capital One Preferred Stock, or Capital One Equity Awards by any Discover Insiders who, immediately following the Mergers, will be officers or directors of the Surviving Entity subject to the reporting requirements of Section 16(a) of the Exchange Act, in each case pursuant to the transactions contemplated by this Agreement, to be exempt from liability pursuant to Rule 16b-3 under the Exchange Act to the fullest extent permitted by applicable law.

6.20 Conduct of Merger Sub. Capital One shall take all actions necessary to cause Merger Sub to perform its obligations under this Agreement.



## ARTICLE VII

### CONDITIONS PRECEDENT

7.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligations of the parties to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) Stockholder Approvals. (i) The Capital One Share Issuance shall have been approved by the stockholders of Capital One by the Requisite Capital One Vote and (ii) this Agreement shall have been adopted by the stockholders of Discover by the Requisite Discover Vote.

(b) NYSE Listing. The shares of Capital One Common Stock that shall be issuable pursuant to this Agreement shall have been authorized for listing on the NYSE, subject to official notice of issuance.

(c) Regulatory Approvals. (i) All Requisite Regulatory Approvals shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have expired or been terminated and (ii) no such Requisite Regulatory Approval shall have resulted in the imposition of any Materially Burdensome Regulatory Condition.

(d) S-4. The S-4 shall have become effective under the Securities Act and no stop order suspending the effectiveness of the S-4 shall have been issued, and no proceedings for such purpose shall have been initiated or threatened by the SEC and not withdrawn.

(e) No Injunctions or Restraints; Illegality. No order, injunction or decree issued by any court or Governmental Entity of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Mergers, the Bank Merger or any of the other transactions contemplated by this Agreement shall be in effect. No law, statute, rule, regulation, order, injunction or decree shall have been enacted, entered, promulgated or enforced by any Governmental Entity which prohibits or makes illegal consummation of the Mergers, the Bank Merger or any of the other transactions contemplated by this Agreement.

7.2 Conditions to Obligations of Capital One and Merger Sub. The obligation of Capital One and Merger Sub to effect the Merger is also subject to the satisfaction, or waiver by Capital One, at or prior to the Effective Time, of the following conditions:

(a) Representations and Warranties. The representations and warranties of Discover set forth in Section 3.2(a) and Section 3.8(a) (in each case after giving effect to the lead-in to Article III) shall be true and correct (other than, in the case of Section 3.2(a), such failures to be true and correct as are *de minimis*) in each case as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date), and the representations and warranties of Discover set forth in Section 3.1(a), Section 3.1(b) (but only with respect to Discover Bank), Section 3.2(b) (but only with respect to the Discover Subsidiaries set forth on 7.2(a) of the Discover Disclosure Schedule), Section 3.3(a) and Section 3.7 (read without giving effect to any qualification as to materiality or Material

Adverse Effect set forth in such representations or warranties but, in each case, after giving effect to the lead-in to Article III) shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date). All other representations and warranties of Discover set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties but, in each case, after giving effect to the lead-in to Article III) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date); provided, however, that for purposes of this sentence, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct, either individually or in the aggregate, and without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, has had or would reasonably be expected to have a Material Adverse Effect on Discover or the Surviving Entity. Capital One shall have received a certificate dated as of the Closing Date and signed on behalf of Discover by the Chief Executive Officer or the Chief Financial Officer of Discover to the foregoing effect.

(b) Performance of Obligations of Discover. Discover shall have performed in all material respects the obligations, covenants and agreements required to be performed by it under this Agreement at or prior to the Closing Date, and Capital One shall have received a certificate dated as of the Closing Date and signed on behalf of Discover by the Chief Executive Officer or the Chief Financial Officer of Discover to such effect.

(c) Federal Tax Opinion. Capital One shall have received the opinion of Wachtell, Lipton, Rosen & Katz, in form and substance reasonably satisfactory to Capital One, dated as of the Closing Date, to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the Mergers, taken together, will qualify as a “reorganization” within the meaning of Section 368(a) of the Code. In rendering such opinion, counsel may require and rely upon representations contained in certificates of officers of Capital One, Discover and Merger Sub, reasonably satisfactory in form and substance to such counsel.

7.3 Conditions to Obligations of Discover. The obligation of Discover to effect the Merger is also subject to the satisfaction, or waiver by Discover, at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. The representations and warranties of Capital One and Merger Sub set forth in Section 4.2(a) and Section 4.8(a) (in each case, after giving effect to the lead-in to Article IV) shall be true and correct (other than, in the case of Section 4.2(a), such failures to be true and correct as are *de minimis*) in each case as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date), and the representations and warranties of Capital One and Merger Sub set forth in Section 4.1(a), Section 4.1(b) (but only with respect to Capital One Bank), Section 4.2(b) (but only with respect to Capital One Bank), Section 4.3(a) and Section 4.7 (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in



such representations or warranties but, in each case, after giving effect to the lead-in to Article IV) shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date). All other representations and warranties of Capital One and Merger Sub set forth in this Agreement (read without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties but, in each case, after giving effect to the lead-in to Article IV) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date), provided, however, that for purposes of this sentence, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct, either individually or in the aggregate, and without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, has had or would reasonably be expected to have a Material Adverse Effect on Capital One. Discover shall have received a certificate dated as of the Closing Date and signed on behalf of Capital One by the Chief Executive Officer or the Chief Financial Officer of Capital One to the foregoing effect.

(b) Performance of Obligations of Capital One and Merger Sub. Capital One and Merger Sub shall have performed in all material respects the obligations, covenants and agreements required to be performed by it under this Agreement at or prior to the Closing Date, and Discover shall have received a certificate dated as of the Closing Date and signed on behalf of Capital One by the Chief Executive Officer or the Chief Financial Officer of Capital One to such effect.

(c) Federal Tax Opinion. Discover shall have received the opinion of Sullivan & Cromwell LLP, in form and substance reasonably satisfactory to Discover, dated as of the Closing Date, to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the Mergers, taken together, will qualify as a “reorganization” within the meaning of Section 368(a) of the Code. In rendering such opinion, counsel may require and rely upon representations contained in certificates of officers of Capital One, Discover and Merger Sub, reasonably satisfactory in form and substance to such counsel.

## ARTICLE VIII

### TERMINATION AND AMENDMENT

8.1 Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after receipt of the Requisite Discover Vote or the Requisite Capital One Vote:

(a) by mutual written consent of Capital One and Discover;

(b) by either Capital One or Discover if any Governmental Entity that must grant a Requisite Regulatory Approval has denied approval of the Mergers or the Bank Merger and such denial has become final and nonappealable or any Governmental Entity of competent

jurisdiction shall have issued a final and nonappealable order, injunction, decree or other legal restraint or prohibition permanently enjoining or otherwise prohibiting or making illegal the consummation of the Mergers or the Bank Merger, unless the failure to obtain a Requisite Regulatory Approval shall be due to the failure of the party seeking to terminate this Agreement to perform or observe the obligations, covenants and agreements of such party set forth herein;

(c) by either Capital One or Discover if the Merger shall not have been consummated on or before February 19, 2025 (as it may be extended pursuant to this Section 8.1(c), the “Termination Date”), unless the failure of the Closing to occur by such date shall be due to the failure of the party seeking to terminate this Agreement to perform or observe the obligations, covenants and agreements of such party set forth herein; provided, that, if on such date, any of the conditions to the Closing set forth in (A) Section 7.1(c) or (B) Section 7.1(e) (in the case of clause (B), to the extent related to a Requisite Regulatory Approval) shall not have been satisfied or waived on or prior to such date, but all other conditions set forth in Article VII shall have been satisfied or waived (or in the case of conditions that by their nature can only be satisfied at the Closing, shall then be capable of being satisfied if the Closing were to take place on such date), then the Termination Date shall be automatically extended to May 19, 2025, and such date shall become the Termination Date for purposes of this Agreement;

(d) by either Capital One or Discover (provided, that the terminating party is not then in material breach of any representation, warranty, obligation, covenant or other agreement contained herein) if there shall have been a breach of any of the obligations, covenants or agreements or any of the representations or warranties (or any such representation or warranty shall cease to be true) set forth in this Agreement on the part of Discover, in the case of a termination by Capital One, or Capital One or Merger Sub, in the case of a termination by Discover, which breach or failure to be true, either individually or in the aggregate with all other breaches by such party (or failures of such representations or warranties to be true), would constitute, if occurring or continuing on the Closing Date, the failure of a condition set forth in Section 7.2, in the case of a termination by Capital One, or Section 7.3, in the case of a termination by Discover, and which is not cured within forty-five (45) days following written notice to Discover, in the case of a termination by Capital One, or Capital One, in the case of a termination by Discover, or by its nature or timing cannot be cured during such period (or such fewer days as remain prior to the Termination Date);

(e) by Discover, if (i) Capital One or the Board of Directors of Capital One shall have made a Recommendation Change or (ii) Capital One or the Board of Directors of Capital One shall have breached its obligations under Section 6.3 or 6.13 in any material respect; or

(f) by Capital One, if (i) Discover or the Board of Directors of Discover shall have made a Recommendation Change or (ii) Discover or the Board of Directors of Discover shall have breached its obligations under Section 6.3 or 6.13 in any material respect.

## 8.2 Effect of Termination.

(a) In the event of termination of this Agreement by either Capital One or Discover as provided in Section 8.1, this Agreement shall forthwith become void and have no

effect, and none of Capital One, Discover, any of their respective Subsidiaries or any of the officers or directors of any of them shall have any liability of any nature whatsoever hereunder, or in connection with the transactions contemplated hereby, except that (i) Section 6.2(b) (Access to Information; Confidentiality), Section 6.14 (Public Announcements), this Section 8.2 and Article IX shall survive any termination of this Agreement, and (ii) notwithstanding anything to the contrary contained in this Agreement, none of Capital One nor Merger Sub nor Discover shall be relieved or released from any liabilities or damages arising out of its willful and material breach of any provision of this Agreement.

(b) (i) In the event that after the date of this Agreement and prior to the termination of this Agreement, a *bona fide* Acquisition Proposal shall have been communicated to or otherwise made known to the Board of Directors or senior management of Discover or shall have been made directly to the stockholders of Discover or any person shall have publicly announced (and not withdrawn at least two (2) business days prior to the Discover Meeting) an Acquisition Proposal, in each case with respect to Discover and (A) (x) thereafter this Agreement is terminated by either Capital One or Discover pursuant to Section 8.1(c) without the Requisite Discover Vote having been obtained (and all other conditions set forth in Section 7.1 and Section 7.3 were satisfied or were capable of being satisfied prior to such termination) or (y) thereafter this Agreement is terminated by Capital One pursuant to Section 8.1(d) as a result of a willful breach, and (B) prior to the date that is twelve (12) months after the date of such termination, Discover enters into a definitive agreement or consummates a transaction with respect to an Acquisition Proposal (whether or not the same Acquisition Proposal as that referred to above), then Discover shall, on the earlier of the date it enters into such definitive agreement and the date of consummation of such transaction, pay Capital One, by wire transfer of same-day funds, a fee equal to \$1,380,000,000 (the “Termination Fee”); provided, that for purposes of this Section 8.2(b)(i), all references in the definition of Acquisition Proposal to “twenty-five percent (25%)” shall instead refer to “fifty percent (50%).”

(ii) In the event that this Agreement is terminated by Capital One pursuant to Section 8.1(f), then Discover shall pay Capital One, by wire transfer of same-day funds, the Termination Fee within two (2) business days of the date of termination.

(c) (i) In the event that after the date of this Agreement and prior to the termination of this Agreement, a *bona fide* Acquisition Proposal shall have been communicated to or otherwise made known to the Board of Directors or senior management of Capital One or shall have been made directly to the stockholders of Capital One or any person shall have publicly announced (and not withdrawn at least two (2) business days prior to the Capital One Meeting) an Acquisition Proposal, in each case with respect to Capital One and (A) (x) thereafter this Agreement is terminated by either Capital One or Discover pursuant to Section 8.1(c) without the Requisite Capital One Vote having been obtained (and all other conditions set forth in Section 7.1 and Section 7.2 were satisfied or were capable of being satisfied prior to such termination) or (y) thereafter this Agreement is terminated by Discover pursuant to Section 8.1(d) as a result of a willful breach, and (B) prior to the date that is twelve (12) months after the date of such termination, Capital One enters into a definitive agreement or consummates a transaction with respect to an Acquisition Proposal (whether or not the same Acquisition Proposal as that referred to above), then Capital One shall, on the earlier of the date it enters into such definitive agreement and the date of consummation of such transaction, pay Discover the

Termination Fee by wire transfer of same-day funds; provided, that for purposes of this Section 8.2(c)(i), all references in the definition of Acquisition Proposal to “twenty-five percent (25%)” shall instead refer to “fifty percent (50%).”

(ii) In the event that this Agreement is terminated by Discover pursuant to Section 8.1(e), then Capital One shall pay Discover, by wire transfer of same-day funds, the Termination Fee within two (2) business days of the date of termination.

(d) Notwithstanding anything to the contrary herein, but without limiting the right of any party to recover liabilities or damages to the extent permitted herein, in no event shall either party be required to pay the Termination Fee more than once.

(e) Each of Capital One and Discover acknowledges that the agreements contained in this Section 8.2 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the other party would not enter into this Agreement; accordingly, if Capital One or Discover, as the case may be, fails promptly to pay the amount due pursuant to this Section 8.2, and, in order to obtain such payment, the other party commences a suit which results in a judgment against the non-paying party for the Termination Fee or any portion thereof, such non-paying party shall pay the costs and expenses of the other party (including attorneys’ fees and expenses) in connection with such suit. In addition, if Capital One or Discover, as the case may be, fails to pay the amounts payable pursuant to this Section 8.2, then such party shall pay interest on such overdue amounts (for the period commencing as of the date that such overdue amount was originally required to be paid and ending on the date that such overdue amount is actually paid in full) at a rate per annum equal to the “prime rate” published in *The Wall Street Journal* on the date on which such payment was required to be made for the period commencing as of the date that such overdue amount was originally required to be paid and ending on the date that such overdue amount is actually paid in full.

## ARTICLE IX

### GENERAL PROVISIONS

9.1 Amendment. Subject to compliance with applicable law, this Agreement may be amended by the parties hereto at any time before or after the receipt of the Requisite Capital One Vote or the Requisite Discover Vote; provided, however, that after the receipt of the Requisite Capital One Vote or the Requisite Discover Vote, there may not be, without further approval of the stockholders of Capital One or Discover, as applicable, any amendment of this Agreement that requires such further approval under applicable law. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

9.2 Extension; Waiver. At any time prior to the Effective Time, each of the parties hereto may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of Capital One or Merger Sub, in the case of Discover, or Discover, in the case of Capital One, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto on the part of Capital One or Merger Sub, in the case of Discover, or Discover, in the case of Capital One, and (c)

waive compliance with any of the agreements or satisfaction of any conditions for its benefit contained herein; provided, however, that after the receipt of the Requisite Capital One Vote or the Requisite Discover Vote, there may not be, without further approval of the stockholders of Capital One or Discover, as applicable, any extension or waiver of this Agreement or any portion thereof that requires such further approval under applicable law. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

9.3 Nonsurvival of Representations, Warranties and Agreements. None of the representations, warranties, obligations, covenants and agreements in this Agreement (or in any certificate delivered pursuant to this Agreement) shall survive the Effective Time, except for those set forth in Section 6.7 and for those other obligations, covenants and agreements contained herein which by their terms apply in whole or in part after the Effective Time.

9.4 Expenses. Except as otherwise expressly provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense; provided, however, that the costs and expenses of printing and mailing the Joint Proxy Statement and all filing and other fees paid to Governmental Entities in connection with the Merger and the other transactions contemplated hereby shall be borne equally by Capital One and Discover.

9.5 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given (a) on the date of delivery if delivered personally, or if by e-mail transmission (with confirmation of receipt requested), (b) on the earlier of confirmed receipt or the fifth (5th) business day following the date of mailing if mailed by registered or certified mail (return receipt requested) or (c) on the first (1st) business day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier (with confirmation) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Discover, to:

2500 Lake Cook Road  
Riverwoods, Illinois 60015

Attention: Chief Executive Officer and President  
Executive Vice President, Chief Legal Officer, General  
Counsel and Secretary

*With a copy (which shall not constitute notice) to:*

Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004  
Attention: H. Rodgin Cohen

Mitchell S. Eitel  
Jared M. Fishman  
Email: cohenhr@sullcrom.com  
eitelm@sullcrom.com  
fishmanj@sullcrom.com

and

(b) if to Capital One or Merger Sub, to:

Capital One Financial Corporation  
1680 Capital One Drive  
McLean, VA 22102

Attention: Executive Vice President, Corporate Development  
Chief Counsel, Corporate and Strategic Transactions

*With a copy (which shall not constitute notice) to:*

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, NY 10019  
Attention: Edward D. Herlihy  
Matthew M. Guest  
Brandon C. Price  
E-mail: EDHerlihy@wlrk.com  
MGuest@wlrk.com  
BCPrice@wlrk.com

9.6 Interpretation. The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. When a reference is made in this Agreement to Articles, Sections, Exhibits or Schedules, such reference shall be to an Article or Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The word “or” shall not be exclusive. References to “the date hereof” shall mean the date of this Agreement. As used in this Agreement, the “knowledge” of Discover means the actual knowledge of any of the representatives of Discover listed on Section 9.6 of the Discover Disclosure Schedule, and the “knowledge” of Capital One means the actual knowledge of any of the representatives of Capital One listed on Section 9.6 of the Capital One Disclosure Schedule. As used herein, (a) the term “person” means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate,



trust, association, organization, Governmental Entity or other entity of any kind or nature, (b) an “Affiliate” of a specified person is any person that directly or indirectly controls, is controlled by, or is under common control with, such specified person, (c) the term “made available” means any document or other information that was (i) provided by one party or its representatives to the other party and its representatives prior to the date hereof, (ii) included in the virtual data room of a party prior to the date hereof or (iii) filed by a party with the SEC and publicly available on EDGAR prior to the date hereof and (d) the “transactions contemplated hereby” and “transactions contemplated by this Agreement” shall include the Mergers and the Bank Merger. The Discover Disclosure Schedule and the Capital One Disclosure Schedule, as well as all other schedules and all exhibits hereto, shall be deemed part of this Agreement and included in any reference to this Agreement. Nothing contained herein shall require any party or person to take any action in violation of applicable law.

9.7 Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

9.8 Entire Agreement. This Agreement (including the documents and instruments referred to herein) together with the Confidentiality Agreement constitutes the entire agreement among the parties and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

9.9 Governing Law; Jurisdiction.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to any applicable conflicts of law principles.

(b) Each party agrees that it will bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal or state court of competent jurisdiction located in the State of Delaware (the “Chosen Courts”), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such action or proceeding will be effective if notice is given in accordance with Section 9.5.

9.10 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE EXTENT PERMITTED BY LAW AT THE TIME OF INSTITUTION OF THE APPLICABLE LITIGATION, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY



JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.10.

9.11 Assignment; Third-Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of Discover, in the case of Capital One or Merger Sub, or Capital One, in the case of Discover. Any purported assignment in contravention hereof shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. Except as otherwise specifically provided in Section 6.7, this Agreement (including the documents and instruments referred to herein) is not intended to, and does not, confer upon any person other than the parties hereto any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein. The representations and warranties in this Agreement are the product of negotiations among the parties hereto and are for the sole benefit of the parties. Any inaccuracies in such representations and warranties are subject to waiver by the parties hereto in accordance herewith without notice or liability to any other person. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties hereto of risks associated with particular matters regardless of the knowledge of any of the parties hereto. Consequently, persons other than the parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

9.12 Specific Performance. The parties hereto agree that irreparable damage, for which monetary damages (even if available) would not be an adequate remedy, would occur if any provision of this Agreement were not performed in accordance with the terms hereof and, accordingly, that the parties shall be entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches or threatened breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof (including the parties' obligation to consummate the Merger), in addition to any other remedy to which they are entitled at law or in equity. Each of the parties hereby further waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any law to post security or a bond as a prerequisite to obtaining equitable relief.

9.13 Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held

to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction such that the invalid, illegal or unenforceable provision or portion thereof shall be interpreted to be only so broad as is enforceable.

9.14 Confidential Supervisory Information. Notwithstanding any other provision of this Agreement, no provision of this Agreement shall require or be interpreted to require, and no disclosure, representation or warranty shall be made (or other action taken) pursuant to this Agreement that would involve, the disclosure of confidential supervisory information (including confidential supervisory information as defined in 12 C.F.R. § 261.2(b) and as identified in 12 C.F.R. § 309.5(g)(8) or any similar state law) of a Governmental Entity by any party to this Agreement to the extent prohibited by applicable law; provided that, to the extent legally permissible, appropriate substitute disclosures or actions shall be made or taken under circumstances in which the limitations of the preceding sentence apply.

9.15 Delivery by Facsimile or Electronic Transmission. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments or waivers hereto or thereto, to the extent signed and delivered by means of a facsimile machine or by e-mail delivery of a “.pdf” format data file, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail delivery of a “.pdf” format data file to deliver a signature to this Agreement or any amendment hereto or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or e-mail delivery of a “.pdf” format data file as a defense to the formation of a contract and each party hereto forever waives any such defense.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

DISCOVER FINANCIAL SERVICES

By: \_\_\_\_\_

  
Name: Michael G. Rhodes

Title: Chief Executive Officer and President

VEGA MERGER SUB, INC.

By: \_\_\_\_\_

Name: Daniel Mouadeb

Title: President

CAPITAL ONE FINANCIAL CORPORATION

By: \_\_\_\_\_

Name: Richard D. Fairbank

Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

DISCOVER FINANCIAL SERVICES

By: \_\_\_\_\_  
Name: Michael G. Rhodes  
Title: Chief Executive Officer and President

VEGA MERGER SUB, INC.

By:  \_\_\_\_\_  
Name: Daniel Mouadeb  
Title: President

CAPITAL ONE FINANCIAL CORPORATION

By: \_\_\_\_\_  
Name: Richard D. Fairbank  
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written

DISCOVER FINANCIAL SERVICES

By: \_\_\_\_\_  
Name: Michael G. Rhodes  
Title: Chief Executive Officer and President

VEGA MERGER SUB, INC.

By: \_\_\_\_\_  
Name: Daniel Mouadeb  
Title: President

CAPITAL ONE FINANCIAL CORPORATION

By:  \_\_\_\_\_  
Name: Richard D. Fairbank  
Title: Chief Executive Officer

**Exhibit A**

Form of Bank Merger Agreement

## AGREEMENT AND PLAN OF MERGER

**Discover Bank**  
**with and into**  
**Capital One, National Association**  
**under the charter of**  
**Capital One, National Association**  
**under the title of**  
**“Capital One, National Association”**

THIS AGREEMENT AND PLAN OF MERGER (this “*Agreement*”) is made on this 19<sup>th</sup> day of February, 2024, between Capital One, National Association (“*Capital One Bank*” or the “*Resulting Bank*”), a national banking association, with its main office located at 1680 Capital One Drive, McLean, Virginia 22102, and Discover Bank (“*Discover Bank*”), a Delaware-chartered bank, with its main office located at 502 East Market Street, Greenwood, DE 19950. Collectively, Capital One Bank and Discover Bank are referred to as the “*Banks*.”

**WHEREAS**, the Board of Directors of Capital One Bank has unanimously approved this Agreement and authorized its execution pursuant to the authority given by and in accordance with the provisions of the National Bank Act (the “*Act*”);

**WHEREAS**, the Board of Directors of Discover Bank has unanimously approved this Agreement and authorized its execution pursuant to the authority given by and in accordance with the laws of the State of Delaware;

**WHEREAS**, Capital One Financial Corporation (“*Capital One*”), which owns all of the outstanding shares of Capital One Bank, Vega Merger Sub, Inc. (“*Merger Sub*”), a Delaware corporation and a direct, wholly owned subsidiary of Capital One, and Discover Financial Services (“*Discover*”), which owns all of the outstanding shares of Discover Bank, have entered into an Agreement and Plan of Merger (the “*Holding Company Agreement*”), which, among other things, provides for (i) the merger of Merger Sub with and into Discover (“*First Merger*”), with Discover continuing as the surviving corporation (the “*Surviving Company*”), and (ii) immediately after the First Merger and as part of a single, integrated transaction, Capital One shall cause the Surviving Company to be merged with and into Capital One (the “*Second Step Merger*”), all subject to the terms and conditions of such Holding Company Agreement;

**WHEREAS**, Capital One, as the sole shareholder of Capital One Bank, and Discover, as the sole stockholder of Discover Bank, have approved this Agreement; and

**WHEREAS**, each of the Banks is entering into this Agreement to provide for the merger of Discover Bank with and into Capital One Bank, with Capital One Bank being the surviving bank of such merger transaction (the “*Bank Merger*”) under the name of Capital One Bank, National Association, pursuant to the provisions of, and with the effect provided in, 12 U.S.C. § 215a, 12 U.S.C. § 1828(c), the regulations of the Office of the Comptroller of the Currency (the “*OCC*”) and, to the extent applicable, the relevant banking statutes of the State of Delaware and the regulations of the Office of the State Bank Commissioner of the State of Delaware and subject to, and immediately following, the closing of the Second Step Merger.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual promises and agreements herein contained, the parties hereto agree as follows:



## SECTION 1

Subject to the terms and conditions of this Agreement and those set forth in the Holding Company Agreement, at the Effective Time (as defined below) and pursuant to the Act, Discover Bank shall be merged with and into Capital One Bank in the Bank Merger. Capital One Bank shall continue its existence as the Resulting Bank under the charter of Capital One Bank, and the separate corporate existence of Discover Bank shall cease. The closing of the Bank Merger shall become effective following the satisfaction or effective waiver of all of the conditions precedent to the consummation of the Bank Merger specified in this Agreement and at the time specified in the letter issued by the OCC in connection with the Bank Merger (such time when the Bank Merger becomes effective, the “*Effective Time*”).

It is intended that the Bank Merger shall qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “*Code*”), and that this Agreement is intended to be and is adopted as a plan of reorganization for the purposes of Sections 354 and 361 of the Code.

## SECTION 2

The name of the Resulting Bank at the Effective Time shall be “Capital One, National Association” The Resulting Bank will exercise trust powers.

## SECTION 3

The business of the Resulting Bank from and after the Effective Time shall be that of a national banking association. This business of the Resulting Bank shall be conducted at its main office, which shall be located at 1680 Capital One Drive, McLean, Virginia 22102, as well as at its legally established branches and at the banking offices of Discover Bank, all of which shall be acquired in the Bank Merger, in each case without limiting the authority under applicable law of the Resulting Bank to close, relocate, or otherwise make any changes regarding any such branch. The deposit accounts of the Resulting Bank will be insured by the Federal Deposit Insurance Corporation in accordance with the Federal Deposit Insurance Act.

## SECTION 4

At the Effective Time, the amount of issued and outstanding capital stock of the Resulting Bank shall be the amount of capital stock of Capital One Bank issued and outstanding immediately before the Effective Time.

## SECTION 5

All assets of Discover Bank and Capital One Bank, as they exist at the Effective Time, shall pass to and vest in the Resulting Bank without any conveyance or other transfer; the Resulting Bank shall be considered the same business and corporate entity as each constituent bank with all the rights, powers and duties of each constituent bank; and the Resulting Bank shall be responsible for all of the liabilities of every kind and description, of Discover Bank and Capital One Bank existing as of the Effective Time, all in accordance with the provisions of the Act.

## SECTION 6

At the Effective Time, each outstanding share of common stock of Discover Bank shall be canceled with no cash, shares of common stock or other property being paid therefor.

Outstanding certificates representing shares of the common stock of Discover Bank shall, at the Effective Time, be canceled.

#### SECTION 7

Upon the Effective Time, the then-outstanding shares of Capital One Bank's common stock shall continue to remain outstanding shares of Capital One Bank's common stock, all of which shall continue to be owned by Capital One.

#### SECTION 8

Effective as of the Effective Time: (i) the directors of the Resulting Bank shall be the persons serving as directors of Capital One Bank immediately before the Effective Time as well as any persons duly appointed as directors by Capital One as set forth in Section 6.12 of the Holding Company Agreement; and (ii) the officers of the Resulting Bank shall be the persons serving as officers of Capital One Bank immediately before the Effective Time as well as any persons duly appointed as officers by Capital One Bank.

#### SECTION 9

This Agreement has been approved by Capital One, which owns all of the outstanding shares of Capital One Bank, and by Discover, which owns all of the outstanding shares of Discover Bank.

#### SECTION 10

The Bank Merger and the respective obligations of each party hereto to consummate the Bank Merger are subject to the fulfillment or effective waiver of each of the following conditions:

- (a) Each of the First Merger and the Second Step Merger shall have become effective.
- (b) The OCC shall have approved the Bank Merger and shall have issued all other necessary authorizations and approvals for the Bank Merger, and any statutory waiting period shall have expired or been terminated.

This Agreement may be amended or terminated, and the Bank Merger may be abandoned, only by the mutual written agreement of Capital One Bank and Discover Bank at any time, whether before or after filings are made for regulatory approval of the Bank Merger and notwithstanding the prior approval of this Agreement and the Bank Merger by the sole shareholder of Capital One Bank or Discover Bank.

#### SECTION 11

Effective as of the Effective Time, the Articles of Association and Bylaws of the Resulting Bank shall consist of the Articles of Association and Bylaws of Capital One Bank as in effect immediately before the Effective Time.

#### SECTION 12

This Agreement shall automatically terminate in the event and at the time of any termination of the Holding Company Agreement.

### SECTION 13

Each of the parties hereto represents and warrants that this Agreement has been duly authorized, executed and delivered by such party and (assuming due authorization, execution and delivery by the other party) constitutes a valid and binding obligation of such party, enforceable against it in accordance with the terms hereof (except in all cases as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar laws of general applicability affecting the rights of creditors generally and the availability of equitable remedies).

Subject in all respects to Section 6.1 of the Holding Company Agreement, each of the parties shall use its reasonable best efforts to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal requirements that may be imposed on such party or its Subsidiaries with respect to the Bank Merger and, subject to the conditions set forth in Section 10 hereof, to consummate the transactions contemplated by this Agreement.

None of the representations, warranties or agreements in this Agreement, or in any instrument delivered pursuant to this Agreement, shall survive the Effective Time or valid termination of this Agreement.

This Agreement embodies the entire agreement and understanding of the Banks with respect to the transactions contemplated hereby, and supersedes all other prior commitments, arrangements or understandings, both oral and written, among the Banks with respect to the subject matter hereof, other than the Holding Company Agreement.

The provisions of this Agreement are intended to be interpreted and construed in a manner so as to make such provisions valid, binding and enforceable. If any provision of this Agreement is determined to be partially or wholly invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, binding and enforceable; or, if such provision cannot be modified or restricted in a manner so as to make such provision valid, binding and enforceable, then such provision shall be deemed to be excised from this Agreement and the validity, binding effect and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner.

No waiver, amendment, modification or change of any provision of this Agreement shall be effective unless and until made in writing and signed by the Banks. No waiver, forbearance or failure by any Bank of its rights to enforce any provision of this Agreement shall constitute a waiver or estoppel of such Bank's right to enforce any other provision of this Agreement or a continuing waiver by such Bank of compliance with any provision hereof.

All notices and other communications hereunder shall be in writing and shall be deemed given (a) on the date of delivery if delivered personally, or if by e-mail transmission (with confirmation of receipt requested), (b) on the earlier of confirmed receipt or the fifth (5th) business day following the date of mailing if mailed by registered or certified mail (return receipt requested) or (c) on the first (1st) business day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier (with confirmation) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Discover Bank, to:

Discover Bank  
2500 Lake Cook Road  
Riverwoods, Illinois 60015

Attention: Chief Executive Officer and President  
Executive Vice President, Chief Legal Officer, General  
Counsel and Secretary

*With a copy (which shall not constitute notice) to:*

Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004

Attention: H. Rodgin Cohen  
Mitchell S. Eitel  
Jared M. Fishman  
Email: cohenhr@sullcrom.com  
eitelm@sullcrom.com  
fishmanj@sullcrom.com

and

(b) if to Capital One Bank, to:

Capital One, National Association  
1680 Capital One Drive  
McLean, VA 22102

Attention: Executive Vice President, Corporate Development  
Chief Counsel, Corporate and Strategic Transactions

*With a copy (which shall not constitute notice) to:*

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, NY 10019

Attention: Edward D. Herlihy  
Matthew M. Guest  
Brandon C. Price  
E-mail: EDHerlihy@wlrk.com  
MGuest@wlrk.com  
BCPrice@wlrk.com

Each Bank agrees that it will bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal or state court of competent

jurisdiction located in the State of Delaware (the “*Chosen Courts*”), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such action or proceeding will be effective if notice is given in accordance with this Section 13.

Except to the extent federal law is applicable, this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflicts of laws principles. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.

Neither this Agreement nor any of the rights, interests or obligations may be assigned by any of the parties hereto (whether by operation of law or otherwise) and any attempted assignment in contravention hereof shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Banks’ respective successors and permitted assigns. Unless otherwise expressly stated herein, this Agreement shall not benefit or create any right of action in or on behalf of any person or entity other than the Banks.

This Agreement may be executed in counterparts (including by facsimile or optically scanned electronic mail attachment), each of which shall be deemed to be original, but all of which together shall constitute one and the same instrument.

*[Signature page follows]*

**IN WITNESS WHEREOF**, Capital One, National Association and Discover Bank have entered into this Agreement as of the date and year first set forth above.

Capital One, National Association

By: \_\_\_\_\_  
Name:  
Title:

Discover Bank

By: \_\_\_\_\_  
Name:  
Title:

**Federal Financial Institutions Examination Council**

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**Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031**

Institution Name	<b>CAPITAL ONE, NATIONAL ASSOCIATION</b>
City	<b>MC LEAN</b>
State	<b>VA</b>
Zip Code	<b>22102</b>
Call Report Report Date	<b>12/31/2023</b>
Report Type	<b>031</b>
RSSD-ID	<b>112837</b>
FDIC Certificate Number	<b>4297</b>
OCC Charter Number	<b>13688</b>
ABA Routing Number	<b>56073502</b>
Last updated on	<b>1/30/2024</b>





# Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

## Report at the close of business December 31, 2023

(20231231)  
(RCON 9999)

This report is required by law: 12 U.S.C. §324 (State member banks); 12 U.S.C. §1817 (State non member banks); 12 U.S.C. §161 (National banks); and 12 U.S.C. §1464 (Savings associations).

Unless the context indicates otherwise, the term "bank" in this report form refers to both banks and savings associations.

NOTE: Each bank's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Reports of Condition and Income. The Reports of Condition and Income are to be prepared in accordance with federal regulatory authority instructions. The Reports of Condition and Income must be signed by the Chief Financial Officer (CFO) of the reporting bank (or by the individual performing an equivalent function) and attested to by not less than two directors (trustees) for state non member banks and three directors for state member banks, national banks, and savings associations.

schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

We, the undersigned directors (trustees), attest to the correctness of the Reports of Condition and Income (including the supporting schedules) for this report date and declare that the Reports of Condition and Income have been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

I, the undersigned CFO (or equivalent) of the named bank, attest that the Reports of Condition and Income (including the supporting

\_\_\_\_\_  
Signature of Chief Financial Officer (or Equivalent)

\_\_\_\_\_  
Director (Trustee)

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Director (Trustee)

\_\_\_\_\_  
Director (Trustee)

## Submission of Reports

Each bank must file its Reports of Condition and Income (Call Report) data by either:

- (a) Using computer software to prepare its Call Report and then submitting the report data directly to the FFIEC's Central Data Repository (CDR), an Internet-based system for datacollection (<https://cdr.ffiec.gov/cdr/>), or
- (b) Completing its Call Report in paper form and arranging with a software vendor or another party to convert the data in to the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's data file to the CDR.

FDIC Certificate Number **4297** (RSSD 9050)

To fulfill the signature and attestation requirement for the Reports of Condition and Income for this report date, attach your bank's completed signature page (or a photocopy or a computer generated version of this page) to the hard-copy record of the data file submitted to the CDR that your bank must place in its files.

The appearance of your bank's hard-copy record of the submitted data file need not match exactly the appearance of the FFIEC's sample report forms, but should show at least the caption of each Call Report item and the reported amount.

For technical assistance with submissions to the CDR, please contact the CDR Help Desk by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at [CDR.Help@cdr.ffiec.gov](mailto:CDR.Help@cdr.ffiec.gov).

### CAPITAL ONE, NATIONAL ASSOCIATION

\_\_\_\_\_  
Legal Title of Bank (RSSD 9017)

**MC LEAN**

\_\_\_\_\_  
City (RSSD 9130)

**VA**

\_\_\_\_\_  
State Abbreviation (RSSD 9200)

**22102**

\_\_\_\_\_  
Zip Code (RSSD 9220)

The estimated average burden associated with this information collection is 50.4 hours per respondent and is estimated to vary from 20 to 775 hours per response, depending on individual circumstances. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. A Federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503, and to one of the following: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219; Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429.

# Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

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For information or assistance, national banks, state nonmember banks, and savings associations should contact the FDIC's Data Collection and Analysis Section, 550 17th Street, NW, Washington, DC 20429, toll free on (800) 688-FDIC(3342), Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time. State member banks should contact their Federal Reserve District Bank.

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For information or assistance, national banks, state nonmember banks, and savings associations should contact the FDIC's Data Collection and Analysis Section, 550 17th Street, NW, Washington, DC 20429, toll free on (800) 688-FDIC(3342), Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time. State member banks should contact their Federal Reserve District Bank.

Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency

**Legend:** NR - Not Reported, CONF - Confidential

## Contact Information for the Reports of Condition and Income

To facilitate communication between the Agencies and the bank concerning the Reports of Condition and Income, please provide contact information for (1) the Chief Financial Officer (or equivalent) of the bank signing the reports for this quarter, and (2) the person at the bank—other than the Chief Financial Officer (or equivalent)—to whom questions about the reports should be directed. If the Chief Financial Officer (or equivalent) is the primary contact for questions about the reports, please provide contact information for another person at the bank who will serve as a secondary contact for communications between the Agencies and the bank concerning the Reports of Condition and Income. Enter “none” for the contact’s e-mail address or fax number if not available. Contact information for the Reports of Condition and Income is for the confidential use of the Agencies and will not be released to the public.

### Chief Financial Officer (or Equivalent) Signing the Reports

CONF  
Name (TEXT C490)

CONF  
Title (TEXT C491)

CONF  
E-mail Address (TEXT C492)

CONF  
Area Code / Phone Number / Extension (TEXT C493)

CONF  
Area Code / FAX Number (TEXT C494)

### Other Person to Whom Questions about the Reports Should be Directed

CONF  
Name (TEXT C495)

CONF  
Title (TEXT C496)

CONF  
E-mail Address (TEXT 4086)

CONF  
Area Code / Phone Number / Extension (TEXT 8902)

CONF  
Area Code / FAX Number (TEXT 9116)

---

## Emergency Contact Information

This information is being requested so the Agencies can distribute critical, time-sensitive information to emergency contacts at banks. Please provide primary contact information for a senior official of the bank who has decision-making authority. Also provide information for a secondary contact if available. Enter “none” for the contact’s e-mail address or fax number if not available. Emergency contact information is for the confidential use of the Agencies and will not be released to the public.

### Primary Contact

CONF  
Name (TEXT C366)

CONF  
Title (TEXT C367)

CONF  
E-mail Address (TEXT C368)

CONF  
Area Code / Phone Number / Extension (TEXT C369)

CONF  
Area Code / FAX Number (TEXT C370)

### Secondary Contact

CONF  
Name (TEXT C371)

CONF  
Title (TEXT C372)

CONF  
E-mail Address (TEXT C373)

CONF  
Area Code / Phone Number / Extension (TEXT C374)

CONF  
Area Code / FAX Number (TEXT C375)

## USA PATRIOT Act Section 314(a) Anti-Money Laundering

### Contact Information

This information is being requested to identify points-of-contact who are in charge of your bank's USA PATRIOT Act Section 314(a) information requests. Bank personnel listed could be contacted by law enforcement officers or the Financial Crimes Enforcement Network (FinCEN) for additional information related to specific Section 314(a) search requests or other anti-terrorist financing and anti- money laundering matters. Communications sent by FinCEN to the bank for purposes other than Section 314(a) notifications will state the intended purpose and should be directed to the appropriate bank personnel for review. Any disclosure of customer records to law enforcement officers or FinCEN must be done in compliance with applicable law, including the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.).

Please provide information for a primary and secondary contact. Information for a third and fourth contact may be provided at the bank's option. Enter "none" for the contact's e-mail address if not available. This contact information is for the confidential use of the Agencies, FinCEN, and law enforcement officers and will not be released to the public.

#### Primary Contact

CONF  
Name (TEXT C437)

CONF  
Title (TEXT C438)

CONF  
E-mail Address (TEXT C439)

CONF  
Area Code / Phone Number / Extension (TEXT C440)

#### Secondary Contact

CONF  
Name (TEXT C442)

CONF  
Title (TEXT C443)

CONF  
E-mail Address (TEXT C444)

CONF  
Area Code / Phone Number / Extension (TEXT 8902)

#### Third Contact

CONF  
Name (TEXT C870)

CONF  
Title (TEXT C871)

CONF  
E-mail Address (TEXT C368)

CONF  
Area Code / Phone Number / Extension (TEXT C873)

#### Fourth Contact

CONF  
Name (TEXT C875)

CONF  
Title (TEXT C876)

CONF  
E-mail Address (TEXT C877)

CONF  
Area Code / Phone Number / Extension (TEXT C878)

## Bank Demographic Information(Form Type - 031)

Dollar amounts in thousands

1. Reporting date.....	RCON9999	<b>20231231</b>	1.
2. FDIC certificate number.....	RSSD9050	<b>4297</b>	2.
3. Legal title of bank.....	RSSD9017	<b>Click here for value</b>	3.
4. City.....	RSSD9130	<b>McLean</b>	4.
5. State abbreviation.....	RSSD9200	<b>VA</b>	5.
6. Zip code.....	RSSD9220	<b>22102</b>	6.
7. Legal Entity Identifier (LEI) (Report only if your institution already has an LEI.).....	RCON9224	<b>Click here for value</b>	7.

**(RCON9224)** 207ALC1P1YM0OVDV0K75

**(RSSD9017)** Capital One-National Association

## Contact Information(Form Type - 031)

Dollar amounts in thousands

1. Contact Information for the Reports of Condition and Income			1.
a. Chief Financial Officer (or Equivalent) Signing the Reports			1.a.
1. Name.....	TEXTC490	<b>CONF</b>	1.a.1.
2. Title.....	TEXTC491	<b>CONF</b>	1.a.2.
3. E-mail Address.....	TEXTC492	<b>CONF</b>	1.a.3.
4. Telephone.....	TEXTC493	<b>CONF</b>	1.a.4.
5. FAX.....	TEXTC494	<b>CONF</b>	1.a.5.
b. Other Person to Whom Questions about the Reports Should be Directed			1.b.
1. Name.....	TEXTC495	<b>CONF</b>	1.b.1.
2. Title.....	TEXTC496	<b>CONF</b>	1.b.2.
3. E-mail Address.....	TEXT4086	<b>CONF</b>	1.b.3.
4. Telephone.....	TEXT8902	<b>CONF</b>	1.b.4.
5. FAX.....	TEXT9116	<b>CONF</b>	1.b.5.
2. Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed			2.
a. Name and Title.....	TEXTB962	<b>CONF</b>	2.a.
b. E-mail Address.....	TEXTB926	<b>CONF</b>	2.b.
c. Telephone.....	TEXTB963	<b>CONF</b>	2.c.
d. FAX.....	TEXTB964	<b>CONF</b>	2.d.
3. Emergency Contact Information			3.
a. Primary Contact			3.a.
1. Name.....	TEXTC366	<b>CONF</b>	3.a.1.
2. Title.....	TEXTC367	<b>CONF</b>	3.a.2.
3. E-mail Address.....	TEXTC368	<b>CONF</b>	3.a.3.
4. Telephone.....	TEXTC369	<b>CONF</b>	3.a.4.
5. FAX.....	TEXTC370	<b>CONF</b>	3.a.5.
b. Secondary Contact			3.b.
1. Name.....	TEXTC371	<b>CONF</b>	3.b.1.
2. Title.....	TEXTC372	<b>CONF</b>	3.b.2.
3. E-mail Address.....	TEXTC373	<b>CONF</b>	3.b.3.
4. Telephone.....	TEXTC374	<b>CONF</b>	3.b.4.
5. FAX.....	TEXTC375	<b>CONF</b>	3.b.5.
4. USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information			4.
a. Primary Contact			4.a.

Dollar amounts in thousands

1. Name.....	TEXTC437	<b>CONF</b>	4.a.1.
2. Title.....	TEXTC438	<b>CONF</b>	4.a.2.
3. E-mail Address.....	TEXTC439	<b>CONF</b>	4.a.3.
4. Telephone.....	TEXTC440	<b>CONF</b>	4.a.4.
b. Secondary Contact			4.b.
1. Name.....	TEXTC442	<b>CONF</b>	4.b.1.
2. Title.....	TEXTC443	<b>CONF</b>	4.b.2.
3. E-mail Address.....	TEXTC444	<b>CONF</b>	4.b.3.
4. Telephone.....	TEXTC445	<b>CONF</b>	4.b.4.
c. Third Contact			4.c.
1. Name.....	TEXTC870	<b>CONF</b>	4.c.1.
2. Title.....	TEXTC871	<b>CONF</b>	4.c.2.
3. E-mail Address.....	TEXTC872	<b>CONF</b>	4.c.3.
4. Telephone.....	TEXTC873	<b>CONF</b>	4.c.4.
d. Fourth Contact			4.d.
1. Name.....	TEXTC875	<b>CONF</b>	4.d.1.
2. Title.....	TEXTC876	<b>CONF</b>	4.d.2.
3. E-mail Address.....	TEXTC877	<b>CONF</b>	4.d.3.
4. Telephone.....	TEXTC878	<b>CONF</b>	4.d.4.
5. Chief Executive Officer Contact Information			5.
a. Chief Executive Officer			5.a.
1. Name.....	TEXTFT42	<b>CONF</b>	5.a.1.
2. E-mail Address.....	TEXTFT44	<b>CONF</b>	5.a.2.
3. Telephone.....	TEXTFT43	<b>CONF</b>	5.a.3.
4. FAX.....	TEXTFT45	<b>CONF</b>	5.a.4.



## Schedule RI - Income Statement(Form Type - 031)

All Report of Income schedules are to be reported on a calendar year-to-date basis in thousands of dollars.

Dollar amounts in thousands

1. Interest income:			1.
a. Interest and fee income on loans:			1.a.
1. In domestic offices:			1.a.1.
a. Loans secured by real estate:			1.a.1.a.
1. Loans secured by 1-4 family residential properties.....	RIAD4435	6,395	1.a.1.a.1.
2. All other loans secured by real estate.....	RIAD4436	1,936,941	1.a.1.a.2.
b. Loans to finance agricultural production and other loans to farmers.....	RIAD4024	94	1.a.1.b.
c. Commercial and industrial loans.....	RIAD4012	3,611,490	1.a.1.c.
d. Loans to individuals for household, family, and other personal expenditures:			1.a.1.d.
1. Credit cards.....	RIADB485	22,944,216	1.a.1.d.1.
2. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....	RIADB486	5,958,626	1.a.1.d.2.
e. Loans to foreign governments and official institutions.....	RIAD4056	0	1.a.1.e.
f. All other loans in domestic offices.....	RIADB487	1,661,610	1.a.1.f.
2. In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RIAD4059	1,288,956	1.a.2.
3. Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(2)).....	RIAD4010	37,408,328	1.a.3.
b. Income from lease financing receivables.....	RIAD4065	0	1.b.
c. Interest income on balances due from depository institutions <sup>1</sup> .....	RIAD4115	1,937,226	1.c.
d. Interest and dividend income on securities:			1.d.
1. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities).....	RIADB488	242,527	1.d.1.
2. Mortgage-backed securities.....	RIADB489	2,039,333	1.d.2.
3. All other securities (includes securities issued by states and political subdivisions in the U.S.).....	RIAD4060	231,925	1.d.3.
e. Interest income from trading assets.....	RIAD4069	0	1.e.
f. Interest income on federal funds sold and securities purchased under agreements to resell.....	RIAD4020	8	1.f.
g. Other interest income.....	RIAD4518	19,028	1.g.
h. Total interest income (sum of items 1.a.(3) through 1.g.).....	RIAD4107	41,878,375	1.h.
2. Interest expense:			2.
a. Interest on deposits:			2.a.
1. Interest on deposits in domestic offices:			2.a.1.
a. Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....	RIAD4508	797,211	2.a.1.a.
b. Nontransaction accounts:			2.a.1.b.
1. Savings deposits (includes MMDAs).....	RIAD0093	6,583,782	2.a.1.b.1.
2. Time deposits of \$250,000 or less.....	RIADHK03	2,801,644	2.a.1.b.2.
3. Time deposits of more than \$250,000.....	RIADHK04	536,922	2.a.1.b.3.
2. Interest on deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RIAD4172	0	2.a.2.
b. Expense of federal funds purchased and securities sold under agreements to repurchase.....	RIAD4180	8,504	2.b.
c. Interest on trading liabilities and other borrowed money.....	RIAD4185	1,443,673	2.c.
d. Interest on subordinated notes and debentures.....	RIAD4200	15,008	2.d.
e. Total interest expense (sum of items 2.a through 2.d.).....	RIAD4073	12,186,744	2.e.
3. Net interest income (item 1.h minus 2.e.).....	RIAD4074	29,691,631	3.
4. Provision for loan and lease losses <sup>1</sup> .....	RIADJJ33	10,426,994	4.
5. Noninterest income:			5.
a. Income from fiduciary activities <sup>2</sup> .....	RIAD4070	0	5.a.
b. Service charges on deposit accounts in domestic offices.....	RIAD4080	72,150	5.b.

1. Includes interest income on time certificates of deposit not held for trading.

1. Institutions that have adopted ASU 2016-13 should report in item 4, the provisions for credit losses for all financial assets and off-balance-sheet credit exposures that fall within the scope of the standard.

2. For banks required to complete Schedule RC-T, items 14 through 22, income from fiduciary activities reported in Schedule RI, item 5.a, must equal the amount reported in Schedule RC-T, item 22.

Dollar amounts in thousands

c. Trading revenue <sup>3</sup> .....	RIADA220	<b>111,904</b>	5.c.
d. Income from securities-related and insurance activities:			5.d.
1. Fees and commissions from securities brokerage.....	RIADC886	<b>0</b>	5.d.1.
2. Investment banking, advisory, and underwriting fees and commissions.....	RIADC888	<b>111,095</b>	5.d.2.
3. Fees and commissions from annuity sales.....	RIADC887	<b>0</b>	5.d.3.
4. Underwriting income from insurance and reinsurance activities.....	RIADC386	<b>0</b>	5.d.4.
5. Income from other insurance activities.....	RIADC387	<b>0</b>	5.d.5.
e. Venture capital revenue.....	RIADB491	<b>0</b>	5.e.
f. Net servicing fees.....	RIADB492	<b>73,004</b>	5.f.
g. Net securitization income.....	RIADB493	<b>6,834</b>	5.g.
h. Not applicable			5.h.
i. Net gains (losses) on sales of loans and leases.....	RIAD5416	<b>-43,539</b>	5.i.
j. Net gains (losses) on sales of other real estate owned.....	RIAD5415	<b>36</b>	5.j.
k. Net gains (losses) on sales of other assets <sup>4</sup> .....	RIADB496	<b>3,721</b>	5.k.
l. Other noninterest income <sup>*</sup> .....	RIADB497	<b>6,941,216</b>	5.l.
m. Total noninterest income (sum of items 5.a through 5.l.).....	RIAD4079	<b>7,276,421</b>	5.m.
6. Not available			6.
a. Realized gains (losses) on held-to-maturity securities.....	RIAD3521	<b>0</b>	6.a.
b. Realized gains (losses) on available-for-sale debt securities.....	RIAD3196	<b>-30,025</b>	6.b.
7. Noninterest expense:			7.
a. Salaries and employee benefits.....	RIAD4135	<b>9,590,231</b>	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest).....	RIAD4217	<b>1,083,446</b>	7.b.
c. Not available			7.c.
1. Goodwill impairment losses.....	RIADC216	<b>0</b>	7.c.1.
2. Amortization expense and impairment losses for other intangible assets.....	RIADC232	<b>80,957</b>	7.c.2.
d. Other noninterest expense <sup>*</sup> .....	RIAD4092	<b>9,338,244</b>	7.d.
e. Total noninterest expense (sum of items 7.a through 7.d.).....	RIAD4093	<b>20,092,878</b>	7.e.
8. Not available			8.
a. Income (loss) before change in net unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e.).....	RIADHT69	<b>6,418,155</b>	8.a.
b. Change in net unrealized holding gains (losses) on equity securities not held for trading <sup>5</sup> .....	RIADHT70	<b>49,582</b>	8.b.
c. Income (loss) before applicable income taxes and discontinued operations (sum of items 8.a and 8.b.).....	RIAD4301	<b>6,467,737</b>	8.c.
9. Applicable income taxes (on item 8.c.).....	RIAD4302	<b>1,225,889</b>	9.
10. Income (loss) before discontinued operations (item 8.c minus item 9).....	RIAD4300	<b>5,241,848</b>	10.
11. Discontinued operations, net of applicable income taxes (Describe on Schedule RI-E - Explanations) <sup>*</sup> .....	RIADFT28	<b>230</b>	11.
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11).....	RIADG104	<b>5,242,078</b>	12.
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value).....	RIADG103	<b>-19</b>	13.
14. Net income (loss) attributable to bank (item 12 minus item 13).....	RIAD4340	<b>5,242,097</b>	14.
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes.....	RIAD4513	<b>2,679</b>	M.1.
<i>Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets</i>			
2. Income from the sale and servicing of mutual funds and annuities in domestic offices (included in Schedule RI, item 8).....	RIAD8431	<b>0</b>	M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b).....	RIAD4313	<b>194,782</b>	M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3)).....	RIAD4507	<b>0</b>	M.4.
5. Number of full-time equivalent employees at end of current period (round to nearest whole number).....	RIAD4150	<b>57866</b>	M.5.
6. Not applicable			M.6.

3. For banks required to complete Schedule RI, Memorandum item 8, trading revenue reported in Schedule RI, item 5.c, must equal the sum of Memorandum items 8.a through 8.e.

4. Exclude net gains (losses) on sales of trading assets and held-to-maturity and available-for-sale debt securities.

\*. Describe on Schedule RI-E—Explanations.

5. Item 8.b is to be completed by all institutions. See the instructions this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

Dollar amounts in thousands

7. If the reporting institution has applied pushdown accounting this calendar year, report the date of the institution's acquisition (see instructions) <sup>2</sup> .....	RIAD9106	<b>0</b>	M.7.
8. Trading revenue (from cash instruments and derivative instruments) (sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c):			M.8.
<i>Memorandum items 8.a through 8.e are to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$2 million or more for any quarter of the preceding calendar year.</i>			
a. Interest rate exposures.....	RIAD8757	<b>58,114</b>	M.8.a.
b. Foreign exchange exposures.....	RIAD8758	<b>15,986</b>	M.8.b.
c. Equity security and index exposures.....	RIAD8759	<b>0</b>	M.8.c.
d. Commodity and other exposures.....	RIAD8760	<b>39,279</b>	M.8.d.
e. Credit exposures.....	RIADF186	<b>-1,475</b>	M.8.e.
<i>Memorandum items 8.f through 8.h are to be completed by banks with \$100 billion or more in total assets that are required to complete Schedule RI, Memorandum items 8.a through 8.e, above.</i>			
f. Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (year-to-date changes) (included in Memorandum items 8.a through 8.e above):			M.8.f.
1. Gross credit valuation adjustment (CVA).....	RIADFT36	<b>1,291</b>	M.8.f.1.
2. CVA hedge.....	RIADFT37	<b>0</b>	M.8.f.2.
g. Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (year-to-date changes) (included in Memorandum items 8.a through 8.e above):			M.8.g.
1. Gross debit valuation adjustment (DVA).....	RIADFT38	<b>179</b>	M.8.g.1.
2. DVA hedge.....	RIADFT39	<b>0</b>	M.8.g.2.
h. Gross trading revenue, before including positive or negative net CVA and net DVA.....	RIADFT40	<b>113,374</b>	M.8.h.
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:			M.9.
a. Net gains (losses) on credit derivatives held for trading.....	RIADC889	<b>0</b>	M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading.....	RIADC890	<b>0</b>	M.9.b.
10. Credit losses on derivatives (see instructions).....	RIADA251	<b>0</b>	M.10.
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?.....	RIADA530	<b>No</b>	M.11.
12. Not applicable			M.12.
<i>Memorandum item 13 is to be completed by banks that have elected to account for assets and liabilities under a fair value option.</i>			
13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:			M.13.
a. Net gains (losses) on assets.....	RIADF551	<b>NR</b>	M.13.a.
1. Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk.....	RIADF552	<b>NR</b>	M.13.a.1.
b. Net gains (losses) on liabilities.....	RIADF553	<b>NR</b>	M.13.b.
1. Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk.....	RIADF554	<b>NR</b>	M.13.b.1.
14. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities <sup>2</sup> .....	RIADJ321	<b>NR</b>	M.14.
<i>Memorandum item 15 is to be completed by institutions with \$1 billion or more in total assets that answered "Yes" to Schedule RC-E, Part I, Memorandum item 5.</i>			
15. Components of service charges on deposit accounts in domestic offices (sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b):			M.15.
a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	RIADH032	<b>528</b>	M.15.a.
b. Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	RIADH033	<b>2</b>	M.15.b.
c. Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	RIADH034	<b>14,330</b>	M.15.c.
d. All other service charges on deposit accounts.....	RIADH035	<b>57,290</b>	M.15.d.

2. Report the date in YYYYMMDD format. For example, a bank acquired on March 1, 2023, would report 20230301.  
 2. Memorandum item 14 is to be completed only by institutions that have not adopted ASU 2016-13.

## Schedule RI-A - Changes in Bank Equity Capital(Form Type - 031)

Dollar amounts in thousands

1. Total bank equity capital most recently reported for the December 31, 2022, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	RIAD3217	<b>49,552,564</b>	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors * .....	RIADB507	<b>37,078</b>	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2).....	RIADB508	<b>49,589,642</b>	3.
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14).....	RIAD4340	<b>5,242,097</b>	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions).....	RIADB509	<b>0</b>	5.
6. Treasury stock transactions, net.....	RIADB510	<b>0</b>	6.
7. Changes incident to business combinations, net.....	RIAD4356	<b>0</b>	7.
8. LESS: Cash dividends declared on preferred stock.....	RIAD4470	<b>0</b>	8.
9. LESS: Cash dividends declared on common stock.....	RIAD4460	<b>3,300,004</b>	9.
10. Other comprehensive income <sup>1</sup> .....	RIADB511	<b>1,643,612</b>	10.
11. Other transactions with stockholders (including a parent holding company) (not included in items 5, 6, 8, or 9 above) * .....	RIAD4415	<b>11,871</b>	11.
12. Total bank equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 27.a)..	RIAD3210	<b>53,187,218</b>	12.

\*. Describe on Schedule RI-E—Explanations

1. Includes, but is not limited to, changes in net unrealized holding gains (losses) on available-for-sale debt securities, changes in accumulated net gains (losses) on cash flow hedges, foreign currency translation adjustments, and pension and other postretirement plan-related changes other than net periodic benefit cost.

# Schedule RI-B Part I - Charge-offs and Recoveries on Loans and Leases (Form Type - 031)

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar amounts in thousands		(Column A) Charge-offs Calendar year-to-date		(Column B) Recoveries Calendar year-to-date		
1. Loans secured by real estate:						1.
a. Construction, land development, and other land loans in domestic offices:						1.a.
1. 1-4 family residential construction loans.....	RIADC891	0	RIADC892	0		1.a.1.
2. Other construction loans and all land development and other land loans.....	RIADC893	3,163	RIADC894	6		1.a.2.
b. Secured by farmland in domestic offices.....	RIAD3584	0	RIAD3585	0		1.b.
c. Secured by 1-4 family residential properties in domestic offices:						1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	RIAD5411	166	RIAD5412	25		1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:						1.c.2.
a. Secured by first liens.....	RIADC234	72	RIADC217	6		1.c.2.a.
b. Secured by junior liens.....	RIADC235	0	RIADC218	0		1.c.2.b.
d. Secured by multifamily (5 or more) residential properties in domestic offices.....	RIAD3588	4,039	RIAD3589	2,886		1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:						1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties.....	RIADC895	441	RIADC896	321		1.e.1.
2. Loans secured by other nonfarm nonresidential properties.....	RIADC897	541,624	RIADC898	2,518		1.e.2.
f. In foreign offices.....	RIADB512	0	RIADB513	0		1.f.
2. Not applicable						2.
3. Loans to finance agricultural production and other loans to farmers.....	RIAD4655	21	RIAD4665	20		3.
4. Commercial and industrial loans:						4.
a. To U.S. addressees (domicile).....	RIAD4645	399,873	RIAD4617	45,491		4.a.
b. To non-U.S. addressees (domicile).....	RIAD4646	0	RIAD4618	0		4.b.
5. Loans to individuals for household, family, and other personal expenditures:						5.
a. Credit cards.....	RIADB514	7,438,418	RIADB515	1,278,534		5.a.
b. Automobile loans.....	RIADK129	2,252,261	RIADK133	944,084		5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans).....	RIADK205	693	RIADK206	367		5.c.
6. Loans to foreign governments and official institutions.....	RIAD4643	0	RIAD4627	0		6.
7. All other loans.....	RIAD4644	60,954	RIAD4628	13,752		7.
8. Lease financing receivables:						8.
a. Leases to individuals for household, family, and other personal expenditures.....	RIADF185	0	RIADF187	0		8.a.
b. All other leases.....	RIADC880	0	RIADF188	0		8.b.
9. Total (sum of items 1 through 8).....	RIAD4635	10,701,725	RIAD4605	2,288,010		9.
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above.....	RIAD5409	0	RIAD5410	0		M.1.
2. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above).....	RIAD4652	0	RIAD4662	0		M.2.
3. Not applicable						M.3.

Dollar amounts in thousands

Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)<sup>2</sup>.....

RIADC388	1,902,744	M.4.
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2. Institutions that have adopted ASU 2016-13 should report in Memorandum item 4 uncollectible retail credit card fees and finance charges reversed against income (i.e. not included in charge-offs against the allowance for credit losses on loans and leases).

## Schedule RI-B Part II - Changes in Allowances for Credit Losses(Form Type - 031)

Dollar amounts in thousands	(Column A) Loans and Leases Held for Investment		(Column B) Held-to-maturity Debt Securities		(Column C) Available-for-sale Debt Securities		
1. Balance most recently reported for the December 31, 2022, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	RIADB522	<b>13,239,877</b>	RIADJH88	<b>0</b>	RIADJH94	<b>3,057</b>	1.
2. Recoveries (column A must equal Part I, item 9, column B, above).....	RIAD4605	<b>2,288,010</b>	RIADJH89	<b>0</b>	RIADJH95	<b>2,268</b>	2.
3. LESS: Charge-offs (column A must equal Part I, item 9, column A, above less Schedule RI-B, Part II, item 4, column A).....	RIADC079	<b>10,368,207</b>	RIADJH92	<b>0</b>	RIADJH98	<b>3,411</b>	3.
4. LESS: Write-downs arising from transfers of financial assets <sup>3</sup> .....	RIAD5523	<b>333,518</b>	RIADJJ00	<b>0</b>	RIADJJ01	<b>0</b>	4.
5. Provisions for credit losses <sup>4</sup> .....	RIAD4230	<b>10,485,102</b>	RIADJH90	<b>0</b>	RIADJH96	<b>1,750</b>	5.
6. Adjustments* (see instructions for this schedule)*.....	RIADC233	<b>-15,623</b>	RIADJH91	<b>0</b>	RIADJH97	<b>0</b>	6.
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (column A must equal Schedule RC, item 4.c).....	RIAD3123	<b>15,295,641</b>	RIADJH93	<b>0</b>	RIADJH99	<b>3,664</b>	7.

Dollar amounts in thousands			
1. Allocated transfer risk reserve included in Schedule RI-B, Part II, item 7, column A, above.....	RIADC435	<b>0</b>	M.1.
<i>Memorandum items 2 and 3 are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.</i>	RIADC389	<b>0</b>	M.2.
2. Separate valuation allowance for uncollectible retail credit card fees and finance charges.....			
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges <sup>1</sup> .....	RIADC390	<b>724,738</b>	M.3.
4. Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (included in Schedule RI-B, Part II, item 7, column A, above) <sup>2</sup> .....	RIADC781	<b>NR</b>	M.4.
5. Provisions for credit losses on other financial assets measured at amortized cost (not included in item 5, above) <sup>3</sup> ...	RIADJJ02	<b>0</b>	M.5.
6. Allowance for credit losses on other financial assets measured at amortized cost (not included in item 7, above) <sup>3</sup> ...	RCFDJJ03	<b>0</b>	M.6.
7. Provisions for credit losses on off-balance-sheet credit exposures <sup>3</sup> .....	RIADMG93	<b>-59,858</b>	M.7.
8. Estimated amount of expected recoveries of amounts previously written off included within the allowance for credit losses on loans and leases held for investment (included in item 7, column A, "Balance end of current period," above) <sup>3</sup> .....	RIADMG94	<b>3,407,013</b>	M.8.

3. Institutions that have not yet adopted ASU 2016-13 should report write-downs arising from transfers of loans to a held-for-sale account in item 4, column A.

4. Institutions that have not yet adopted ASU 2016-13 should report the provision for loan and lease losses in item 5, column A and the amount reported must equal Schedule RI, item 4.

\*. Describe on Schedule RI-E - Explanations.

1. Institutions that have adopted ASU 2016-13 should report in Memorandum item 3 the amount of allowance for credit losses on loans and leases attributable to retail credit card fees and finance charges.

2. Memorandum item 4 is to be completed only by institutions that have not yet adopted ASU 2016-13.

3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

## Schedule RI-C Part I - Disaggregated Data on the Allowance for Loan and Lease Losses(Form Type - 031)

Schedule RI-C is to be completed by institutions with \$1 billion or more in total assets.

Dollar amounts in thousands		(Column A) Recorded Investment: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column B) Allowance Balance: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column C) Recorded Investment: Collectively Evaluated for Impairment (ASC 450-20)	(Column D) Allowance Balance: Collectively Evaluated for Impairment (ASC 450-20)	(Column E) Recorded Investment: Purchased Credit-Impaired Loans (ASC 310-30)	(Column F) Allowance Balance: Purchased Credit-Impaired Loans (ASC 310-30)	
1. Real estate loans:								1.
a. Construction loans.....	RCFDM708 NR	RCFDM709 NR	RCFDM710 NR	RCFDM711 NR	RCFDM712 NR	RCFDM713 NR		1.a.
b. Commercial real estate loans.....	RCFDM714 NR	RCFDM715 NR	RCFDM716 NR	RCFDM717 NR	RCFDM719 NR	RCFDM720 NR		1.b.
c. Residential real estate loans.....	RCFDM721 NR	RCFDM722 NR	RCFDM723 NR	RCFDM724 NR	RCFDM725 NR	RCFDM726 NR		1.c.
2. Commercial loans <sup>3</sup> .....	RCFDM727 NR	RCFDM728 NR	RCFDM729 NR	RCFDM730 NR	RCFDM731 NR	RCFDM732 NR		2.
3. Credit cards.....	RCFDM733 NR	RCFDM734 NR	RCFDM735 NR	RCFDM736 NR	RCFDM737 NR	RCFDM738 NR		3.
4. Other consumer loans.....	RCFDM739 NR	RCFDM740 NR	RCFDM741 NR	RCFDM742 NR	RCFDM743 NR	RCFDM744 NR		4.
5. Unallocated, if any.....				RCFDM745 NR				5.
6. Total (for each column, sum of items 1.a through 5) <sup>4</sup> .....	RCFDM746 NR	RCFDM747 NR	RCFDM748 NR	RCFDM749 NR	RCFDM750 NR	RCFDM751 NR		6.

3. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in items 1, 3, or 4 of Schedule RI-C.

4. The sum of item 6, columns B, D, and F, must equal Schedule RC, item 4.c. Item 6, column E, must equal Schedule RC-C, Part I, Memorandum item 7.b. Item 6, column F, must equal Schedule RI-B, Part II, Memorandum item 4.



## Schedule RI-C Part II - Disaggregated Data on the Allowances for Credit Losses(Form Type - 031)

Dollar amounts in thousands		(Column A) Amortized Cost	(Column B) Allowance Balance		
1. Real estate loans:				1.	
a. Construction loans.....	RCFDJJ04	0	RCFDJJ12	0	1.a.
b. Commercial real estate loans.....	RCFDJJ05	0	RCFDJJ13	0	1.b.
c. Residential real estate loans.....	RCFDJJ06	0	RCFDJJ14	0	1.c.
2. Commercial loans <sup>3</sup> .....	RCFDJJ07	90,488,194	RCFDJJ15	1,544,616	2.
3. Credit cards.....	RCFDJJ08	154,546,200	RCFDJJ16	11,709,445	3.
4. Other consumer loans.....	RCFDJJ09	75,437,248	RCFDJJ17	2,041,580	4.
5. Unallocated, if any.....			RCFDJJ18	0	5.
6. Total (sum of items 1.a. through 5) <sup>4</sup> .....	RCFDJJ11	320,471,642	RCFDJJ19	15,295,641	6.

Dollar amounts in thousands					
7. Securities issued by states and political subdivisions in the U.S.....		RCFDJJ20		0	7.
8. Mortgage-backed securities (MBS) (including CMOs, REMICs, and stripped MBS).....		RCFDJJ21		0	8.
9. Asset-backed securities and structured financial products.....		RCFDJJ23		0	9.
10. Other debt securities.....		RCFDJJ24		0	10.
11. Total (sum of items 7 through 10) <sup>5</sup> .....		RCFDJJ25		0	11.

## Schedule RI-D - Income from Foreign Offices(Form Type - 031)

For all banks with foreign offices (including Edge or Agreement subsidiaries and IBFs) and total foreign office assets of \$10 billion or more where foreign office revenues, assets, or net income exceed 10 percent of consolidated total revenues, total assets, or net income.

Dollar amounts in thousands					
1. Total interest income in foreign offices.....		RIADC899		0	1.
2. Total interest expense in foreign offices.....		RIADC900		0	2.
3. Provision for loan and lease losses in foreign offices <sup>1</sup> .....		RIADKW02		0	3.
4. Noninterest income in foreign offices:					4.
a. Trading revenue.....		RIADC902		0	4.a.
b. Investment banking, advisory, brokerage, and underwriting fees and commissions.....		RIADC903		0	4.b.
c. Net securitization income.....		RIADC904		0	4.c.
d. Other noninterest income.....		RIADC905		0	4.d.
5. Realized gains (losses) on held-to-maturity and available-for-sale debt securities and change in net unrealized holding gains (losses) on equity securities not held for trading in foreign offices.....		RIADJA28		0	5.
6. Total noninterest expense in foreign offices.....		RIADC907		0	6.
7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs.....		RIADC908		0	7.
8. Applicable income taxes (on items 1 through 7).....		RIADC909		0	8.
9. Discontinued operations, net of applicable income taxes, in foreign offices.....		RIADGW64		0	9.
10. Net income attributable to foreign offices before internal allocations of income and expense (item 1 plus or minus items 2 through 9).....		RIADC911		0	10.
11. Not applicable					11.
12. Eliminations arising from the consolidation of foreign offices with domestic offices.....		RIADC913		0	12.
13. Consolidated net income attributable to foreign offices (sum of items 10 and 12).....		RIADC914		0	13.

3. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in item 1, 3, or 4 of Schedule RI-C, Part II.  
 4. Item 6, column B must equal schedule RC, item 4.c.  
 5. Item 11 must equal Schedule RI-B, Part II, item 7, column B.  
 1. Institutions that have adopted ASU 2016-13 should report the provisions for credit losses in foreign offices for all financial assets and off-balance-sheet credit exposures that fall within the scope of the standard in item 3.

## Schedule RI-E - Explanations (Form Type - 031)

Schedule RI-E is to be completed each quarter on a calendar year-to-date basis.

Detail all adjustments in Schedule RI-A and RI-B, all extraordinary items and other adjustments in Schedule RI, and all significant items of other noninterest income and other noninterest expense in Schedule RI. (See instructions for details.)

Dollar amounts in thousands

1. Other noninterest income (from Schedule RI, item 5.1) Itemize and describe amounts greater than \$100,000 that exceed 7 percent of Schedule RI, item 5.1:			1.
a. Income and fees from the printing and sale of checks.....	RIADC013	0	1.a.
b. Earnings on/increase in value of cash surrender value of life insurance.....	RIADC014	0	1.b.
c. Income and fees from automated teller machines (ATMs).....	RIADC016	0	1.c.
d. Rent and other income from other real estate owned.....	RIAD4042	0	1.d.
e. Safe deposit box rent.....	RIADC015	0	1.e.
f. Bank card and credit card interchange fees.....	RIADF555	4,792,755	1.f.
g. Income and fees from wire transfers.....	RIADT047	0	1.g.
h. Disclose component and the dollar amount of that component:			1.h.
1. Describe component.....	TEXT4461	Click here for value	1.h.1.
2. Amount of component.....	RIAD4461	1,212,163	1.h.2.
i. Disclose component and the dollar amount of that component:			1.i.
1. Describe component.....	TEXT4462	NR	1.i.1.
2. Amount of component.....	RIAD4462	0	1.i.2.
j. Disclose component and the dollar amount of that component:			1.j.
1. Describe component.....	TEXT4463	NR	1.j.1.
2. Amount of component.....	RIAD4463	0	1.j.2.
2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$100,000 that exceed 7 percent of Schedule RI, item 7.d:			2.
a. Data processing expenses.....	RIADC017	1,019,779	2.a.
b. Advertising and marketing expenses.....	RIAD0497	4,003,172	2.b.
c. Directors' fees.....	RIAD4136	0	2.c.
d. Printing, stationery, and supplies.....	RIADC018	0	2.d.
e. Postage.....	RIAD8403	0	2.e.
f. Legal fees and expenses.....	RIAD4141	0	2.f.
g. FDIC deposit insurance assessments.....	RIAD4146	CONF	2.g.
h. Accounting and auditing expenses.....	RIADF556	0	2.h.
i. Consulting and advisory expenses.....	RIADF557	0	2.i.
j. Automated teller machine (ATM) and interchange expenses.....	RIADF558	0	2.j.
k. Telecommunications expenses.....	RIADF559	0	2.k.
l. Other real estate owned expenses.....	RIADY923	0	2.l.
m. Insurance expenses (not included in employee expenses, premises and fixed asset expenses, and other real estate owned expenses).....	RIADY924	0	2.m.
n. Disclose component and the dollar amount of that component:			2.n.
1. Describe component.....	TEXT4464	Click here for value	2.n.1.
2. Amount of component.....	RIAD4464	922,603	2.n.2.
o. Disclose component and the dollar amount of that component:			2.o.
1. Describe component.....	TEXT4467	Click here for value	2.o.1.
2. Amount of component.....	RIAD4467	810,374	2.o.2.
p. Disclose component and the dollar amount of that component:			2.p.
1. Describe component.....	TEXT4468	NR	2.p.1.
2. Amount of component.....	RIAD4468	0	2.p.2.
3. Discontinued operations and applicable income tax effect (from Schedule RI, item 11) (itemize and describe each discontinued operation):			3.
a. Disclose component, the gross dollar amount of that component, and its related income tax:			3.a.
1. Describe component.....	TEXTFT29	Click here for value	3.a.1.
2. Amount of component.....	RIADFT29	303	3.a.2.

Dollar amounts in thousands

3. Applicable income tax effect.....	RIADFT30	<b>73</b>	3.a.3.
b. Disclose component, the gross dollar amount of that component, and its related income tax:			3.b.
1. Describe component.....	TEXTFT31	<b>NR</b>	3.b.1.
2. Amount of component.....	RIADFT31	<b>0</b>	3.b.2.
3. Applicable income tax effect.....	RIADFT32	<b>0</b>	3.b.3.
4. Cumulative effect of changes in accounting principles and corrections of material accounting errors (from Schedule RI-A, item 2) (itemize and describe all such effects):			4.
a. Effect of adoption of Current Expected Credit Losses Methodology - ASU 2016-13 <sup>1</sup> .....	RIADJJ26	<b>NR</b>	4.a.
b. Not applicable			4.b.
c. Disclose component and the dollar amount of that component:			4.c.
1. Describe component.....	TEXTB526	<b>Click here for value</b>	4.c.1.
2. Amount of component.....	RIADB526	<b>37,078</b>	4.c.2.
d. Disclose component and the dollar amount of that component:			4.d.
1. Describe component.....	TEXTB527	<b>NR</b>	4.d.1.
2. Amount of component.....	RIADB527	<b>0</b>	4.d.2.
5. Other transactions with stockholders (including a parent holding company) (from Schedule RI-A, item 11) (itemize and describe all such transactions):			5.
a. Disclose component and the dollar amount of that component:			5.a.
1. Describe component.....	TEXT4498	<b>Click here for value</b>	5.a.1.
2. Amount of component.....	RIAD4498	<b>11,872</b>	5.a.2.
b. Disclose component and the dollar amount of that component:			5.b.
1. Describe component.....	TEXT4499	<b>NR</b>	5.b.1.
2. Amount of component.....	RIAD4499	<b>0</b>	5.b.2.
6. Adjustments to allowances for credit losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments): <sup>3</sup>			6.
a. Initial allowances for credit losses recognized upon the acquisition of purchased credit-deteriorated assets on or after the effective date of ASU 2016-13 <sup>1</sup> .....	RIADJJ27	<b>-31,584</b>	6.a.
b. Effect of adoption of current expected credit losses methodology on allowances for credit losses <sup>1</sup> .....	RIADJJ28	<b>NR</b>	6.b.
c. Disclose component and the dollar amount of that component:			6.c.
1. Describe component.....	TEXT4521	<b>Click here for value</b>	6.c.1.
2. Amount of component.....	RIAD4521	<b>15,961</b>	6.c.2.
d. Disclose component and the dollar amount of that component:			6.d.
1. Describe component.....	TEXT4522	<b>NR</b>	6.d.1.
2. Amount of component.....	RIAD4522	<b>0</b>	6.d.2.
7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):			7.
a. Comments?.....	RIAD4769	<b>No</b>	7.a.
b. Other explanations.....	TEXT4769	<b>NR</b>	7.b.

(TEXT4461) SERVICE CHARGES AND CUSTOMER RELATED FEES

(TEXT4464) SOFTWARE EXPENSE

(TEXT4467) PROFESSIONAL SERVICES

(TEXT4498) Adjustment of Parent's equity investment

(TEXT4521) Foreign currency translation adjustments

1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.  
 3. Institutions that have not adopted ASU 2016-13 should report the allowance for loan and lease losses in item 6, where applicable.  
 1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.  
 1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.

**(TEXTB526)** Effect of adoption of elimination of troubled debt restructurings ASU 2022-02

**(TEXTFT29)** Green Point Mortgage - Discontinued Ops

## Schedule RC - Balance Sheet(Form Type - 031)

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Dollar amounts in thousands

1. Cash and balances due from depository institutions (from Schedule RC-A):			1.
a. Noninterest-bearing balances and currency and coin <sup>1</sup> .....	RCFD0081	<b>4,572,964</b>	1.a.
b. Interest-bearing balances <sup>2</sup> .....	RCFD0071	<b>38,671,346</b>	1.b.
2. Securities:			2.
a. Held-to-maturity securities (from Schedule RC-B, column A) <sup>3</sup> .....	RCFDJJ34	<b>0</b>	2.a.
b. Available-for-sale debt securities (from Schedule RC-B, column D).....	RCFD1773	<b>78,736,988</b>	2.b.
c. Equity securities with readily determinable fair values not held for trading <sup>4</sup> .....	RCFDJA22	<b>578,068</b>	2.c.
3. Federal funds sold and securities purchased under agreements to resell:			3.
a. Federal funds sold in domestic offices.....	RCONB987	<b>0</b>	3.a.
b. Securities purchased under agreements to resell <sup>5</sup> .....	RCFDB989	<b>0</b>	3.b.
4. Loans and lease financing receivables (from Schedule RC-C):			4.
a. Loans and leases held for sale.....	RCFD5369	<b>853,641</b>	4.a.
b. Loans and leases held for investment.....	RCFDB528	<b>320,471,642</b>	4.b.
c. LESS: Allowance for loan and lease losses <sup>7</sup> .....	RCFD3123	<b>15,295,641</b>	4.c.
d. Loans and leases held for investment, net of allowance (item 4.b minus 4.c).....	RCFDB529	<b>305,176,001</b>	4.d.
5. Trading assets (from Schedule RC-D).....	RCFD3545	<b>1,522,253</b>	5.
6. Premises and fixed assets (including capitalized leases).....	RCFD2145	<b>4,109,580</b>	6.
7. Other real estate owned (from Schedule RC-M).....	RCFD2150	<b>41,283</b>	7.
8. Investments in unconsolidated subsidiaries and associated companies.....	RCFD2130	<b>6,167,378</b>	8.
9. Direct and indirect investments in real estate ventures.....	RCFD3656	<b>0</b>	9.
10. Intangible assets (from Schedule RC-M).....	RCFD2143	<b>15,421,228</b>	10.
11. Other assets (from Schedule RC-F) <sup>6</sup> .....	RCFD2160	<b>19,777,909</b>	11.
12. Total assets (sum of items 1 through 11).....	RCFD2170	<b>475,628,639</b>	12.
13. Deposits:			13.
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I).....	RCON2200	<b>374,037,440</b>	13.a.
1. Noninterest-bearing <sup>8</sup> .....	RCON6631	<b>28,374,886</b>	13.a.1.
2. Interest-bearing.....	RCON6636	<b>345,662,554</b>	13.a.2.
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II).....	RCFN2200	<b>123,040</b>	13.b.
1. Noninterest-bearing.....	RCFN6631	<b>123,040</b>	13.b.1.
2. Interest-bearing.....	RCFN6636	<b>0</b>	13.b.2.
14. Federal funds purchased and securities sold under agreements to repurchase:			14.
a. Federal funds purchased in domestic offices <sup>9</sup> .....	RCONB993	<b>0</b>	14.a.
b. Securities sold under agreements to repurchase <sup>10</sup> .....	RCFDB995	<b>538,240</b>	14.b.
15. Trading liabilities (from Schedule RC-D).....	RCFD3548	<b>2,141,018</b>	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M).....	RCFD3190	<b>24,553,075</b>	16.
17. Not applicable			17.
18. Not applicable			18.
19. Subordinated notes and debentures <sup>1</sup> .....	RCFD3200	<b>0</b>	19.

1. Includes cash items in process of collection and unposted debits.
2. Includes time certificates of deposit not held for trading.
3. Institutions that have adopted ASU 2016-13 should report in item 2.a, amounts net of any applicable allowance for credit losses, and should equal to Schedule RC-B, item 8, column A less Schedule RI-B, Part II, item 7, column B.
4. Item 2.c is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.
5. Includes all securities resale agreements, regardless of maturity.
7. Institutions that have adopted ASU 2016-13 should report in item 4.c the allowance for credit losses on loans and leases.
6. Institutions that have adopted ASU 2016-13 should report in items 3.b and 11 amounts net of any applicable allowance for credit losses.
8. Includes noninterest-bearing demand, time, and savings deposits.
9. Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
10. Includes all securities repurchase agreements, regardless of maturity.
1. Includes limited-life preferred stock and related surplus.

Dollar amounts in thousands

20. Other liabilities (from Schedule RC-G).....	RCFD2930	<b>21,048,401</b>	20.
21. Total liabilities (sum of items 13 through 20).....	RCFD2948	<b>422,441,214</b>	21.
22. Not applicable			22.
23. Perpetual preferred stock and related surplus.....	RCFD3838	<b>0</b>	23.
24. Common stock.....	RCFD3230	<b>123,630</b>	24.
25. Surplus (exclude all surplus related to preferred stock).....	RCFD3839	<b>43,577,955</b>	25.
26. Not available			26.
a. Retained earnings.....	RCFD3632	<b>17,896,551</b>	26.a.
b. Accumulated other comprehensive income <sup>2</sup> .....	RCFDB530	<b>-8,410,918</b>	26.b.
c. Other equity capital components <sup>3</sup> .....	RCFDA130	<b>0</b>	26.c.
27. Not available			27.
a. Total bank equity capital (sum of items 23 through 26.c).....	RCFD3210	<b>53,187,218</b>	27.a.
b. Noncontrolling (minority) interests in consolidated subsidiaries.....	RCFD3000	<b>207</b>	27.b.
28. Total equity capital (sum of items 27.a and 27.b).....	RCFDG105	<b>53,187,425</b>	28.
29. Total liabilities and equity capital (sum of items 21 and 28).....	RCFD3300	<b>475,628,639</b>	29.
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2022.....	RCFD6724	<b>NR</b>	M.1.
2. Bank's fiscal year-end date (report the date in MMDD format).....	RCON8678	<b>NR</b>	M.2.

## Schedule RC-A - Cash and Balances Due From Depository Institutions(Form Type - 031)

Exclude assets held for trading.

Dollar amounts in thousands

	(Column A) Consolidated Bank		(Column B) Domestic Offices		
1. Cash items in process of collection, unposted debits, and currency and coin.....	RCFD0022	<b>3,931,585</b>			1.
a. Cash items in process of collection and unposted debits.....			RCON0020	<b>2,985,477</b>	1.a.
b. Currency and coin.....			RCON0080	<b>946,106</b>	1.b.
2. Balances due from depository institutions in the U.S.....	RCFD0082	<b>1,577,754</b>	RCON0082	<b>1,577,754</b>	2.
3. Balances due from banks in foreign countries and foreign central banks.....	RCFD0070	<b>531,395</b>	RCON0070	<b>106,239</b>	3.
4. Balances due from Federal Reserve Banks.....	RCFD0090	<b>37,203,576</b>	RCON0090	<b>37,203,576</b>	4.
5. Total.....	RCFD0010	<b>43,244,310</b>	RCON0010	<b>42,819,152</b>	5.

2. Includes, but is not limited to, net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and accumulated defined benefit pension and other postretirement plan adjustments.

3. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

## Schedule RC-B - Securities(Form Type - 031)

Exclude assets held for trading.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost		(Column B) Held-to-maturity Fair Value		(Column C) Available-for-sale Amortized Cost		(Column D) Available-for-sale Fair Value		
1. U.S. Treasury securities.....	RCFD0211	0	RCFD0213	0	RCFD1286	5,319,794	RCFD1287	5,272,225	1.
2. U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities) <sup>1</sup> .....	RCFDHT50	0	RCFDHT51	0	RCFDHT52	10,000	RCFDHT53	9,998	2.
3. Securities issued by states and political subdivisions in the U.S.....	RCFD8496	0	RCFD8497	0	RCFD8498	0	RCFD8499	0	3.
4. Mortgage-backed securities (MBS):									4.
a. Residential mortgage pass-through securities:									4.a.
1. Guaranteed by GNMA.....	RCFDG300	0	RCFDG301	0	RCFDG302	16,323,057	RCFDG303	14,746,711	4.a.1.
2. Issued by FNMA and FHLMC.....	RCFDG304	0	RCFDG305	0	RCFDG306	34,661,373	RCFDG307	29,843,057	4.a.2.
3. Other pass-through securities.....	RCFDG308	0	RCFDG309	0	RCFDG310	0	RCFDG311	0	4.a.3.
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):									4.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....	RCFDG312	0	RCFDG313	0	RCFDG314	20,310,069	RCFDG315	18,358,302	4.b.1.
2. Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....	RCFDG316	0	RCFDG317	0	RCFDG318	0	RCFDG319	0	4.b.2.
3. All other residential MBS.....	RCFDG320	0	RCFDG321	0	RCFDG322	281,247	RCFDG323	319,588	4.b.3.
c. Commercial MBS:									4.c.
1. Commercial mortgage pass-through securities:									4.c.1.
a. Issued or guaranteed by FNMA, FHLMC, or GNMA.....	RCFDK142	0	RCFDK143	0	RCFDK144	3,686,124	RCFDK145	3,391,737	4.c.1a.
b. Other pass-through securities.....	RCFDK146	0	RCFDK147	0	RCFDK148	0	RCFDK149	0	4.c.1b.
2. Other commercial MBS:									4.c.2.
a. Issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....	RCFDK150	0	RCFDK151	0	RCFDK152	1,946	RCFDK153	1,953	4.c.2a.
b. All other commercial MBS.....	RCFDK154	0	RCFDK155	0	RCFDK156	0	RCFDK157	0	4.c.2b.
5. Asset-backed securities and structured financial products:									5.
a. Asset-backed securities (ABS).....	RCFDC026	0	RCFDC988	0	RCFDC989	1,397,707	RCFDC027	1,402,679	5.a.
b. Structured financial products.....	RCFDHT58	0	RCFDHT59	0	RCFDHT60	5,272,814	RCFDHT61	4,929,129	5.b.
6. Other debt securities:									6.
a. Other domestic debt securities.....	RCFD1737	0	RCFD1738	0	RCFD1739	0	RCFD1741	0	6.a.
b. Other foreign debt securities.....	RCFD1742	0	RCFD1743	0	RCFD1744	461,017	RCFD1746	461,609	6.b.
7. Unallocated portfolio layer fair value hedge basis adjustments...					RCFDMG95	-3,457			7.
8. Total (sum of items 1 through 7) <sup>2</sup> .....	RCFD1754	0	RCFD1771	0	RCFD1772	87,721,691	RCFD1773	78,736,988	8.



Dollar amounts in thousands

1. Pledged securities <sup>1</sup> .....	RCFD0416	<b>43,714,544</b>	M.1.
2. Maturity and repricing data for debt securities (excluding those in nonaccrual status): <sup>1</sup>			M.2.
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: <sup>2</sup>			M.2.a.
1. Three months or less.....	RCFDA549	<b>1,669,454</b>	M.2.a.1.
2. Over three months through 12 months.....	RCFDA550	<b>1,933,390</b>	M.2.a.2.
3. Over one year through three years.....	RCFDA551	<b>5,451,896</b>	M.2.a.3.
4. Over three years through five years.....	RCFDA552	<b>1,533,438</b>	M.2.a.4.
5. Over five years through 15 years.....	RCFDA553	<b>3,071,748</b>	M.2.a.5.
6. Over 15 years.....	RCFDA554	<b>1,807,451</b>	M.2.a.6.
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: <sup>2</sup>			M.2.b.
1. Three months or less.....	RCFDA555	<b>1,067,886</b>	M.2.b.1.
2. Over three months through 12 months.....	RCFDA556	<b>148,433</b>	M.2.b.2.
3. Over one year through three years.....	RCFDA557	<b>23,959</b>	M.2.b.3.
4. Over three years through five years.....	RCFDA558	<b>68,768</b>	M.2.b.4.
5. Over five years through 15 years.....	RCFDA559	<b>1,969,078</b>	M.2.b.5.
6. Over 15 years.....	RCFDA560	<b>41,311,645</b>	M.2.b.6.
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of: <sup>5</sup>			M.2.c.
1. Three years or less.....	RCFDA561	<b>932,198</b>	M.2.c.1.
2. Over three years.....	RCFDA562	<b>17,747,644</b>	M.2.c.2.
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above).....	RCFDA248	<b>2,468,644</b>	M.2.d.
<i>Memorandum item 3 is to be completed semiannually in the June and December reports only.</i>			
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer).....	RCFD1778	<b>0</b>	M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):			M.4.
a. Amortized cost.....	RCFD8782	<b>0</b>	M.4.a.
b. Fair value.....	RCFD8783	<b>0</b>	M.4.b.

1. Includes Small Business Administration "Guaranteed Loan Pool Certificates"; U.S. Maritime Administration obligations; Export-Import Bank participation certificates; and obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

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2. For institutions that have adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a, plus Schedule RI-B, Part II, item 7, column B. For institutions that have not adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a. For all institutions, the total reported in column D must equal Schedule RC, item 2.b.

Dollar amounts in thousands

	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for-sale Amortized Cost	(Column D) Available-for-sale Fair Value					
<i>Memorandum items 5.a through 5.f and 6.a through 6.g are to be completed by banks with \$10 billion or more in total assets.</i>									
5. Asset-backed securities (ABS) (for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5.a): <sup>1</sup>					M.5.				
a. Credit card receivables.....	RCFDB838	0	RCFDB839	0	RCFDB840	0	RCFDB841	0	M5a.
b. Home equity lines.....	RCFDB842	0	RCFDB843	0	RCFDB844	0	RCFDB845	0	M5b.
c. Automobile loans.....	RCFDB846	0	RCFDB847	0	RCFDB848	1,380,017	RCFDB849	1,384,863	M5c.
d. Other consumer loans.....	RCFDB850	0	RCFDB851	0	RCFDB852	0	RCFDB853	0	M5d.
e. Commercial and industrial loans.....	RCFDB854	0	RCFDB855	0	RCFDB856	17,690	RCFDB857	17,816	M5e.
f. Other.....	RCFDB858	0	RCFDB859	0	RCFDB860	0	RCFDB861	0	M5.f.
6. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 6.a through 6.g must equal Schedule RC-B item 5.b):									M.6.
a. Trust preferred securities issued by financial institutions.....	RCFDG348	0	RCFDG349	0	RCFDG350	0	RCFDG351	0	M6a.
b. Trust preferred securities issued by real estate investment trusts.....	RCFDG352	0	RCFDG353	0	RCFDG354	0	RCFDG355	0	M6b.
c. Corporate and similar loans.....	RCFDG356	0	RCFDG357	0	RCFDG358	0	RCFDG359	0	M6c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs).....	RCFDG360	0	RCFDG361	0	RCFDG362	0	RCFDG363	0	M6d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs.....	RCFDG364	0	RCFDG365	0	RCFDG366	0	RCFDG367	0	M6e.
f. Diversified (mixed) pools of structured financial products.....	RCFDG368	0	RCFDG369	0	RCFDG370	0	RCFDG371	0	M6.f.
g. Other collateral or reference assets.....	RCFDG372	0	RCFDG373	0	RCFDG374	5,272,814	RCFDG375	4,929,129	M6g.

1. Includes held-to-maturity securities at amortized cost, available-for-sale debt securities at fair value, and equity securities with readily determinable fair values not held for trading (reported in Schedule RC, item 2.c) at fair value.

1. Includes held-to-maturity securities at amortized cost, available-for-sale debt securities at fair value, and equity securities with readily determinable fair values not held for trading (reported in Schedule RC, item 2.c) at fair value.

2. Report fixed-rate debt securities by remaining maturity and floating-rate debt securities by next repricing date.

2. Report fixed-rate debt securities by remaining maturity and floating-rate debt securities by next repricing date.

5. Sum of Memorandum items 2.c.(1) and 2.c.(2) plus any nonaccrual "Other mortgage-backed securities" included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, sum of items 4.b and 4.c.(2), columns A and D.

1. The \$10 billion asset size test is based on the total assets reported on the June 30, 2022, Report of Condition.

## Schedule RC-C Part I - Loans and Leases(Form Type - 031)

Do not deduct the allowance for loan and lease losses or the allocated transfer risk reserve from amounts reported in this schedule. Report (1) loans and leases held for sale at the lower of cost or fair value, (2) loans and leases held for investment, net of unearned income, and (3) loans and leases accounted for at fair value under a fair value option. Exclude assets held for trading and commercial paper.

Dollar amounts in thousands		(Column A) Consolidated Bank		(Column B) Domestic Offices	
1. Loans secured by real estate <sup>2</sup> .....	RCFD1410	NR			1.
a. Construction, land development, and other land loans:					1.a.
1. 1-4 family residential construction loans.....	RCFDF158	2,934	RCONF158	2,934	1.a.1.
2. Other construction loans and all land development and other land loans.....	RCFDF159	2,841,782	RCONF159	2,841,782	1.a.2.
b. Secured by farmland (including farm residential and other improvements).....	RCFD1420	4,823	RCON1420	4,823	1.b.
c. Secured by 1-4 family residential properties:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	RCFD1797	8,615	RCON1797	8,615	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens.....	RCFD5367	108,721	RCON5367	108,721	1.c.2.a.
b. Secured by junior liens.....	RCFD5368	12,219	RCON5368	12,219	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties.....	RCFD1460	9,631,170	RCON1460	9,631,170	1.d.
e. Secured by nonfarm nonresidential properties:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties.....	RCFDF160	1,583,445	RCONF160	1,583,445	1.e.1.
2. Loans secured by other nonfarm nonresidential properties.....	RCFDF161	14,885,691	RCONF161	14,885,691	1.e.2.
2. Loans to depository institutions and acceptances of other banks:					2.
a. To commercial banks in the U.S.....			RCONB531	0	2.a.
1. To U.S. branches and agencies of foreign banks.....	RCFDB532	0			2.a.1.
2. To other commercial banks in the U.S.....	RCFDB533	0			2.a.2.
b. To other depository institutions in the U.S.....	RCFDB534	0	RCONB534	0	2.b.
c. To banks in foreign countries.....			RCONB535	0	2.c.
1. To foreign branches of other U.S. banks.....	RCFDB536	0			2.c.1.
2. To other banks in foreign countries.....	RCFDB537	0			2.c.2.
3. Loans to finance agricultural production and other loans to farmers.....	RCFD1590	885	RCON1590	885	3.
4. Commercial and industrial loans:					4.
a. To U.S. addressees (domicile).....	RCFD1763	45,198,245	RCON1763	45,198,245	4.a.
b. To non-U.S. addressees (domicile).....	RCFD1764	634,846	RCON1764	634,846	4.b.
5. Not applicable					5.
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					6.
a. Credit cards.....	RCFDB538	142,382,463	RCONB538	135,501,628	6.a.
b. Other revolving credit plans.....	RCFDB539	106	RCONB539	106	6.b.
c. Automobile loans.....	RCFDK137	74,075,285	RCONK137	74,075,285	6.c.
d. Other consumer loans (includes single payment and installment loans other than automobile loans, and all student loans).....	RCFDK207	2,997	RCONK207	2,997	6.d.
7. Loans to foreign governments and official institutions (including foreign central banks).....	RCFD2081	0	RCON2081	0	7.
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.....	RCFD2107	7,704,653	RCON2107	7,704,653	8.
9. Loans to nondepository financial institutions and other loans.....	RCFD1563	22,246,403			9.
a. Loans to nondepository financial institutions.....			RCONJ454	21,100,555	9.a.
b. Other loans:					9.b.
1. Loans for purchasing or carrying securities (secured and unsecured).....			RCON1545	68,290	9.b.1.
2. All other loans (exclude consumer loans).....			RCONJ451	1,077,558	9.b.2.
10. Lease financing receivables (net of unearned income).....			RCON2165	0	10.
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases).....	RCFDF162	0			10.a.
b. All other leases.....	RCFDF163	0			10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above.....	RCFD2123	0	RCON2123	0	11.
12. Total loans and leases held for investment and held for sale (item 12, column A must equal Schedule RC, sum of items 4.a and 4.b).....	RCFD2122	321,325,283	RCON2122	314,444,448	12.

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2. When reporting "Loans secured by real estate," "large institutions" and "highly complex institutions," as defined for deposit insurance assessment purposes in FDIC regulations, should complete items 1.a.(1) through 1.e.(2) in columns A and B (but not item 1 in column A); all other institutions should complete item 1 in column A and items 1.a.(1) through 1.e.(2) in column B (but not items 1.a.(1) through 1.e.(2) in column A).

Dollar amounts in thousands

1. Loans restructured in troubled debt restructurings that are in compliance with their modified terms (included in Schedule RC-C, part 1, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):			M.1.
a. Construction, land development, and other land loans in domestic offices:			M.1.a.
1. 1-4 family residential construction loans.....	RCONK158	0	M.1.a.1.
2. Other construction loans and all land development and other land loans.....	RCONK159	123,086	M.1.a.2.
b. Loans secured by 1-4 family residential properties in domestic offices.....	RCONF576	1,007	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices.....	RCONK160	65,819	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:			M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties.....	RCONK161	45,363	M.1.d.1.
2. Loans secured by other nonfarm nonresidential properties.....	RCONK162	402,481	M.1.d.2.
e. Commercial and industrial loans:			M.1.e.
1. To U.S. addressees (domicile).....	RCFDK163	495,828	M.1.e.1.
2. To non-U.S. addressees (domicile).....	RCFDK164	0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures).....	RCFDK165	980,612	M.1.f.
<i>Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a through 1.f):</i>			
1. Loans secured by farmland in domestic offices.....	RCONK166	0	M.1.f.1.
2. Not applicable			M.1.f.2.
3. Loans to finance agricultural production and other loans to farmers.....	RCFDK168	0	M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:			M.1.f.4.
a. Credit cards.....	RCFDK098	422,464	M.1.f.4.a.
b. Automobile loans.....	RCFDK203	548,459	M.1.f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans).....	RCFDK204	0	M.1.f.4.c.
g. Total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a.(1) through 1.f.).....	RCFDHK25	2,114,196	M.1.g.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):			M.2.
a. Closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.a.
1. Three months or less.....	RCONA564	2,241	M.2.a.1.
2. Over three months through 12 months.....	RCONA565	2,771	M.2.a.2.
3. Over one year through three years.....	RCONA566	15,272	M.2.a.3.
4. Over three years through five years.....	RCONA567	9,244	M.2.a.4.
5. Over five years through 15 years.....	RCONA568	33,496	M.2.a.5.
6. Over 15 years.....	RCONA569	44,545	M.2.a.6.
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.b.
1. Three months or less.....	RCFDA570	216,386,476	M.2.b.1.
2. Over three months through 12 months.....	RCFDA571	6,711,869	M.2.b.2.
3. Over one year through three years.....	RCFDA572	23,952,874	M.2.b.3.
4. Over three years through five years.....	RCFDA573	40,062,568	M.2.b.4.
5. Over five years through 15 years.....	RCFDA574	28,938,895	M.2.b.5.
6. Over 15 years.....	RCFDA575	3,599,807	M.2.b.6.
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status).....	RCFDA247	26,341,071	M.2.c.
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column A <sup>4</sup> .....	RCFD2746	20,414,790	M.3.
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (included in Schedule RC-C, part I, item 1.c.(2)(a), column B).....	RCON5370	199	M.4.
5. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, Part I, item 1, column A, or Schedule RC-C, Part I, items 1.a.(1) through 1.e.(2), column A, as appropriate).....	RCFDB837	75,000	M.5.
6. Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a, column A.....	RCFDC391	3,243,169	M.6.

Memorandum item 6 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

4. Exclude loans secured by real estate that are included in Schedule RC-C, Part I, item 1, column A.

Dollar amounts in thousands

*Memorandum items 7.a and 7.b are to be completed by all banks semiannually in the June and December reports only.*

7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale):<sup>5</sup>

- a. Outstanding balance.....
- b. Amount included in Schedule RC-C, part I, items 1 through 9.....

*Memorandum items 8.a, 8.b, and 8.c are to be completed semiannually in the June and December reports only.*

8. Closed-end loans with negative amortization features secured by 1-4 family residential properties in domestic offices:

- a. Total amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, part I, items 1.c.(2)(a) and 1.c.(2)(b)).....

*Memorandum items 8.b and 8.c are to be completed semiannually in the June and December reports only by banks that had closed-end loans with negative amortization features secured by 1-4 family residential properties (as reported in Schedule RC-C, Part I, Memorandum item 8.a) as of December 31, 2021, that exceeded the lesser of \$100 million or 5 percent of total loans and leases held for investment and held for sale in domestic offices (as reported in Schedule RC-C, Part I, item 12, column B).*

- b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties.....
- c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the amount reported in Memorandum item 8.a above.....

		M.7.
RCFDC779	<b>NR</b>	M.7.a.
RCFDC780	<b>NR</b>	M.7.b.
		M.8.
RCONF230	<b>0</b>	M.8.a.
RCONF231	<b>NR</b>	M.8.b.
RCONF232	<b>NR</b>	M.8.c.

5. Memorandum item 7 is to be completed only by institutions that have not yet adopted ASU 2016-13.

Dollar amounts in thousands

9. Loans secured by 1-4 family residential properties in domestic offices in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b)).....	RCONF577	0	M.9.
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Dollar amounts in thousands

10. Not applicable			M.10.
11. Not applicable			M.11.

Dollar amounts in thousands

	(Column A) Fair value of acquired loans and leases at acquisition date	(Column B) Gross contractual amounts receivable at acquisition date	(Column C) Best estimate at acquisition date of contractual cash flows not expected to be collected				
<i>Memorandum items 12.a, 12.b, 12.c, and 12.d are to be completed semiannually in the June and December reports only.</i>							
12. Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: <sup>1</sup>				M.12.			
a. Loans secured by real estate.....	RCFDG091	0	RCFDG092	0	RCFDG093	0	M.12a
b. Commercial and industrial loans.....	RCFDG094	0	RCFDG095	0	RCFDG096	0	M.12b
c. Loans to individuals for household, family, and other personal expenditures.....	RCFDG097	0	RCFDG098	0	RCFDG099	0	M.12c
d. All other loans and all leases.....	RCFDG100	0	RCFDG101	0	RCFDG102	0	M.12d

Dollar amounts in thousands

<i>Memoranda item 13 is to be completed by banks that had construction, land development, and other land loans in domestic offices (as reported in Schedule RC-C, Part I, item 1.a., column B) that exceeded 100 percent of the sum of tier 1 capital (as reported in Schedule RC-R, Part I, item 26) plus the allowance for loan and lease losses or the allowance for credit losses on loans and leases, as applicable (as reported in Schedule RC, item 4.c) as of December 31, 2021.</i>				M.13.
13. Construction, land development, and other land loans in domestic offices with interest reserves:				
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, part I, item 1.a, column B).....	RCONG376	0		M.13.a.
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(a)(2)).	RIADG377	0		M.13.b.
<i>Memorandum item 14 is to be completed by all banks.</i>				
14. Pledged loans and leases.....	RCFDG378	116,939,205		M.14.
<i>Memorandum item 15 is to be completed for the December report only.</i>				
15. Reverse mortgages in domestic offices:				
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above).....	RCONPR04	0		M.15.a.
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages.....	RCONPR05	0		M.15.b.
c. Principal amount of reverse mortgage originations that have been sold during the year.....	RCONPR06	0		M.15.c.
<i>Memorandum item 16 is to be completed by all banks.</i>				
16. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit in domestic offices that have converted to non-revolving closed-end status (included in item 1.c.(1) above).....	RCONLE75	256		M.16.
<i>Amounts reported in Memorandum items 17.a and 17.b will not be made available to the public on an individual institution basis.</i>				
17. Eligible loan modifications under Section 4013, Temporary Relief from Troubled Debt Restructurings, of the 2020 Coronavirus Aid, Relief, and Economic Security Act:				
a. Number of Section 4013 loans outstanding.....	RCONLG24	CONF		M.17.a.
b. Outstanding balance of Section 4013 loans.....	RCONLG25	CONF		M.17.b.

1. Institutions that have adopted ASU 2016-13 should report only loans held for investment not considered purchased credit-deteriorated in Memorandum item 12.



## Schedule RC-C Part II - Loans to Small Businesses and Small Farms(Form Type - 031)

Report the number and amount currently outstanding as of the report date of business loans with "original amounts" of \$1,000,000 or less and farm loans with "original amounts" of \$500,000 or less. The following guidelines should be used to determine the "original amount" of a loan:  
 (1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date. (2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender. (3) For all other loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Dollar amounts in thousands

1. Not applicable			1.
2. Not applicable			2.

Dollar amounts in thousands

	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" in domestic offices reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), column B:					3.
a. With original amounts of \$100,000 or less.....	RCON5564	124	RCON5565	3,088	3.a.
b. With original amounts of more than \$100,000 through \$250,000.....	RCON5566	277	RCON5567	24,829	3.b.
c. With original amounts of more than \$250,000 through \$1,000,000.....	RCON5568	763	RCON5569	255,690	3.c.
4. Number and amount currently outstanding of "Commercial and industrial loans to U.S. addressees" in domestic offices reported in Schedule RC-C, part I, item 4.a, column B:					4.
a. With original amounts of \$100,000 or less.....	RCON5570	2294137	RCON5571	9,964,873	4.a.
b. With original amounts of more than \$100,000 through \$250,000.....	RCON5572	44970	RCON5573	2,221,118	4.b.
c. With original amounts of more than \$250,000 through \$1,000,000.....	RCON5574	4181	RCON5575	730,895	4.c.

Dollar amounts in thousands

5. Not applicable			5.
6. Not applicable			6.

Dollar amounts in thousands

	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B:					7.
a. With original amounts of \$100,000 or less.....	RCON5578	2	RCON5579	82	7.a.
b. With original amounts of more than \$100,000 through \$250,000.....	RCON5580	2	RCON5581	16	7.b.
c. With original amounts of more than \$250,000 through \$500,000.....	RCON5582	7	RCON5583	1,118	7.c.
8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B:					8.
a. With original amounts of \$100,000 or less.....	RCON5584	62	RCON5585	415	8.a.
b. With original amounts of more than \$100,000 through \$250,000.....	RCON5586	8	RCON5587	470	8.b.
c. With original amounts of more than \$250,000 through \$500,000.....	RCON5588	0	RCON5589	0	8.c.

## Schedule RC-D - Trading Assets and Liabilities(Form Type - 031)

Schedule RC-D is to be completed by banks that reported total trading assets of \$10 million or more in any of the four preceding calendar quarters, and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

Dollar amounts in thousands		Consolidated Bank		
1. U.S. Treasury securities.....		RCFD3531	0	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities).....		RCFD3532	0	2.
3. Securities issued by states and political subdivisions in the U.S.....		RCFD3533	0	3.
4. Mortgage-backed securities (MBS):				4.
a. Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA.....		RCFDG379	0	4.a.
b. Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (include CMOs, REMICs, and stripped MBS) <sup>1</sup> .....		RCFDG380	0	4.b.
c. All other residential MBS.....		RCFDG381	0	4.c.
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....		RCFDK197	0	4.d.
e. All other commercial MBS.....		RCFDK198	0	4.e.
5. Other debt securities:				5.
a. Structured financial products.....		RCFDHT62	0	5.a.
b. All other debt securities.....		RCFDG386	0	5.b.
6. Loans:				6.
a. Loans secured by real estate				6.a.
1. Loans secured by 1-4 family residential properties.....		RCFDHT63	0	6.a.1.
2. All other loans secured by real estate.....		RCFDHT64	0	6.a.2.
b. Commercial and industrial loans.....		RCFDF614	0	6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....		RCFDHT65	0	6.c.
d. Other loans.....		RCFDF618	0	6.d.
7. Not applicable				7.
8. Not applicable				8.
9. Other trading assets.....		RCFD3541	34,846	9.
10. Not applicable				10.
11. Derivatives with a positive fair value.....		RCFD3543	1,487,407	11.
12. Total trading assets (sum of items 1 through 11) (total of column A must equal Schedule RC, item 5).....		RCFD3545	1,522,253	12.
13. Not available				13.
a. Liability for short positions.....		RCFD3546	0	13.a.
b. Other trading liabilities.....		RCFDF624	0	13.b.
14. Derivatives with a negative fair value.....		RCFD3547	2,141,018	14.
15. Total trading liabilities (sum of items 13.a through 14) (total of column A must equal Schedule RC, item 15).....		RCFD3548	2,141,018	15.
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a through 6.d):				M.1.
a. Loans secured by real estate				M.1.a.
1. Loans secured by 1-4 family residential properties.....		RCFDHT66	0	M.1.a.1.
2. All other loans secured by real estate.....		RCFDHT67	0	M.1.a.2.
b. Commercial and industrial loans.....		RCFDF632	0	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....		RCFDHT68	0	M.1.c.
d. Other loans.....		RCFDF636	0	M.1.d.
<i>Memorandum items 2 through 10 are to be completed by banks with \$10 billion or more in total trading assets.</i>				M.2.
2. Loans measured at fair value that are past due 90 days or more: <sup>1</sup>				
a. Fair value.....		RCFDF639	NR	M.2.a.
b. Unpaid principal balance.....		RCFDF640	NR	M.2.b.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

1. The \$10 billion trading asset-size test is based on total trading assets reported on the June 30, 2022, Report of Condition.

Dollar amounts in thousands

		Consolidated Bank		
<i>Memorandum items 3 through 10 are to be completed by banks with \$10 billion or more in total trading assets.</i>				
3. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 3.a through 3.g must equal Schedule RC-D, sum of items 5.a.(1) through (3)):				M.3.
a. Trust preferred securities issued by financial institutions.....	RCFDG299		NR	M.3.a.
b. Trust preferred securities issued by real estate investment trusts.....	RCFDG332		NR	M.3.b.
c. Corporate and similar loans.....	RCFDG333		NR	M.3.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs).....	RCFDG334		NR	M.3.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs.....	RCFDG335		NR	M.3.e.
f. Diversified (mixed) pools of structured financial products.....	RCFDG651		NR	M.3.f.
g. Other collateral or reference assets.....	RCFDG652		NR	M.3.g.
4. Pledged trading assets:				M.4.
a. Pledged securities.....	RCFDG387		NR	M.4.a.
b. Pledged loans.....	RCFDG388		NR	M.4.b.

Dollar amounts in thousands

5. Asset-backed securities:				M.5.
a. Credit card receivables.....	RCFDF643		NR	M.5.a.
b. Home equity lines.....	RCFDF644		NR	M.5.b.
c. Automobile loans.....	RCFDF645		NR	M.5.c.
d. Other consumer loans.....	RCFDF646		NR	M.5.d.
e. Commercial and industrial loans.....	RCFDF647		NR	M.5.e.
f. Other.....	RCFDF648		NR	M.5.f.
6. Retained beneficial interests in securitizations (first-loss or equity tranches)				M.6.
7. Equity securities (included in Schedule RC-D, item 9, above):				M.7.
a. Readily determinable fair values.....	RCFDF652		NR	M.7.a.
b. Other.....	RCFDF653		NR	M.7.b.
8. Loans pending securitization.....	RCFDF654		NR	M.8.
9. Other trading assets (itemize and describe amounts included in Schedule RC-D, item 9, that are greater than \$1,000,000 and exceed 25% of the item): <sup>1</sup>				M.9.
a. Disclose component and the dollar amount of that component:				M.9.a.
1. Describe component.....	TEXTF655		NR	M.9.a.1.
2. Amount of component.....	RCFDF655		0	M.9.a.2.
b. Disclose component and the dollar amount of that component:				M.9.b.
(TEXTF656) NR	RCFDF656		0	M.9.b.1.
c. Disclose component and the dollar amount of that component:				M.9.c.
(TEXTF657) NR	RCFDF657		0	M.9.c.1.
10. Other trading liabilities (itemize and describe amounts included in Schedule RC-D, item 13.b, that are greater than \$1,000,000 and exceed 25% of the item):				M.10.
a. Disclose component and the dollar amount of that component:				M.10.a.
1. Describe component.....	TEXTF658		NR	M.10.a.1.
2. Amount of component.....	RCFDF658		0	M.10.a.2.
b. Disclose component and the dollar amount of that component:				M.10.b.
(TEXTF659) NR	RCFDF659		0	M.10.b.1.
c. Disclose component and the dollar amount of that component:				M.10.c.
(TEXTF660) NR	RCFDF660		0	M.10.c.1.

1. Exclude equity securities.

### Schedule RC-E Part I - Deposits in Domestic Offices(Form Type - 031)

Dollar amounts in thousands		(Column A) Transaction Accounts Total Transaction accounts (including total demand deposits)		(Column B) Transaction Accounts Memo: Total demand deposits (included in column A)		(Column C) Nontransaction Accounts Total nontransaction accounts (including MMDAs)	
Deposits of:							
1. Individuals, partnerships, and corporations (include all certified and official checks).....	RCONB549	<b>58,115,760</b>			RCONB550	<b>309,350,119</b>	1.
2. U.S. Government.....	RCON2202	<b>673</b>			RCON2520	<b>0</b>	2.
3. States and political subdivisions in the U.S.....	RCON2203	<b>6,423,694</b>			RCON2530	<b>143,281</b>	3.
4. Commercial banks and other depository institutions in the U.S.....	RCONB551	<b>3,913</b>			RCONB552	<b>0</b>	4.
5. Banks in foreign countries.....	RCON2213	<b>0</b>			RCON2236	<b>0</b>	5.
6. Foreign governments and official institutions (including foreign central banks).....	RCON2216	<b>0</b>			RCON2377	<b>0</b>	6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a).....	RCON2215	<b>64,544,040</b>	RCON2210	<b>54,852,957</b>	RCON2385	<b>309,493,400</b>	7.

Dollar amounts in thousands

1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			M.1.
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts.....	RCON6835	0	M.1.a.
b. Total brokered deposits.....	RCON2365	18,685,591	M.1.b.
c. Brokered deposits of \$250,000 or less (fully insured brokered deposits) <sup>2</sup> .....	RCONHK05	18,572,817	M.1.c.
d. Maturity data for brokered deposits:			M.1.d.
1. Brokered deposits of \$250,000 or less with a remaining maturity of one year or less (included in Memorandum item 1.c above).....	RCONHK06	8,145,498	M.1.d.1.
2. Not applicable.....			M.1.d.2.
3. Brokered deposits of more than \$250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b above).....	RCONK220	99,151	M.1.d.3.
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only).....	RCON5590	5,980,649	M.1.e.
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits.....	RCONK223	14,240,006	M.1.f.
g. Total reciprocal deposits (as of the report date).....	RCONJH83	213,047	M.1.g.
<i>Memorandum items 1.h.(1)(a), 1.h.(2)(a), 1.h.(3)(a), and 1.h.(4)(a) are to be completed by banks with \$100 billion or more in total assets</i>			M.1.h.
h. Sweep deposits:			
1. Fully insured, affiliate sweep deposits.....	RCONMT87	0	M.1.h.1.
a. Fully insured, affiliate, retail sweep deposits.....	RCONMT88	0	M.1.h.1.a.
2. Not fully insured, affiliate sweep deposits.....	RCONMT89	0	M.1.h.2.
a. Not fully insured, affiliate, retail sweep deposits.....	RCONMT90	0	M.1.h.2.a.
3. Fully insured, non-affiliate sweep deposits.....	RCONMT91	1,093,209	M.1.h.3.
a. Fully insured, non-affiliate, retail sweep deposits.....	RCONMT92	1,093,209	M.1.h.3.a.
4. Not fully insured, non-affiliate sweep deposits.....	RCONMT93	0	M.1.h.4.
a. Not fully insured, non-affiliate, retail sweep deposits.....	RCONMT94	0	M.1.h.4.a.
i. Total sweep deposits that are not brokered deposits.....	RCONMT95	0	M.1.i.
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):			M.2.
a. Savings deposits:			M.2.a.
1. Money market deposit accounts (MMDAs).....	RCON6810	37,657,846	M.2.a.1.
2. Other savings deposits (excludes MMDAs).....	RCON0352	188,822,025	M.2.a.2.
b. Total time deposits of less than \$100,000.....	RCON6648	42,612,350	M.2.b.
c. Total time deposits of \$100,000 through \$250,000.....	RCONJ473	24,644,646	M.2.c.
d. Total time deposits of more than \$250,000.....	RCONJ474	15,756,533	M.2.d.
e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of \$100,000 or more included in Memorandum items 2.c and 2.d above.....	RCONF233	0	M.2.e.
3. Maturity and repricing data for time deposits of \$250,000 or less:			M.3.
a. Time deposits of \$250,000 or less with a remaining maturity or next repricing date of:			M.3.a.
1. Three months or less.....	RCONHK07	25,503,019	M.3.a.1.
2. Over three months through 12 months.....	RCONHK08	22,007,107	M.3.a.2.
3. Over one year through three years.....	RCONHK09	12,640,886	M.3.a.3.
4. Over three years.....	RCONHK10	7,105,984	M.3.a.4.
b. Time deposits of \$250,000 or less with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above) <sup>3</sup> .....	RCONHK11	47,510,126	M.3.b.
4. Maturity and repricing data for time deposits of more than \$250,000:			M.4.
a. Time deposits of more than \$250,000 with a remaining maturity or next repricing date of:			M.4.a.
1. Three months or less.....	RCONHK12	9,555,475	M.4.a.1.
2. Over three months through 12 months.....	RCONHK13	3,772,075	M.4.a.2.
3. Over one year through three years.....	RCONHK14	1,561,297	M.4.a.3.
4. Over three years.....	RCONHK15	867,686	M.4.a.4.

2. The dollar amount used as the basis for reporting in Memorandum item 1.c reflects the deposit insurance limit in effect on the report date.  
 3. Report both fixed- and floating-rate time deposits by remaining maturity. Exclude floating rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.

Dollar amounts in thousands

b. Time deposits of more than \$250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above) <sup>3</sup> .....	RCONK222	<b>13,327,550</b>	M.4.b.
5. Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?.....	RCONP752	<b>Yes</b>	M.5.
<i>Memorandum items 6 and 7 are to be completed by institutions with \$1 billion or more in total assets that answered "Yes" to Memorandum item 5 above.</i>			
6. Components of total transaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 6.a and 6.b must be less than or equal to item 1, column A, above): <sup>5</sup>			M.6.
a. Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.....	RCONP753	<b>10,720,256</b>	M.6.a.
b. Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.....	RCONP754	<b>18,423,358</b>	M.6.b.
7. Components of total nontransaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal item 1, column C, above):			M.7.
a. Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Memorandum item 2.a.(1) above):			M.7.a.
1. Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use.....	RCONP756	<b>100,347</b>	M.7.a.1.
2. Deposits in all other MMDAs of individuals, partnerships, and corporations.....	RCONP757	<b>37,557,499</b>	M.7.a.2.
b. Other savings deposit accounts of individuals, partnerships, and corporations (sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Memorandum item 2.a.(2) above):			M.7.b.
1. Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use.....	RCONP758	<b>187,584,130</b>	M.7.b.1.
2. Deposits in all other savings deposit accounts of individuals, partnerships, and corporations.....	RCONP759	<b>1,181,198</b>	M.7.b.2.

## Schedule RC-E Part II - Deposits in Foreign Offices including Edge and Agreement subsidiaries and IBFs(Form Type - 031)

Dollar amounts in thousands

Deposits of:			
1. Individuals, partnerships, and corporations (include all certified and official checks).....	RCFNB553	<b>118,562</b>	1.
2. U.S. banks (including IBFs and foreign branches of U.S. banks) and other U.S. depository institutions.....	RCFNB554	<b>0</b>	2.
3. Foreign banks (including U.S. branches and agencies of foreign banks, including their IBFs).....	RCFN2625	<b>0</b>	3.
4. Foreign governments and official institutions (including foreign central banks).....	RCFN2650	<b>4,478</b>	4.
5. U.S. Government and states and political subdivisions in the U.S.....	RCFNB555	<b>0</b>	5.
6. Total.....	RCFN2200	<b>123,040</b>	6.
1. Time deposits with a remaining maturity of one year or less (included in Schedule RC, item 13.b).....	RCFNA245	<b>0</b>	M.1.

5. The \$1 billion asset size test is based on the total assets reported on the June 30, 2022, Report of Condition.

## Schedule RC-F - Other Assets(Form Type - 031)

Dollar amounts in thousands

1. Accrued interest receivable <sup>2</sup> .....	RCFDB556	<b>2,477,668</b>	1.
2. Net deferred tax assets <sup>3</sup> .....	RCFD2148	<b>7,887,189</b>	2.
3. Interest-only strips receivable (not in the form of a security) <sup>4</sup> .....	RCFDHT80	<b>0</b>	3.
4. Equity investments without readily determinable fair values <sup>5</sup> .....	RCFD1752	<b>1,380,794</b>	4.
5. Life insurance assets:			5.
a. General account life insurance assets.....	RCFDK201	<b>107,971</b>	5.a.
b. Separate account life insurance assets.....	RCFDK202	<b>1,867,433</b>	5.b.
c. Hybrid account life insurance assets.....	RCFDK270	<b>0</b>	5.c.
6. All other assets (itemize and describe amounts greater than \$100,000 that exceed 25% of this item).....	RCFD2168	<b>6,056,854</b>	6.
a. Prepaid expenses.....	RCFD2166	<b>0</b>	6.a.
b. Repossessed personal property (including vehicles).....	RCFD1578	<b>0</b>	6.b.
c. Derivatives with a positive fair value held for purposes other than trading.....	RCFDC010	<b>0</b>	6.c.
d. Not applicable			6.d.
e. Computer software.....	RCFDFT33	<b>0</b>	6.e.
f. Accounts receivable.....	RCFDFT34	<b>0</b>	6.f.
g. Receivables from foreclosed government-guaranteed mortgage loans.....	RCFDFT35	<b>0</b>	6.g.
h. Disclose component and the dollar amount of that component:			6.h.
1. Describe component.....	TEXT3549	<b>Click here for value</b>	6.h.1.
2. Amount of component.....	RCFD3549	<b>2,222,607</b>	6.h.2.
i. Disclose component and the dollar amount of that component:			6.i.
1. Describe component.....	TEXT3550	<b>NR</b>	6.i.1.
2. Amount of component.....	RCFD3550	<b>0</b>	6.i.2.
j. Disclose component and the dollar amount of that component:			6.j.
1. Describe component.....	TEXT3551	<b>NR</b>	6.j.1.
2. Amount of component.....	RCFD3551	<b>0</b>	6.j.2.
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11).....	RCFD2160	<b>19,777,909</b>	7.

(TEXT3549) Misc. Assets (NMTC Loans)

2. Include accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets. Exclude accrued interest receivables on financial assets that are reported elsewhere on the balance sheet.  
 3. See discussion of deferred income taxes in Glossary entry on "income taxes."  
 4. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate.  
 5. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.



## Schedule RC-G - Other Liabilities(Form Type - 031)

Dollar amounts in thousands

1. Not available			1.
a. Interest accrued and unpaid on deposits in domestic offices <sup>6</sup> .....	RCON3645	<b>280,414</b>	1.a.
b. Other expenses accrued and unpaid (includes accrued income taxes payable).....	RCFD3646	<b>10,990,081</b>	1.b.
2. Net deferred tax liabilities <sup>2</sup> .....	RCFD3049	<b>0</b>	2.
3. Allowance for credit losses on off-balance sheet credit exposures <sup>7</sup> .....	RCFDB557	<b>158,366</b>	3.
4. All other liabilities (itemize and describe amounts greater than \$100,000 that exceed 25 percent of this item).....	RCFD2938	<b>9,619,540</b>	4.
a. Accounts payable.....	RCFD3066	<b>0</b>	4.a.
b. Deferred compensation liabilities.....	RCFDC011	<b>0</b>	4.b.
c. Dividends declared but not yet payable.....	RCFD2932	<b>0</b>	4.c.
d. Derivatives with a negative fair value held for purposes other than trading.....	RCFDC012	<b>0</b>	4.d.
e. Operating lease liabilities.....	RCFDLB56	<b>0</b>	4.e.
f. Disclose component and the dollar amount of that component:			4.f.
1. Describe component.....	TEXT3552	<b>NR</b>	4.f.1.
2. Amount of component.....	RCFD3552	<b>0</b>	4.f.2.
g. Disclose component and the dollar amount of that component:			4.g.
1. Describe component.....	TEXT3553	<b>NR</b>	4.g.1.
2. Amount of component.....	RCFD3553	<b>0</b>	4.g.2.
h. Disclose component and the dollar amount of that component:			4.h.
1. Describe component.....	TEXT3554	<b>NR</b>	4.h.1.
2. Amount of component.....	RCFD3554	<b>0</b>	4.h.2.
5. Total.....	RCFD2930	<b>21,048,401</b>	5.

6. For savings banks, include "dividends" accrued and unpaid on deposits.

2. See discussion of deferred income taxes in Glossary entry on "income taxes."

7. Institutions that have adopted ASU 2016-13 should report in Schedule RC-G, item 3 the allowance for credit losses on those off-balance sheet credit exposures that are not unconditionally cancelable.

## Schedule RC-H - Selected Balance Sheet Items for Domestic Offices (Form Type - 031)

To be completed only by banks with foreign offices.

Dollar amounts in thousands

1. Not applicable			1.
2. Not applicable			2.
3. Securities purchased under agreements to resell.....	RCONB989	0	3.
4. Securities sold under agreements to repurchase.....	RCONB995	538,240	4.
5. Other borrowed money.....	RCON3190	24,553,075	5.
<i>EITHER</i>			
6. Net due from own foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RCON2163	6,764,740	6.
<i>OR</i>			
7. Net due to own foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RCON2941	0	7.
8. Total assets (excludes net due from foreign offices, Edge and Agreement subsidiaries, and IBFs).....	RCON2192	468,302,931	8.
9. Total liabilities (excludes net due to foreign offices, Edge and Agreement subsidiaries, and IBFs).....	RCON3129	421,880,245	9.

Dollar amounts in thousands

	(Column A) Amortized Cost of Held-to-Maturity Securities		(Column B) Fair Value of Available-for-Sale Securities		
10. U.S. Treasury securities.....	RCON0211	0	RCON1287	5,272,225	10.
11. U.S. Government agency obligations (exclude mortgage-backed securities).....	RCON8492	0	RCON8495	9,998	11.
12. Securities issued by states and political subdivisions in the U.S.....	RCON8496	0	RCON8499	0	12.
13. Mortgage-backed securities (MBS):					13.
a. Mortgage pass-through securities:					13.a.
1. Issued or guaranteed by FNMA, FHLMC, or GNMA.....	RCONG389	0	RCONG390	47,981,505	13.a.1.
2. Other mortgage pass-through securities.....	RCON1709	0	RCON1713	0	13.a.2.
b. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS):					13.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....	RCONG393	0	RCONG394	18,360,255	13.b.1.
2. All other mortgage-backed securities.....	RCON1733	0	RCON1736	319,588	13.b.2.
14. Other domestic debt securities (include domestic structured financial products and domestic asset-backed securities).....	RCONG397	0	RCONG398	6,331,808	14.
15. Other foreign debt securities (include foreign structured financial products and foreign asset-backed securities).....	RCONG399	0	RCONG400	461,609	15.
16. Not applicable.					16.
17. Total held-to-maturity and available-for-sale debt securities (sum of items 10 through 15).....	RCON1754	0	RCON1773	78,736,988	17.

Dollar amounts in thousands

18. Equity investments not held for trading:			18.
a. Equity securities with readily determinable fair values <sup>4</sup> .....	RCONJA22	578,068	18.a.
b. Equity investments without readily determinable fair values.....	RCON1752	1,380,794	18.b.
<i>Items 19, 20 and 21 are to be completed by banks that reported total trading assets of \$10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.</i>			
19. Total trading assets.....	RCON3545	1,522,253	19.
20. Total trading liabilities.....	RCON3548	2,141,018	20.
21. Total loans held for trading.....	RCONHT71	0	21.
<i>Item 22 is to be completed by banks that: (1) have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or (2) are required to complete Schedule RC-D, Trading Assets and Liabilities.</i>			
22. Total amount of fair value option loans held for investment and held for sale.....	RCONJF75	0	22.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

4. Item 18.a is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

## Schedule RC-I - Assets and Liabilities of IBFs(Form Type - 031)

To be completed only by banks with IBFs and other "foreign" offices.

Dollar amounts in thousands

1. Total IBF assets of the consolidated bank (component of Schedule RC, item 12).....	RCFN2133	<b>NR</b>	1.
2. Total IBF liabilities (component of Schedule RC, item 21).....	RCFN2898	<b>NR</b>	2.

## Schedule RC-K - Quarterly Averages(Form Type - 031)

Dollar amounts in thousands

1. Interest-bearing balances due from depository institutions.....	RCFD3381	<b>40,089,524</b>	1.
2. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities) <sup>2</sup> .....	RCFDB558	<b>5,255,075</b>	2.
3. Mortgage-backed securities <sup>2</sup> .....	RCFDB559	<b>75,605,977</b>	3.
4. All other debt securities and equity securities with readily determinable fair values not held for trading <sup>2</sup> .....	RCFDB560	<b>7,776,649</b>	4.
5. Federal funds sold and securities purchased under agreements to resell.....	RCFD3365	<b>543</b>	5.
6. Loans:			6.
a. Loans in domestic offices:			6.a.
1. Total loans.....	RCON3360	<b>310,155,995</b>	6.a.1.
2. Loans secured by real estate:			6.a.2.
a. Loans secured by 1-4 family residential properties.....	RCON3465	<b>129,549</b>	6.a.2.a.
b. All other loans secured by real estate.....	RCON3466	<b>29,191,862</b>	6.a.2.b.
3. Loans to finance agricultural production and other loans to farmers .....	RCON3386	<b>899</b>	6.a.3.
4. Commercial and industrial loans.....	RCON3387	<b>46,980,271</b>	6.a.4.
5. Loans to individuals for household, family, and other personal expenditures:			6.a.5.
a. Credit cards.....	RCONB561	<b>129,959,618</b>	6.a.5.a.
b. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....	RCONB562	<b>74,871,167</b>	6.a.5.b.
b. Total loans in foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RCFN3360	<b>6,514,746</b>	6.b.
<i>Item 7 is to be completed by banks with total trading assets of \$10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.</i>			
7. Trading assets.....	RCFD3401	<b>1,520,532</b>	7.
8. Lease financing receivables (net of unearned income).....	RCFD3484	<b>0</b>	8.
9. Total assets <sup>4</sup> .....	RCFD3368	<b>478,716,803</b>	9.
10. Interest-bearing transaction accounts in domestic offices (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....	RCON3485	<b>37,698,644</b>	10.
11. Nontransaction accounts in domestic offices:			11.
a. Savings deposits (includes MMDAs).....	RCONB563	<b>227,196,104</b>	11.a.
b. Time deposits of \$250,000 or less.....	RCONHK16	<b>66,008,643</b>	11.b.
c. Time deposits of more than \$250,000.....	RCONHK17	<b>14,978,944</b>	11.c.
12. Interest-bearing deposits in foreign offices, EDGE and Agreement subsidiaries, and IBFs.....	RCFN3404	<b>0</b>	12.
13. Federal funds purchased and securities sold under agreements to repurchase.....	RCFD3353	<b>426,510</b>	13.
14. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases).....	RCFD3355	<b>22,870,327</b>	14.

2. Quarterly averages for all debt securities should be based on amortized cost.

2. Quarterly averages for all debt securities should be based on amortized cost.

4. The quarterly average for total assets should reflect securities not held for trading as follows: a) Debt securities at amortized cost, b) Equity securities with readily determinable fair values at fair value, c) Equity investments without readily determinable fair values, their balance sheet carrying values (i.e., fair value or, if elected, cost minus impairment, if any, plus or minus changes resulting from observable price changes).

## Schedule RC-L - Derivatives and Off-Balance Sheet Items(Form Type - 031)

Please read carefully the instructions for the preparation of Schedule RC-L. Some of the amounts reported in Schedule RC-L are regarded as volume indicators and not necessarily as measures of risk.

Dollar amounts in thousands

1. Unused commitments:					1.
a. Revolving, open-end lines secured by 1-4 family residential properties, i.e., home equity lines.....	RCFD3814		<b>19,178</b>		1.a.
<i>Item 1.a.(1) is to be completed for the December report only.</i>					
1. Unused commitments for reverse mortgages outstanding that are held for investment in domestic offices..	RCONHT72		<b>0</b>		1.a.1.
b. Credit card lines (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b.).....	RCFD3815		<b>392,285,533</b>		1.b.
<i>Items 1.b.(1) and 1.b.(2) are to be completed by banks with either \$300 million or more in total assets or \$300 million or more in credit card lines. (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b)</i>					
<i>Items 1.b.(1) and 1.b.(2) are to be completed semiannually in the June and December reports only.</i>					
1. Unused consumer credit card lines.....	RCFDJ455		<b>368,158,069</b>		1.b.1.
2. Other unused credit card lines.....	RCFDJ456		<b>24,127,464</b>		1.b.2.
c. Commitments to fund commercial real estate, construction, and land development loans:					1.c.
1. Secured by real estate:					1.c.1.
a. 1-4 family residential construction loan commitments.....	RCFDF164		<b>113</b>		1.c.1.a.
b. Commercial real estate, other construction loan, and land development loan commitments.....	RCFDF165		<b>3,889,366</b>		1.c.1.b.
2. Not secured by real estate.....	RCFD6550		<b>7,374,143</b>		1.c.2.
d. Securities underwriting.....	RCFD3817		<b>0</b>		1.d.
e. Other unused commitments:					1.e.
1. Commercial and industrial loans.....	RCFDJ457		<b>24,526,809</b>		1.e.1.
2. Loans to financial institutions.....	RCFDJ458		<b>11,233,111</b>		1.e.2.
3. All other unused commitments.....	RCFDJ459		<b>530,403</b>		1.e.3.
2. Financial standby letters of credit and foreign office guarantees.....	RCFD3819		<b>1,236,379</b>		2.
<i>Item 2.a is to be completed by banks with \$1 billion or more in total assets.</i>					
a. Amount of financial standby letters of credit conveyed to others <sup>1</sup> .....	RCFD3820		<b>76,135</b>		2.a.
3. Performance standby letters of credit and foreign office guarantees.....	RCFD3821		<b>220,152</b>		3.
<i>Item 3.a is to be completed by banks with \$1 billion or more in total assets.</i>					
a. Amount of performance standby letters of credit conveyed to others <sup>1</sup> .....	RCFD3822		<b>84,647</b>		3.a.
4. Commercial and similar letters of credit.....	RCFD3411		<b>8,265</b>		4.
5. Not applicable					5.
6. Securities lent and borrowed:					6.
a. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank).....	RCFD3433		<b>0</b>		6.a.
b. Securities borrowed.....	RCFD3432		<b>0</b>		6.b.

Dollar amounts in thousands

	(Column A) Sold Protection		(Column B) Purchased Protection		
7. Credit derivatives:					7.
a. Notional amounts:					7.a.
1. Credit default swaps.....	RCFDC968	<b>0</b>	RCFDC969	<b>0</b>	7.a.1.
2. Total return swaps.....	RCFDC970	<b>0</b>	RCFDC971	<b>0</b>	7.a.2.
3. Credit options.....	RCFDC972	<b>0</b>	RCFDC973	<b>0</b>	7.a.3.
4. Other credit derivatives.....	RCFDC974	<b>3,136,862</b>	RCFDC975	<b>3,867,151</b>	7.a.4.
b. Gross fair values:					7.b.
1. Gross positive fair value.....	RCFDC219	<b>0</b>	RCFDC221	<b>19,914</b>	7.b.1.
2. Gross negative fair value.....	RCFDC220	<b>199</b>	RCFDC222	<b>1,079</b>	7.b.2.

Dollar amounts in thousands

c. Notional amounts by regulatory capital treatment: <sup>1</sup>				7.c.
1. Positions covered under the Market Risk Rule:				7.c.1.
a. Sold protection.....	RCFDG401		0	7.c.1.a.
b. Purchased protection.....	RCFDG402		0	7.c.1.b.
2. All other positions:				7.c.2.
a. Sold protection.....	RCFDG403		3,136,862	7.c.2.a.
b. Purchased protection that is recognized as a guarantee for regulatory capital purposes.....	RCFDG404		0	7.c.2.b.
c. Purchased protection that is not recognized as a guarantee for regulatory capital purposes.....	RCFDG405		3,867,151	7.c.2.c.

Dollar amounts in thousands

	(Column A) Remaining Maturity of One Year or Less		(Column B) Remaining Maturity of Over One Year Through Five Years		(Column C) Remaining Maturity of Over Five Years		
d. Notional amounts by remaining maturity:							7.d.
1. Sold credit protection: <sup>2</sup>							7.d.1.
a. Investment grade.....	RCFDG406	0	RCFDG407	0	RCFDG408	0	7d1a.
b. Subinvestment grade.....	RCFDG409	353,235	RCFDG410	2,574,640	RCFDG411	208,987	7d1b.
2. Purchased credit protection: <sup>3</sup>							7.d.2.
a. Investment grade.....	RCFDG412	0	RCFDG413	0	RCFDG414	0	7d2a.
b. Subinvestment grade.....	RCFDG415	717,545	RCFDG416	2,598,664	RCFDG417	550,942	7d2b.

1. The asset-size tests and the \$300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2022, Report of Condition.  
 1. The asset-size tests and the \$300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2022, Report of Condition.

Dollar amounts in thousands

8. Spot foreign exchange contracts.....	RCFD8765	<b>295,250</b>	8.
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital").....	RCFD3430	<b>0</b>	9.
a. Not applicable			9.a.
b. Commitments to purchase when-issued securities.....	RCFD3434	<b>0</b>	9.b.
c. Standby letters of credit issued by another party (e.g., a Federal Home Loan Bank) on the bank's behalf.....	RCFDC978	<b>0</b>	9.c.
d. Disclose component and the dollar amount of that component:			9.d.
1. Describe component.....	TEXT3555	<b>NR</b>	9.d.1.
2. Amount of component.....	RCFD3555	<b>0</b>	9.d.2.
e. Disclose component and the dollar amount of that component:			9.e.
1. Describe component.....	TEXT3556	<b>NR</b>	9.e.1.
2. Amount of component.....	RCFD3556	<b>0</b>	9.e.2.
f. Disclose component and the dollar amount of that component:			9.f.
(TEXT3557) NR	RCFD3557	<b>0</b>	9.f.1.
10. All other off-balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital").....	RCFD5591	<b>0</b>	10.
a. Commitments to sell when-issued securities.....	RCFD3435	<b>0</b>	10.a.
b. Disclose component and the dollar amount of that component:			10.b.
1. Describe component.....	TEXT5592	<b>NR</b>	10.b.1.
2. Amount of component.....	RCFD5592	<b>0</b>	10.b.2.
c. Disclose component and the dollar amount of that component:			10.c.
1. Describe component.....	TEXT5593	<b>NR</b>	10.c.1.
2. Amount of component.....	RCFD5593	<b>0</b>	10.c.2.
d. Disclose component and the dollar amount of that component:			10.d.
1. Describe component.....	TEXT5594	<b>NR</b>	10.d.1.
2. Amount of component.....	RCFD5594	<b>0</b>	10.d.2.
e. Disclose component and the dollar amount of that component:			10.e.
1. Describe component.....	TEXT5595	<b>NR</b>	10.e.1.
2. Amount of component.....	RCFD5595	<b>0</b>	10.e.2.
<i>Items 11.a and 11.b are to be completed semiannually in the June and December reports only.</i>			11.
11. Year-to-date merchant credit card sales volume:			
a. Sales for which the reporting bank is the acquiring bank.....	RCFDC223	<b>5,396,213</b>	11.a.
b. Sales for which the reporting bank is the agent bank with risk.....	RCFDC224	<b>0</b>	11.b.

1. Sum of items 7.c.(1)(a) and 7.c.(2)(a), must equal sum of items 7.a.(1) through (4), column A. Sum of items 7.c.(1)(b), 7.c.(2)(b), and 7.c.(2)(c) must equal sum of items 7.a.(1) through (4), column B.

2. Sum of items 7.d.(1)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column A.

3. Sum of items 7.d.(2)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column B.

Dollar amounts in thousands		(Column A) Interest Rate Contracts	(Column B) Foreign Exchange Contracts	(Column C) Equity Derivative Contracts	(Column D) Commodity and Other Contracts				
12. Gross amounts (e.g., notional amounts):						12.			
a. Futures contracts.....	RCFD8693	15,065,000	RCFD8694	0	RCFD8695	0	RCFD8696	9,810,166	12.a.
b. Forward contracts.....	RCFD8697	564,138	RCFD8698	12,170,190	RCFD8699	0	RCFD8700	0	12.b.
c. Exchange-traded option contracts:									12.c.
1. Written options.....	RCFD8701	0	RCFD8702	0	RCFD8703	0	RCFD8704	0	12c.1.
2. Purchased options.....	RCFD8705	0	RCFD8706	0	RCFD8707	0	RCFD8708	0	12c.2.
d. Over-the-counter option contracts:									12.d.
1. Written options.....	RCFD8709	0	RCFD8710	22,222	RCFD8711	0	RCFD8712	524,475	12d.1.
2. Purchased options.....	RCFD8713	0	RCFD8714	22,222	RCFD8715	0	RCFD8716	342,901	12d.2.
e. Swaps.....	RCFD3450	200,882,413	RCFD3826	4,882,937	RCFD8719	0	RCFD8720	7,753,231	12.e.
13. Total gross notional amount of derivative contracts held for trading.....	RCFDA126	107,742,577	RCFDA127	9,739,789	RCFD8723	0	RCFD8724	18,430,773	13.
14. Total gross notional amount of derivative contracts held for purposes other than trading.....	RCFD8725	108,768,974	RCFD8726	7,357,783	RCFD8727	0	RCFD8728	0	14.
a. Interest rate swaps where the bank has agreed to pay a fixed rate.....	RCFDA589	5,408,639							14.a.
15. Gross fair values of derivative contracts:									15.
a. Contracts held for trading:									15.a.
1. Gross positive fair value.....	RCFD8733	1,103,008	RCFD8734	143,088	RCFD8735	0	RCFD8736	1,148,681	15a.1.
2. Gross negative fair value.....	RCFD8737	1,292,501	RCFD8738	134,769	RCFD8739	0	RCFD8740	1,146,152	15a.2.
b. Contracts held for purposes other than trading:									15.b.
1. Gross positive fair value.....	RCFD8741	246,361	RCFD8742	1,952	RCFD8743	0	RCFD8744	0	15b.1.
2. Gross negative fair value.....	RCFD8745	64,308	RCFD8746	155,301	RCFD8747	0	RCFD8748	0	15b.2.

Dollar amounts in thousands		(Column A) Banks and Securities Firms	(Column B)	(Column C) Hedge Funds	(Column D) Sovereign Governments	(Column E) Corporations and All Other Counterparties				
<i>Item 16 is to be completed only by banks with total assets of \$10 billion or more.</i>										
16. Over-the counter derivatives: <sup>1</sup>							16.			
a. Net current credit exposure.....	RCFDG418	2,156,890		RCFDG420	0	RCFDG421	0	RCFDG422	828,976	16.a.
b. Fair value of collateral:									16.b.	
1. Cash - U.S. dollar.....	RCFDG423	858,083		RCFDG425	0	RCFDG426	0	RCFDG427	0	16.b.1.
2. Cash - Other currencies.....	RCFDG428	0		RCFDG430	0	RCFDG431	0	RCFDG432	0	16.b.2.
3. U.S. Treasury securities.....	RCFDG433	5,497		RCFDG435	0	RCFDG436	0	RCFDG437	0	16.b.3.
4. U.S. Government agency and U.S. Government-sponsored agency debt securities.....	RCFDG438	10,055		RCFDG440	0	RCFDG441	0	RCFDG442	0	16.b.4.
5. Corporate bonds.....	RCFDG443	0		RCFDG445	0	RCFDG446	0	RCFDG447	0	16.b.5.
6. Equity securities.....	RCFDG448	0		RCFDG450	0	RCFDG451	0	RCFDG452	0	16.b.6.
7. All other collateral.....	RCFDG453	0		RCFDG455	0	RCFDG456	0	RCFDG457	0	16.b.7.
8. Total fair value of collateral (sum of items 16.b.(1) through (7)).....	RCFDG458	873,635		RCFDG460	0	RCFDG461	0	RCFDG462	0	16.b.8.

1. The \$10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.



## Schedule RC-M - Memoranda(Form Type - 031)

Dollar amounts in thousands

1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:			1.
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests.....	RCFD6164	<b>964</b>	1.a.
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of \$500,000 or 5 percent of total capital as defined for this purpose in agency regulations.....	RCFD6165	<b>0</b>	1.b.
2. Intangible assets:			2.
a. Mortgage servicing assets.....	RCFD3164	<b>389,747</b>	2.a.
1. Estimated fair value of mortgage servicing assets.....	RCFDA590	<b>389,747</b>	2.a.1.
b. Goodwill.....	RCFD3163	<b>14,731,646</b>	2.b.
c. All other intangible assets.....	RCFDJF76	<b>299,835</b>	2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10).....	RCFD2143	<b>15,421,228</b>	2.d.
3. Other real estate owned:			3.
a. Construction, land development, and other land in domestic offices.....	RCON5508	<b>0</b>	3.a.
b. Farmland in domestic offices.....	RCON5509	<b>0</b>	3.b.
c. 1-4 family residential properties in domestic offices.....	RCON5510	<b>0</b>	3.c.
d. Multifamily (5 or more) residential properties in domestic offices.....	RCON5511	<b>0</b>	3.d.
e. Nonfarm nonresidential properties in domestic offices.....	RCON5512	<b>41,283</b>	3.e.
f. In foreign offices.....	RCFN5513	<b>0</b>	3.f.
g. Total (sum of items 3.a through 3.g) (must equal Schedule RC, item 7).....	RCFD2150	<b>41,283</b>	3.g.
4. Cost of equity securities with readily determinable fair values not held for trading (the fair value of which is reported in Schedule RC, item 2.c) <sup>1</sup> .....	RCFDJA29	<b>0</b>	4.
5. Other borrowed money:			5.
a. Federal Home Loan Bank advances:			5.a.
1. Advances with a remaining maturity or next repricing date of: <sup>1</sup>			5.a.1.
a. One year or less.....	RCFDF055	<b>0</b>	5.a.1.a.
b. Over one year through three years.....	RCFDF056	<b>0</b>	5.a.1.b.
c. Over three years through five years.....	RCFDF057	<b>0</b>	5.a.1.c.
d. Over five years.....	RCFDF058	<b>0</b>	5.a.1.d.
2. Advances with a remaining maturity of one year or less (included in item 5.a.(1)(a) above) <sup>2</sup> .....	RCFD2651	<b>0</b>	5.a.2.
3. Structured advances (included in items 5.a.(1)(a) - (d) above).....	RCFDF059	<b>0</b>	5.a.3.
b. Other borrowings:			5.b.
1. Other borrowings with a remaining maturity or next repricing date of: <sup>3</sup>			5.b.1.
a. One year or less.....	RCFDF060	<b>8,442,316</b>	5.b.1.a.
b. Over one year through three years.....	RCFDF061	<b>10,266,227</b>	5.b.1.b.
c. Over three years through five years.....	RCFDF062	<b>5,840,876</b>	5.b.1.c.
d. Over five years.....	RCFDF063	<b>3,656</b>	5.b.1.d.
2. Other borrowings with a remaining maturity of one year or less (included in item 5.b.(1)(a) above) <sup>4</sup> .....	RCFDB571	<b>4,138,738</b>	5.b.2.
c. Total (sum of items 5.a.(1)(a)-(d) and items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16).....	RCFD3190	<b>24,553,075</b>	5.c.
6. Does the reporting bank sell private label or third party mutual funds and annuities?.....	RCFDB569	<b>No</b>	6.
7. Assets under the reporting bank's management in proprietary mutual funds and annuities.....	RCFDB570	<b>0</b>	7.
8. Internet Web site addresses and physical office trade names:			8.
a. Uniform Resource Locator (URL) of the reporting institution's primary Internet Web site (home page), if any (Example: www.examplebank.com):.....	TEXT4087	<b>Click here for value</b>	8.a.

1. Item 4 is to be completed only by insured state banks that have been approved by the FDIC to hold grandfathered equity investments. See instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

1. Report fixed-rate advances by remaining maturity and floating-rate advances by next repricing date.

2. Report both fixed- and floating-rate advances by remaining maturity. Exclude floating-rate advances with a next repricing date of one year or less that have a remaining maturity of over one year.

3. Report fixed-rate other borrowings by remaining maturity and floating-rate other borrowings by next repricing date.

4. Report both fixed- and floating-rate other borrowings by remaining maturity. Exclude floating rate other borrowings with a next repricing date of one year or less that have a remaining maturity of over one year.

Dollar amounts in thousands

b. URLs of all other public-facing Internet Web sites that the reporting institution uses to accept or solicit deposits from the public, if any (Example: www.examplebank.biz): <sup>1</sup>			8.b.
1. URL 1.....	TE01N528	<a href="#">Click here for value</a>	8.b.1.
2. URL 2.....	TE02N528	<a href="#">Click here for value</a>	8.b.2.
3. URL 3.....	TE03N528	<a href="#">Click here for value</a>	8.b.3.
4. URL 4.....	TE04N528	NR	8.b.4.
5. URL 5.....	TE05N528	NR	8.b.5.
6. URL 6.....	TE06N528	NR	8.b.6.
7. URL 7.....	TE07N528	NR	8.b.7.
8. URL 8.....	TE08N528	NR	8.b.8.
9. URL 9.....	TE09N528	NR	8.b.9.
10. URL 10.....	TE10N528	NR	8.b.10.
c. Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any:			8.c.
1. Trade name 1.....	TE01N529	<a href="#">Click here for value</a>	8.c.1.
2. Trade name 2.....	TE02N529	NR	8.c.2.
3. Trade name 3.....	TE03N529	NR	8.c.3.
4. Trade name 4.....	TE04N529	NR	8.c.4.
5. Trade name 5.....	TE05N529	NR	8.c.5.
6. Trade name 6.....	TE06N529	NR	8.c.6.
<i>Item 9 is to be completed annually in the December report only.</i>			
9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site?.....	RCFD4088	Yes	9.
10. Secured liabilities:			10.
a. Amount of "Federal funds purchased in domestic offices" that are secured (included in Schedule RC, item 14.a).....	RCONF064	0	10.a.
b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a) - (d)).....	RCFDF065	18,043,310	10.b.
11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?.....	RCONG463	No	11.
12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?.....	RCONG464	No	12.
13. Assets covered by loss-sharing agreements with the FDIC:.....	RCFDK192	0	13.
<i>Items 14.a and 14.b are to be completed annually in the December report only.</i>			14.
14. Captive insurance and reinsurance subsidiaries:			
a. Total assets of captive insurance subsidiaries <sup>2</sup> .....	RCFDK193	0	14.a.
b. Total assets of captive reinsurance subsidiaries <sup>2</sup> .....	RCFDK194	0	14.b.
<i>Item 15 is to be completed by institutions that are required or have elected to be treated as a Qualified Thrift Lender.</i>			15.
15. Qualified Thrift Lender (QTL) test:			
a. Does the institution use the Home Owners' Loan Act (HOLA) QTL test or the Internal Revenue Service Domestic Building and Loan Association (IRS DBLA) test to determine its QTL compliance? (for the HOLA QTL test, enter 1; for the IRS DBLA test, enter 2).....	RCONL133	NR	15.a.
b. Has the institution been in compliance with the HOLA QTL test as of each month end during the quarter or the IRS DBLA test for its most recent taxable year, as applicable?.....	RCONL135	NR	15.b.
<i>Item 16.a and, if appropriate, items 16.b.(1) through 16.b.(3) are to be completed annually in the December report only.</i>			16.
16. International remittance transfers offered to consumers: <sup>1</sup>			
a. Estimated number of international remittance transfers provided by your institution during the calendar year ending on the report date.....	RCONN523	12901000	16.a.
<i>Items 16.b.(1) through 16.b.(3) are to be completed by institutions that reported 501 or more international remittance transfers in item 16.a in either or both of the current report or the most recent prior report in which item 16.a was required to be completed.</i>			16.b.
b. Estimated dollar value of remittance transfers provided by your institution and usage of regulatory exceptions during the calendar year ending on the report date:			
1. Estimated dollar value of international remittance transfers.....	RCONN524	223,894	16.b.1.

1. Report only highest level URLs (for example, report www.examplebank.biz, but do not also report www.examplebank.biz/checking). Report each top level domain name used (for example, report both www.examplebank.biz and www.examplebank.net).

2. Report total assets before eliminating intercompany transactions between the consolidated insurance or reinsurance subsidiary and other offices or consolidated subsidiaries of the reporting bank.

1. Report information about international electronic transfers of funds offered to consumers in the United States that: (a) are "remittance transfers" as defined by subpart B of Regulation E (12 CFR § 1005.30(e)), or (b) would qualify as "remittance transfers" under subpart B of Regulation E (12 CFR § 1005.30(e)) but are excluded from that definition only because the provider is not providing those transfers in the normal course of its business. See 12 CFR § 1005.30(f). For purposes of this item 16, such trans

Dollar amounts in thousands

2. Estimated number of international remittance transfers for which your institution applied the permanent exchange rate exception.....	RCONMM07	0	16.b.2.
3. Estimated number of international remittance transfers for which your institution applied the permanent covered third-party fee exception.....	RCONMQ52	0	16.b.3.
17. U.S. Small Business Administration Paycheck Protection Program (PPP) loans and the Federal Reserve PPP Liquidity Facility (PPPLF): <sup>3</sup>			17.
a. Number of PPP loans outstanding.....	RCONLG26	896	17.a.
b. Outstanding balance of PPP loans.....	RCONLG27	21,534	17.b.
c. Outstanding balance of PPP loans pledged to the PPPLF.....	RCONLG28	0	17.c.
d. Outstanding balance of borrowings from Federal Reserve Banks under the PPPLF with a remaining maturity of:			17.d.
1. One year or less.....	RCONLL59	0	17.d.1.
2. More than one year.....	RCONLL60	0	17.d.2.
e. Quarterly average amount of PPP loans pledged to the PPPLF and excluded from "Total assets for the leverage ratio" reported in Schedule RC-R, Part I, item 30.....	RCONLL57	0	17.e.

(TE01N528) <https://intellix.capitalonebank.com>

(TE01N529) Capital One Bank

(TE02N528) <https://lbox.capitalonebank.com/>

(TE03N528) <https://ach3.capitalonebank.com>

(TEXT4087) [www.capitalone.com](http://www.capitalone.com)

3. Paycheck Protection Program (PPP) covered loans as defined in sections 7(a)(36) and 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(36) and (37)). The PPP was established by Section 1102 of the 2020 Coronavirus Aid, Relief, and Economic Security Act.



Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
1. 1-4 family residential construction loans.....	RCONK105	0	RCONK106	0	RCONK107	0	M1a.1.
2. Other construction loans and all land development and other land loans.....	RCONK108	0	RCONK109	0	RCONK110	0	M1a.2.
b. Loans secured by 1-4 family residential properties in domestic offices..	RCONF661	0	RCONF662	0	RCONF663	93	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices.....	RCONK111	0	RCONK112	0	RCONK113	21,717	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:							M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties.....	RCONK114	0	RCONK115	0	RCONK116	0	M1d.1.
2. Loans secured by other nonfarm nonresidential properties.....	RCONK117	0	RCONK118	0	RCONK119	131,932	M1d.2.
e. Commercial and industrial loans:							M.1.e.
1. To U.S. addressees (domicile).....	RCFDK120	7,303	RCFDK121	8,099	RCFDK122	111,407	M1e.1.
2. To non-U.S. addressees (domicile).....	RCFDK123	0	RCFDK124	0	RCFDK125	0	M1e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures).....	RCFDK126	320,170	RCFDK127	110,144	RCFDK128	35,226	M.1.f.
<i>Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are past due 30 days or more or in nonaccrual status (sum of Memorandum items 1.a through 1.f, columns A through C):</i>							
RCONK130	0	RCONK131	0	RCONK132	0		M1f.1.
1. Loans secured by farmland in domestic offices.....							M1f.2.
2. Not applicable							M1f.3.
3. Loans to finance agricultural production and other loans to farmers.....	RCFDK138	0	RCFDK139	0	RCFDK140	0	M1f.4.
4. Loans to individuals for household, family, and other personal expenditures:							
a. Credit cards.....	RCFDK274	137,669	RCFDK275	110,144	RCFDK276	4,251	M1f.a.
b. Automobile loans.....	RCFDK277	182,501	RCFDK278	0	RCFDK279	30,970	M1f.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans).....	RCFDK280	0	RCFDK281	0	RCFDK282	0	M1f.c.
g. Total loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above and not reported in Schedule RC-C, Part I, Memorandum item 1 (sum of items Memorandum item 1.a.(1) through Memorandum item 1.f) <sup>1</sup> .....	RCFDHK26	327,473	RCFDHK27	118,243	RCFDHK28	300,375	M.1.g.
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above.....	RCFD6558	0	RCFD6559	0	RCFD6560	0	M.2.
3. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above).....	RCFD1248	0	RCFD1249	0	RCFD1250	0	M.3.
4. Not applicable							M.4.

1. Exclude amounts reported in Memorandum items 1.f.(1) through 1.f.(4) when calculating the total in Memorandum item 1.g.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCFDC240	8,062	RCFDC241	28,946	RCFDC226	36,621	
5. Loans and leases held for sale (included in Schedule RC-N, items 1 through 8, above).....							M.5.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days		(Column B) Past due 90 days or more		
	RCFD3529	0	RCFD3530	0	
6. Derivative contracts: Fair value of amounts carried as assets.....					M.6.

Dollar amounts in thousands	
<i>Memorandum items 7, 8, 9.a, and 9.b are to be completed semiannually in the June and December reports only.</i>	
7. Additions to nonaccrual assets during the previous six months.....	RCFDC410 2,981,899 M.7.
8. Nonaccrual assets sold during the previous six months.....	RCFDC411 165,338 M.8.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCFDL183	NR	RCFDL184	NR	RCFDL185	NR	
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Stament of Position 03-3): <sup>2</sup>							M.9.
a. Outstanding balance.....	RCFDL183	NR	RCFDL184	NR	RCFDL185	NR	M.9.a.
b. Amount included in Schedule RC-N, items 1 through 7, above.....	RCFDL186	NR	RCFDL187	NR	RCFDL188	NR	M.9.b.

2. Memorandum items 9.a and 9.b should be completed only by institutions that have not yet adopted ASU 2016-13.

## Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments(Form Type - 031)

All FDIC-insured depository institutions must complete items 1 through 9, 10, and 11, Memorandum item 1, and, if applicable, item 9.a, Memorandum items 2, 3, and 6 through 18 each quarter. Unless otherwise indicated, complete items 1 through 11 and Memorandum items 1 through 3 on an "unconsolidated single FDIC certificate number basis" (see instructions) and complete Memorandum items 6 through 18 on a fully consolidated basis.

Dollar amounts in thousands

1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.....	RCFDF236	<b>379,700,721</b>	1.
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits).....	RCFDF237	<b>123,040</b>	2.
3. Total foreign deposits, including interest accrued and unpaid thereon (included in item 2 above).....	RCFNF234	<b>123,040</b>	3.
4. Average consolidated total assets for the calendar quarter.....	RCFDK652	<b>478,716,803</b>	4.
a. Averaging method used (for daily averaging, enter 1; for weekly averaging, enter 2).....	RCFDK653	<b>1</b>	4.a.
5. Average tangible equity for the calendar quarter <sup>1</sup> .....	RCFDK654	<b>48,080,549</b>	5.
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions.....	RCFDK655	<b>0</b>	6.
7. Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)-(d) minus item 10.b):			7.
a. One year or less.....	RCFDG465	<b>53,253</b>	7.a.
b. Over one year through three years.....	RCFDG466	<b>1,943,899</b>	7.b.
c. Over three years through five years.....	RCFDG467	<b>3,008,957</b>	7.c.
d. Over five years.....	RCFDG468	<b>1,503,656</b>	7.d.
8. Subordinated notes and debentures with a remaining maturity of (sum of items 8.a through 8.d must equal Schedule RC, item 19):			8.
a. One year or less.....	RCFDG469	<b>0</b>	8.a.
b. Over one year through three years.....	RCFDG470	<b>0</b>	8.b.
c. Over three years through five years.....	RCFDG471	<b>0</b>	8.c.
d. Over five years.....	RCFDG472	<b>0</b>	8.d.
9. Brokered reciprocal deposits (included in Schedule RC-E, Part I, Memorandum item 1.b).....	RCONG803	<b>0</b>	9.
<i>Item 9.a is to be completed on a fully consolidated basis by all institutions that own another insured depository institution.</i>			
a. Fully consolidated brokered reciprocal deposits.....	RCONL190	<b>NR</b>	9.a.
10. Banker's bank certification: Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations? If the answer to item 10 is "YES," complete items 10.a and 10.b.....	RCFDK656	<b>No</b>	10.
<i>If the answer to item 10 is "YES," complete items 10.a and 10.b.</i>			
a. Banker's bank deduction.....	RCFDK657	<b>NR</b>	10.a.
b. Banker's bank deduction limit.....	RCFDK658	<b>NR</b>	10.b.
11. Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations? If the answer to item 11 is "YES," complete items 11.a and 11.b.....	RCFDK659	<b>No</b>	11.
<i>If the answer to item 11 is "YES," complete items 11.a and 11.b.</i>			
a. Custodial bank deduction.....	RCFDK660	<b>NR</b>	11.a.
b. Custodial bank deduction limit.....	RCFDK661	<b>NR</b>	11.b.
1. Total deposit liabilities of the bank (including related interest accrued and unpaid) less allowable exclusions (including related interest accrued and unpaid) (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):			M.1.
a. Deposit accounts (excluding retirement accounts) of \$250,000 or less: <sup>1</sup>			M.1.a.
1. Amount of deposit accounts (excluding retirement accounts) of \$250,000 or less.....	RCONF049	<b>241,365,978</b>	M.1.a.1.
2. Number of deposit accounts (excluding retirement accounts) of \$250,000 or less.....	RCONF050	<b>33619739</b>	M.1.a.2.
b. Deposit accounts (excluding retirement accounts) of more than \$250,000: <sup>1</sup>			M.1.b.
1. Amount of deposit accounts (excluding retirement accounts) of more than \$250,000.....	RCONF051	<b>138,211,703</b>	M.1.b.1.
2. Number of deposit accounts (excluding retirement accounts) of more than \$250,000.....	RCONF052	<b>176353</b>	M.1.b.2.
c. Retirement deposit accounts of \$250,000 or less: <sup>1</sup>			M.1.c.
1. Amount of retirement deposit accounts of \$250,000 or less.....	RCONF045	<b>0</b>	M.1.c.1.
2. Number of retirement deposit accounts of \$250,000 or less.....	RCONF046	<b>0</b>	M.1.c.2.
d. Retirement deposit accounts of more than \$250,000: <sup>1</sup>			M.1.d.

1. See instructions for averaging methods. For deposit insurance assessment purposes, tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and reported in Schedule RC-R, Part I, item 26, except as described in the instructions.  
 1. The dollar amounts used as the basis for reporting in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on the report date.



Dollar amounts in thousands

1. Amount of retirement deposit accounts of more than \$250,000.....	RCONF047	0	M.1.d.1.
2. Number of retirement deposit accounts of more than \$250,000.....	RCONF048	0	M.1.d.2.
<i>Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets.</i>			
2. Estimated amount of uninsured deposits in domestic offices of the bank and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid (see instructions) <sup>3</sup> .....	RCON5597	94,888,662	M.2.
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:			M.3.
a. Legal title.....	TEXTA545	NR	M.3.a.
b. FDIC Certificate Number.....	RCONA545	0	M.3.b.
4. Dually payable deposits in the reporting institution's foreign branches.....	RCFNGW43	0	M.4.
<i>Memorandum items 5 through 12 are to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.</i>			
5. Applicable portion of the CECL transitional amount or modified CECL transitional amount that has been added to retained earnings for regulatory capital purposes as of the current report date and is attributable to loans and leases held for investment.....	RCFDMW53	1,113,574	M.5.
6. Criticized and classified items:			M.6.
a. Special mention.....	RCFDK663	CONF	M.6.a.
b. Substandard.....	RCFDK664	CONF	M.6.b.
c. Doubtful.....	RCFDK665	CONF	M.6.c.
d. Loss.....	RCFDK666	CONF	M.6.d.
7. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations:			M.7.
a. Nontraditional 1-4 family residential mortgage loans.....	RCFDN025	CONF	M.7.a.
b. Securitizations of nontraditional 1-4 family residential mortgage loans.....	RCFDN026	CONF	M.7.b.
8. "Higher-risk consumer loans" as defined for assessment purposes only in FDIC regulations:			M.8.
a. Higher-risk consumer loans.....	RCFDN027	CONF	M.8.a.
b. Securitizations of higher-risk consumer loans.....	RCFDN028	CONF	M.8.b.
9. "Higher-risk commercial and industrial loans and securities" as defined for assessment purposes only in FDIC regulations:			M.9.
a. Higher-risk commercial and industrial loans and securities.....	RCFDN029	CONF	M.9.a.
b. Securitizations of higher-risk commercial and industrial loans and securities.....	RCFDN030	CONF	M.9.b.
10. Commitments to fund construction, land development, and other land loans secured by real estate for the consolidated bank:			M.10.
a. Total unfunded commitments.....	RCFDK676	1,159,017	M.10.a.
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC).....	RCFDK677	0	M.10.b.
11. Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements).....	RCFDK669	0	M.11.
12. Nonbrokered time deposits of more than \$250,000 in domestic offices (included in Schedule RC-E, Memorandum item 2.d).....	RCONK678	15,730,436	M.12.
<i>Memorandum item 13.a is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. Memorandum items 13.b through 13.h are to be completed by "large institutions" only.</i>			
13. Portion of funded loans and securities in domestic and foreign offices guaranteed or insured by the U.S. government (including FDIC loss-sharing agreements):			M.13.
a. Construction, land development, and other land loans secured by real estate.....	RCFDN177	25,582	M.13.a.
b. Loans secured by multifamily residential and nonfarm nonresidential properties.....	RCFDN178	87,633	M.13.b.
c. Closed-end loans secured by first liens on 1-4 family residential properties.....	RCFDN179	38,321	M.13.c.
d. Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	RCFDN180	8,883	M.13.d.
e. Commercial and industrial loans.....	RCFDN181	56,706	M.13.e.
f. Credit card loans to individuals for household, family, and other personal expenditures.....	RCFDN182	0	M.13.f.
g. All other loans to individuals for household, family, and other personal expenditures.....	RCFDN183	0	M.13.g.
h. Non-agency residential mortgage-backed securities.....	RCFDM963	0	M.13.h.
<i>Memorandum items 14 and 15 are to be completed by "highly complex institutions" as defined in FDIC regulations.</i>			
14. Amount of the institution's largest counterparty exposure.....	RCFDK673	CONF	M.14.
15. Total amount of the institution's 20 largest counterparty exposures.....	RCFDK674	CONF	M.15.

3. Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum items 1.a through 1.d.

Dollar amounts in thousands

*Memorandum item 16 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.*

16. Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, part I, Memorandum item 1).....

RCFDL189	<b>0</b>	M.16.
		M.17.
RCFDL194	<b>NR</b>	M.17.a.
RCFDL195	<b>NR</b>	M.17.b.
RCFDL196	<b>NR</b>	M.17.c.
RCONL197	<b>NR</b>	M.17.d.

*Memorandum item 17 is to be completed on a fully consolidated basis by those "large institutions" and "highly complex institutions" as defined in FDIC regulations that own another insured depository institution.*

17. Selected fully consolidated data for deposit insurance assessment purposes:

- a. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.....
- b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits).....
- c. Unsecured "Other borrowings" with a remaining maturity of one year or less.....
- d. Estimated amount of uninsured deposits in domestic offices of the institution and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid.....

	(Column A) Two-Year Probability of Default (PD) <= 1%	(Column B) Two-Year Probability of Default (PD) 1.01-4%	(Column C) Two-Year Probability of Default (PD) 4.01-7%	(Column D) Two-Year Probability of Default (PD) 7.01-10%	(Column E) Two-Year Probability of Default (PD) 10.01-14%	(Column F) Two-Year Probability of Default (PD) 14.01-16%	(Column G) Two-Year Probability of Default (PD) 16.01-18%	(Column H) Two-Year Probability of Default (PD) 18.01-20%	(Column I) Two-Year Probability of Default (PD) 20.01-22%	(Column J) Two-Year Probability of Default (PD) 22.01-26%	(Column K) Two-Year Probability of Default (PD) 26.01-30%	(Column L) Two-Year Probability of Default (PD) > 30%	(Column M) Two-Year Probability of Default (PD) Unscoreable	(Column N) Two-Year Probability of Default (PD) Total	(Column O) PDS Were Derived Using	
Dollar amounts in thousands																
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:																
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations.....	RCFDM964 CONF	RCFDM965 CONF	RCFDM966 CONF	RCFDM967 CONF	RCFDM968 CONF	RCFDM969 CONF	RCFDM970 CONF	RCFDM971 CONF	RCFDM972 CONF	RCFDM973 CONF	RCFDM974 CONF	RCFDM975 CONF	RCFDM976 CONF	RCFDM977 CONF	RCFDM978 CONF	M18a
b. Closed-end loans secured by first liens on 1-4 family residential properties.....	RCFDM979 CONF	RCFDM980 CONF	RCFDM981 CONF	RCFDM982 CONF	RCFDM983 CONF	RCFDM984 CONF	RCFDM985 CONF	RCFDM986 CONF	RCFDM987 CONF	RCFDM988 CONF	RCFDM989 CONF	RCFDM990 CONF	RCFDM991 CONF	RCFDM992 CONF	RCFDM993 CONF	M18b
c. Closed-end loans secured by junior liens on 1-4 family residential properties.....	RCFDM994 CONF	RCFDM995 CONF	RCFDM996 CONF	RCFDM997 CONF	RCFDM998 CONF	RCFDM999 CONF	RCFDN001 CONF	RCFDN002 CONF	RCFDN003 CONF	RCFDN004 CONF	RCFDN005 CONF	RCFDN006 CONF	RCFDN007 CONF	RCFDN008 CONF	RCFDN009 CONF	M18c
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	RCFDN010 CONF	RCFDN011 CONF	RCFDN012 CONF	RCFDN013 CONF	RCFDN014 CONF	RCFDN015 CONF	RCFDN016 CONF	RCFDN017 CONF	RCFDN018 CONF	RCFDN019 CONF	RCFDN020 CONF	RCFDN021 CONF	RCFDN022 CONF	RCFDN023 CONF	RCFDN024 CONF	M18d
e. Credit cards.....	RCFDN040 CONF	RCFDN041 CONF	RCFDN042 CONF	RCFDN043 CONF	RCFDN044 CONF	RCFDN045 CONF	RCFDN046 CONF	RCFDN047 CONF	RCFDN048 CONF	RCFDN049 CONF	RCFDN050 CONF	RCFDN051 CONF	RCFDN052 CONF	RCFDN053 CONF	RCFDN054 CONF	M18e
f. Automobile loans.....	RCFDN055 CONF	RCFDN056 CONF	RCFDN057 CONF	RCFDN058 CONF	RCFDN059 CONF	RCFDN060 CONF	RCFDN061 CONF	RCFDN062 CONF	RCFDN063 CONF	RCFDN064 CONF	RCFDN065 CONF	RCFDN066 CONF	RCFDN067 CONF	RCFDN068 CONF	RCFDN069 CONF	M18f
g. Student loans.....	RCFDN070 CONF	RCFDN071 CONF	RCFDN072 CONF	RCFDN073 CONF	RCFDN074 CONF	RCFDN075 CONF	RCFDN076 CONF	RCFDN077 CONF	RCFDN078 CONF	RCFDN079 CONF	RCFDN080 CONF	RCFDN081 CONF	RCFDN082 CONF	RCFDN083 CONF	RCFDN084 CONF	M18g
h. Other consumer loans and revolving credit plans other than credit cards.....	RCFDN085 CONF	RCFDN086 CONF	RCFDN087 CONF	RCFDN088 CONF	RCFDN089 CONF	RCFDN090 CONF	RCFDN091 CONF	RCFDN092 CONF	RCFDN093 CONF	RCFDN094 CONF	RCFDN095 CONF	RCFDN096 CONF	RCFDN097 CONF	RCFDN098 CONF	RCFDN099 CONF	M18h
i. Consumer leases.....	RCFDN100 CONF	RCFDN101 CONF	RCFDN102 CONF	RCFDN103 CONF	RCFDN104 CONF	RCFDN105 CONF	RCFDN106 CONF	RCFDN107 CONF	RCFDN108 CONF	RCFDN109 CONF	RCFDN110 CONF	RCFDN111 CONF	RCFDN112 CONF	RCFDN113 CONF	RCFDN114 CONF	M18i
j. Total.....	RCFDN115 CONF	RCFDN116 CONF	RCFDN117 CONF	RCFDN118 CONF	RCFDN119 CONF	RCFDN120 CONF	RCFDN121 CONF	RCFDN122 CONF	RCFDN123 CONF	RCFDN124 CONF	RCFDN125 CONF	RCFDN126 CONF	RCFDN127 CONF	RCFDN128 CONF		M18j

## Schedule RC-P - 1-4 Family Residential Mortgage Banking Activities in Domestic Offices(Form Type - 031)

Schedule RC-P is to be completed by banks at which either 1-4 family residential mortgage loan originations and purchases for resale from all sources, loan sales, or quarter-end loans held for sale or trading in domestic offices exceed \$10 million for two consecutive quarters.

Dollar amounts in thousands

1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale <sup>1</sup> .....	RCONHT81	0	1.
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale <sup>2</sup> .....	RCONHT82	0	2.
3. 1-4 family residential mortgage loans sold during the quarter.....	RCONFT04	0	3.
4. 1-4 family residential mortgage loans held for sale or trading at quarter-end (included in Schedule RC, items 4.a and 5).....	RCONFT05	0	4.
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, items 5.c, 5.f, 5.g, and 5.i).....	RIADHT85	0	5.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter.....	RCONHT86	0	6.
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:			7.
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies..	RCONL191	CONF	7.a.
b. For representations and warranties made to other parties.....	RCONL192	CONF	7.b.
c. Total representation and warranty reserves (sum of items 7.a and 7.b).....	RCONM288	0	7.c.

## Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis(Form Type - 031)

Schedule RC-Q is to be completed by banks that:

- (1) Have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or
- (2) Are required to complete Schedule RC-D, Trading Assets and Liabilities.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
1. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading <sup>1</sup> .....	RCFDJA36 79,315,056	RCFDG474 0	RCFDG475 5,976,262	RCFDG476 73,141,961	RCFDG477 196,833	1.
2. Federal funds sold and securities purchased under agreements to resell.....	RCFDG478 0	RCFDG479 0	RCFDG480 0	RCFDG481 0	RCFDG482 0	2.
3. Loans and leases held for sale.....	RCFDG483 0	RCFDG484 0	RCFDG485 0	RCFDG486 0	RCFDG487 0	3.
4. Loans and leases held for investment.....	RCFDG488 0	RCFDG489 0	RCFDG490 0	RCFDG491 0	RCFDG492 0	4.
5. Trading assets:						5.
a. Derivative assets.....	RCFD3543 1,487,407	RCFDG493 907,122	RCFDG494 787,858	RCFDG495 787,418	RCFDG496 819,253	5.a.
b. Other trading assets.....	RCFDG497 34,846	RCFDG498 0	RCFDG499 0	RCFDG500 0	RCFDG501 34,846	5.b.
1. Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 5.b, above).....	RCFDF240 0	RCFDF684 0	RCFDF692 0	RCFDF241 0	RCFDF242 0	5.b.1.
6. All other assets.....	RCFDG391 169,867	RCFDG392 98,088	RCFDG395 0	RCFDG396 248,124	RCFDG804 19,831	6.
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5.b plus item 6).....	RCFDG502 81,007,176	RCFDG503 1,005,210	RCFDG504 6,764,120	RCFDG505 74,177,503	RCFDG506 1,070,763	7.
8. Deposits.....	RCFDF252 0	RCFDF686 0	RCFDF694 0	RCFDF253 0	RCFDF254 0	8.
9. Federal funds purchased and securities sold under agreements to repurchase.....	RCFDG507 0	RCFDG508 0	RCFDG509 0	RCFDG510 0	RCFDG511 0	9.
10. Trading liabilities:						10.
a. Derivative liabilities.....	RCFD3547 2,141,018	RCFDG512 432,915	RCFDG513 448,493	RCFDG514 1,278,144	RCFDG515 847,296	10.a.
b. Other trading liabilities.....	RCFDG516 0	RCFDG517 0	RCFDG518 0	RCFDG519 0	RCFDG520 0	10.b.

1. Exclude originations and purchases of 1-4 family residential mortgage loans that are held for investment.  
 1. The amount reported in item 1, column A, must equal the sum of Schedule RC, items 2.b and 2.c.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
11. Other borrowed money.....	RCFDG521 0	RCFDG522 0	RCFDG523 0	RCFDG524 0	RCFDG525 0	11.
12. Subordinated notes and debentures.....	RCFDG526 0	RCFDG527 0	RCFDG528 0	RCFDG529 0	RCFDG530 0	12.
13. All other liabilities.....	RCFDG805 159,669	RCFDG806 61,020	RCFDG807 0	RCFDG808 190,333	RCFDG809 30,356	13.
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13).....	RCFDG531 2,300,687	RCFDG532 493,935	RCFDG533 448,493	RCFDG534 1,468,477	RCFDG535 877,652	14.
1. All other assets (itemize and describe amounts included in Schedule RC-Q, item 6, that are greater than \$100,000 and exceed 25% of item 6):						M.1.
a. Mortgage servicing assets.....	RCFDG536 0	RCFDG537 0	RCFDG538 0	RCFDG539 0	RCFDG540 0	M.1.a.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
b. Nontrading derivative assets.....	RCFDG541 169,867	RCFDG542 98,088	RCFDG543 0	RCFDG544 248,124	RCFDG545 19,831	M.1.b.

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.1.c.
1. Describe component.....	TEXTG546	NR	M.1.c.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component.....	RCFDG546 0	RCFDG547 0	RCFDG548 0	RCFDG549 0	RCFDG550 0	M.1.c.2.

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.1.d.
1. Describe component.....	TEXTG551	NR	M.1.d.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component.....	RCFDG551 0	RCFDG552 0	RCFDG553 0	RCFDG554 0	RCFDG555 0	M.1.d.2.

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.1.e.
1. Describe component.....	TEXTG556	NR	M.1.e.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component.....	RCFDG556 0	RCFDG557 0	RCFDG558 0	RCFDG559 0	RCFDG560 0	M.1.e.2.

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.1.f.
1. Describe component.....	TEXTG561	NR	M.1.f.1.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
2. Amount of component.....	RCFDG561	RCFDG562	RCFDG563	RCFDG564	RCFDG565	M.1.f.2.
	0	0	0	0	0	
2. All other liabilities (itemize and describe amounts included in Schedule RC-Q, item 13, that are greater than \$100,000 and exceed 25% of item 13):						M.2.
a. Loan commitments (not accounted for as derivatives).....	RCFDF261	RCFDF689	RCFDF697	RCFDF262	RCFDF263	M.2.a.
	0	0	0	0	0	
b. Nontrading derivative liabilities.....	RCFDG566	RCFDG567	RCFDG568	RCFDG569	RCFDG570	M.2.b.
	159,669	61,020	0	190,333	30,356	

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
c. Disclose component and the dollar amount of that component:						M.2.c.
1. Describe component.....				TEXTG571	NR	M.2.c.1.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
2. Amount of component.....	RCFDG571	RCFDG572	RCFDG573	RCFDG574	RCFDG575	M.2.c.2.
	0	0	0	0	0	

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
d. Disclose component and the dollar amount of that component:						M.2.d.
1. Describe component.....				TEXTG576	NR	M.2.d.1.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
2. Amount of component.....	RCFDG576	RCFDG577	RCFDG578	RCFDG579	RCFDG580	M.2.d.2.
	0	0	0	0	0	

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
e. Disclose component and the dollar amount of that component:						M.2.e.
1. Describe component.....				TEXTG581	NR	M.2.e.1.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
2. Amount of component.....	RCFDG581	RCFDG582	RCFDG583	RCFDG584	RCFDG585	M.2.e.2.
	0	0	0	0	0	

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
f. Disclose component and the dollar amount of that component:						M.2.f.
1. Describe component						M.2.f.1.
(TEXTG586) NR						



Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component.....	RCFDG586 0	RCFDG587 0	RCFDG588 0	RCFDG589 0	RCFDG590 0	M.2.f.2.

Dollar amounts in thousands	Consolidated Bank		
3. Loans measured at fair value (included in Schedule RC-C, Part I, items 1 through 9):			M.3.
a. Loans secured by real estate:			M.3.a.
1. Secured by 1-4 family residential properties.....	RCFDHT87	0	M.3.a.1.
2. All other loans secured by real estate.....	RCFDHT88	0	M.3.a.2.
b. Commercial and industrial loans.....	RCFDF585	0	M.3.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....	RCFDHT89	0	M.3.c.
d. Other loans.....	RCFDF589	0	M.3.d.
4. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-Q, Memorandum item 3):			M.4.
a. Loans secured by real estate:			M.4.a.
1. Secured by 1-4 family residential properties.....	RCFDHT91	0	M.4.a.1.
2. All other loans secured by real estate.....	RCFDHT92	0	M.4.a.2.
b. Commercial and industrial loans.....	RCFDF597	0	M.4.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....	RCFDHT93	0	M.4.c.
d. Other loans.....	RCFDF601	0	M.4.d.

## Schedule RC-R Part I - Regulatory Capital Components and Ratios(Form Type - 031)

Part I is to be completed on a consolidated basis.

Dollar amounts in thousands

1. Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares.....	RCFAP742	<b>43,701,585</b>	1.
2. Retained earnings <sup>1</sup> .....	RCFAKW00	<b>19,095,149</b>	2.
<i>To be completed only by institutions that have adopted ASU 2016-13:</i>			
a. Does your institution have a CECL transition election in effect as of the quarter-end report date? (enter "0" for No; enter "1" for Yes with a 3-year CECL transition election; enter "2" for Yes with a 5-year 2020 CECL transition election.).....	RCOAJJ29	<b>2</b>	2.a.
3. Accumulated other comprehensive income (AOCI).....	RCFAB530	<b>-8,410,918</b>	3.
a. AOCI opt-out election (enter "1" for Yes; enter "0" for No.) (Advanced approaches institutions must enter "0" for No.).....	RCOAP838	<b>1</b>	3.a.
4. Common equity tier 1 minority interest includable in common equity tier 1 capital.....	RCFAP839	<b>0</b>	4.
5. Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4).....	RCFAP840	<b>54,385,816</b>	5.
6. LESS: Goodwill net of associated deferred tax liabilities (DTLs).....	RCFAP841	<b>14,478,146</b>	6.
7. LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs.....	RCFAP842	<b>297,172</b>	7.
8. LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs.....	RCFAP843	<b>2,117</b>	8.
9. AOCI-related adjustments (items 9.a through 9.e are effective January 1, 2015) (if entered "1" for Yes in item 3.a, complete only items 9.a through 9.e; if entered "0" for No in item 3.a, complete only item 9.f):			9.
a. LESS: Net unrealized gains (losses) on available-for-sale debt securities (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAP844	<b>-6,800,749</b>	9.a.
b. Not applicable.			9.b.
c. LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAP846	<b>-1,489,828</b>	9.c.
d. LESS: Amounts recorded in AOCI attributed to defined benefit postretirement plans resulting from the initial and subsequent application of the relevant GAAP standards that pertain to such plans (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAP847	<b>-35,905</b>	9.d.
e. LESS: Net unrealized gains (losses) on held-to-maturity securities that are included in AOCI (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAP848	<b>0</b>	9.e.
f. LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relate to the hedging of items that are not recognized at fair value on the balance sheet (if a gain, report as a positive value; if a loss, report as a negative value) (To be completed only by institutions that entered "0" for No in item 3.a.).....	RCFAP849	<b>NR</b>	9.f.
10. Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:			10.
a. LESS: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAQ258	<b>1,788</b>	10.a.
b. LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions.	RCFAP850	<b>0</b>	10.b.

Dollar amounts in thousands		(Column A) Non-advanced Approaches Institutions	(Column B) Advanced Approaches Institutions	
11. LESS: Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments.....			RCFWP851	NR 11.
12. Subtotal (for column A, item 5 minus items 6 through 10.b; for column B, item 5 minus items 6 through 11).....	RCFAP852	<b>47,933,075</b>	RCFWP852	NR 12.
13. Not available				13.
a. LESS: Investments in the capital of unconsolidated financial institutions, net of associated DTLs, that exceed 25 percent of item 12.....	RCFALB58	<b>0</b>		13.a.
b. LESS: Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.....			RCFWP853	NR 13.b.
14. Not available				14.
a. LESS: MSAs, net of associated DTLs, that exceed 25 percent of item 12.....	RCFALB59	<b>0</b>		14.a.
b. LESS: MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.....			RCFWP854	NR 14.b.
15. Not available				15.
a. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed 25 percent of item 12.....	RCFALB60	<b>0</b>		15.a.
b. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.....			RCFWP855	NR 15.b.
16. LESS: Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold.....			RCFWP856	NR 16.
17. LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital to cover deductions.....	RCFAP857	<b>0</b>	RCFWP857	NR 17.
18. Total adjustments and deductions for common equity tier 1 capital <sup>3</sup> .....	RCFAP858	<b>0</b>	RCFWP858	NR 18.
19. Common equity tier 1 capital (item 12 minus item 18).....	RCFAP859	<b>47,933,075</b>	RCFWP859	NR 19.

Dollar amounts in thousands				
20. Additional tier 1 capital instruments plus related surplus.....	RCFAP860		<b>0</b>	20.
21. Non-qualifying capital instruments subject to phase out from additional tier 1 capital .....	RCFAP861		<b>0</b>	21.
22. Tier 1 minority interest not included in common equity tier 1 capital.....	RCFAP862		<b>0</b>	22.
23. Additional tier 1 capital before deductions (sum of items 20, 21, and 22).....	RCFAP863		<b>0</b>	23.
24. LESS: Additional tier 1 capital deductions.....	RCFAP864		<b>0</b>	24.
25. Additional tier 1 capital (greater of item 23 minus item 24, or zero).....	RCFAP865		<b>0</b>	25.
26. Tier 1 capital <sup>1</sup> .....	RCFA8274		<b>47,933,075</b>	26.
27. Average total consolidated assets <sup>2</sup> .....	RCFAKW03		<b>479,915,400</b>	27.
28. LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (sum of items 6, 7, 8, 10.b, 13 through 15, 17, and certain elements of item 24 - see instructions) <sup>3</sup> .....	RCFAP875		<b>14,777,435</b>	28.
29. LESS: Other deductions from (additions to) assets for leverage ratio purposes.....	RCFAB596		<b>-41,974</b>	29.
30. Total assets for the leverage ratio (item 27 minus items 28 and 29).....	RCFAA224		<b>465,179,939</b>	30.
31. Leverage ratio (item 26 divided by 30).....	RCFA7204		<b>10.3042%</b>	31.
a. Does your institution have a community bank leverage ratio (CBLR) framework election in effect as of the quarter-end report date? (enter "1" for Yes; enter "0" for No).....	RCOALE74		<b>0</b>	31.a.
<i>Item 31.b is to be completed only by non-advanced approaches institutions that elect to use the Standardized Approach for Counterparty Credit Risk (SA-CCR) for purposes of the standardized approach and supplementary leverage ratio.</i>				
b. Standardized Approach for Counterparty Credit Risk opt-in election (enter "1" for Yes; leave blank for No.) <sup>4</sup> .....	RCOANC99		<b>NR</b>	31.b.

1. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in this item.

Dollar amounts in thousands		(Column A) Amount		(Column B) Percentage	
32. Total assets (Schedule RC, item 12); (must be less than \$10 billion).....	RCFA2170	NR			32.
33. Trading assets and trading liabilities (Schedule RC, sum of items 5 and 15). Report as a dollar amount in Column A and as a percentage of total assets (5% limit) in Column B.....	RCFAKX77	NR	RCFAKX78	NR	33.
34. Off-balance sheet exposures:					34.
a. Unused portion of conditionally cancellable commitments.....	RCFAKX79	NR			34.a.
b. Securities lent and borrowed (Schedule RC-L, sum of items 6.a and 6.b).....	RCFAKX80	NR			34.b.
c. Other off-balance sheet exposures.....	RCFAKX81	NR			34.c.
d. Total off-balance sheet exposures (sum of items 34.a through 34.c). Report as a dollar amount in Column A and as a percentage of total assets (25% limit) in Column B.....	RCFAKX82	NR	RCFAKX83	NR	34.d.

Dollar amounts in thousands			
35. Unconditionally cancellable commitments.....	RCFAS540	NR	35.
36. Investments in the tier 2 capital of unconsolidated financial institutions.....	RCFALB61	NR	36.
37. Allocated transfer risk reserve.....	RCFA3128	NR	37.
38. Amount of allowances for credit losses on purchased credit-deteriorated assets: <sup>1</sup>			38.
a. Loans and leases held for investment.....	RCFAJJ30	NR	38.a.
b. Held-to-maturity debt securities.....	RCFAJJ31	NR	38.b.
c. Other financial assets measured at amortized cost.....	RCFAJJ32	NR	38.c.
39. Tier 2 capital instruments plus related surplus.....	RCFAP866	0	39.
40. Non-qualifying capital instruments subject to phase-out from tier 2 capital.....	RCFAP867	0	40.
41. Total capital minority interest that is not included in tier 1 capital.....	RCFAP868	0	41.
42. Allowance for loan and lease losses and eligible credit reserves includable in tier 2 capital			42.
a. Allowance for loan and lease losses includable in tier 2 capital <sup>3</sup> .....	RCFA5310	4,702,963	42.a.
b. (Advanced approaches institutions that exit parallel run only): Eligible credit reserves includable in tier 2 capital.....	RCFW5310	NR	42.b.
43. Not applicable.			43.
44. Tier 2 capital before deductions			44.
a. Tier 2 capital before deductions (sum of items 39 through 42).....	RCFAP870	4,702,963	44.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital before deductions (sum of items 39 through 41, plus item 42.b).....	RCFWP870	NR	44.b.
45. LESS: Tier 2 capital deductions.....	RCFAP872	0	45.
46. Tier 2 capital			46.
a. Tier 2 capital (greater of item 44.a minus item 45, or zero).....	RCFA5311	4,702,963	46.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital (greater of item 44.b minus item 45, or zero).....	RCFW5311	NR	46.b.
47. Total capital			47.
a. Total capital (sum of items 26 and 46.a).....	RCFA3792	52,636,038	47.a.
b. (Advanced approaches institutions that exit parallel run only): Total capital (sum of items 26 and 46.b).....	RCFW3792	NR	47.b.
48. Total risk-weighted assets			48.
a. Total risk-weighted assets (from Schedule RC-R, Part II, item 31).....	RCFAA223	367,241,863	48.a.
b. (Advanced approaches institutions that exit parallel run only): Total risk-weighted assets using advanced approaches rule (from FFIEC 101 Schedule A, item 60).....	RCFWA223	NR	48.b.

3. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report in item 18, column A, the sum of items 13.a, 14.a, 15.a, and 17, column A; all advanced approaches institutions should report in item 18, column B, the sum of items 13.b, 14.b, 15.b, 16, and 17, column B.

1. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report the sum of item 19, column A, and item 25 in item 26; all advanced approaches institutions should report the sum of item 19, column B, and item 25 in item 26.

2. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 27.

3. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report in item 28 the sum of items 6, 7, 8, 10.b, 13.a, 14.a, 15.a, 17 (column A), and certain elements of item 24 - see instructions; all advanced approaches institutions should report in item 28, the sum of items 6, 7, 8, 10.b, 11, 13.b, 14.b, 15.b, 16, 17 (column B), and certain elements of item 24 - see instructions.

4. For the December 31, 2021, report date only, advanced approaches institutions that adopt SA-CCR prior to the mandatory compliance date should enter "1" in item 31.b.

Dollar amounts in thousands		(Column A) Percentage		(Column B) Percentage	
49. Common equity tier 1 capital ratio (Column A: item 19, column A or B, as applicable, divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 19, column B, divided by item 48.b).....	RCFAP793	<b>13.0522%</b>	RCFWP793	<b>NR</b>	49.
50. Tier 1 capital ratio (Column A: item 26 divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 26 divided by item 48.b).....	RCFA7206	<b>13.0522%</b>	RCFW7206	<b>NR</b>	50.
51. Total capital ratio (Column A: item 47.a divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 47.b divided by item 48.b).....	RCFA7205	<b>14.3328%</b>	RCFW7205	<b>NR</b>	51.

Dollar amounts in thousands				
52. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments:				52.
a. Capital conservation buffer.....	RCFAH311	<b>6.3328%</b>		52.a.
b. Advanced approaches institutions and institutions subject to Category III capital standards only: Total applicable capital buffer.....	RCFWH312	<b>2.5000%</b>		52.b.
53. Eligible retained income <sup>1</sup> .....	RCFAH313	<b>NR</b>		53.
54. Distributions and discretionary bonus payments during the quarter <sup>2</sup> .....	RCFAH314	<b>NR</b>		54.
55. Advanced approaches institutions and institutions subject to Category III capital standards only: Supplementary leverage ratio information:				55.
a. Total leverage exposure <sup>3</sup> .....	RCFAH015	<b>544,160,240</b>		55.a.
b. Supplementary leverage ratio.....	RCFAH036	<b>8.8086%</b>		55.b.

1. Items 38.a through 38.c should be completed only by institutions that have adopted ASU 2016-13.

3. Institutions that have adopted ASU 2016-13 should report the amount of adjusted allowances for credit losses (AACL), as defined in the regulatory capital rule, includable in tier 2 capital in item 42.a.

1. Institutions must complete item 53 only if the amount reported in item 52.a above is less than or equal to 2.5000 percent (plus any other applicable buffer if the institution is an advanced approaches institution or a Category III institution).

2. Institutions must complete item 54 only if the amount reported in Schedule RC-R, Part I, item 46.a, in the Call Report for the December 31, 2019, report date was less than or equal to 2.5000 percent (plus any other applicable buffer if the institution is an advanced approaches institution or a Category III institution).

3. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 55.a.

## Schedule RC-R Part II - Risk-Weighted Assets(Form Type - 031)

Institutions are required to assign a 100 percent risk weight to all assets not specifically assigned a risk weight under Subpart D of the federal banking agencies' regulatory capital rules and not deducted from tier 1 or tier 2 capital.

Dollar amounts in thousands											
	(Column A) Totals from Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
1. Cash and balances due from depository institutions.....	RCFDD957 43,244,310	RCFDS396 0	RCFDD958 38,149,680				RCFDD959 5,094,630	RCFDS397 0	RCFDD960 0	RCFDS398 0	1.
2. Securities:											2.
a. Held-to-maturity securities <sup>3</sup> .....	RCFDD961 0	RCFDS399 0	RCFDD962 0	RCFDHJ74 0	RCFDHJ75 0		RCFDD963 0	RCFDD964 0	RCFDD965 0	RCFDS400 0	2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading.....	RCFDJA21 77,592,790	RCFDS402 -9,041,140	RCFDD967 35,602,634	RCFDHJ76 0	RCFDHJ77 0		RCFDD968 50,453,227	RCFDD969 0	RCFDD970 578,069	RCFDS403 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:											3.
a. Federal funds sold in domestic offices.....	RCOND971 0		RCOND972 0				RCOND973 0	RCONS410 0	RCOND974 0	RCONS411 0	3.a.
b. Securities purchased under agreements to resell.....	RCFDH171 0	RCFDH172 0									3.b.
4. Loans and leases held for sale:											4.
a. Residential mortgage exposures.....	RCFDS413 0	RCFDS414 0	RCFDH173 0				RCFDS415 0	RCFDS416 0	RCFDS417 0		4.a.
b. High volatility commercial real estate exposures.....	RCFDS419 26,418	RCFDS420 0	RCFDH174 0				RCFDH175 0	RCFDH176 0	RCFDH177 0	RCFDS421 26,418	4.b.
c. Exposures past due 90 days or more or on nonaccrual <sup>3</sup> .....	RCFDS423 124,843	RCFDS424 0	RCFDS425 0	RCFDHJ78 0	RCFDHJ79 0		RCFDS426 0	RCFDS427 0	RCFDS428 0	RCFDS429 124,843	4.c.

Dollar amounts in thousands										
	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
1. Cash and balances due from depository institutions										1.
2. Securities:										2.
a. Held-to-maturity securities										2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading.....	RCFDH270 NR	RCFDS405 0		RCFDS406 0				RCFDH271 0	RCFDH272 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:										3.
a. Federal funds sold in domestic offices										3.a.

3. Institutions that have adopted ASU 2016-13 should report as a negative number allowances eligible for inclusion in tier 2 capital in Column B, which excludes PCD allowances.  
 3. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
Dollar amounts in thousands										
b. Securities purchased under agreements to resell										3.b.
4. Loans and leases held for sale:										4.
a. Residential mortgage exposures.....								RCFDH273 0	RCFDH274 0	4.a.
b. High volatility commercial real estate exposures.....								RCFDH275 0	RCFDH276 0	4.b.





	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
Dollar amounts in thousands										
4. Loans and leases held for sale (continued):										4.
d. All other exposures.....								RCFDH279 0	RCFDH280 0	4.d.
5. Loans and leases held for investment:										5.
a. Residential mortgage exposures.....								RCFDH281 0	RCFDH282 0	5.a.
b. High volatility commercial real estate exposures.....								RCFDH283 0	RCFDH284 0	5.b.
c. Exposures past due 90 days or more or on nonaccrual <sup>11</sup> .....								RCFDH285 0	RCFDH286 0	5.c.
d. All other exposures.....								RCFDH287 0	RCFDH288 0	5.d.
6. LESS: Allowance for loan and lease losses										6.
7. Trading assets.....	RCFDH289 NR	RCFDH186 0	RCFDH290 0	RCFDH187 0				RCFDH291 0	RCFDH292 0	7.
8. All other assets <sup>12</sup> .....	RCFDH293 3,451,161	RCFDH188 0	RCFDS470 0	RCFDS471 0				RCFDH294 0	RCFDH295 0	8.
a. Separate account bank-owned life insurance.....								RCFDH296 1,821,737	RCFDH297 462,812	8.a.
b. Default fund contributions to central counterparties.....								RCFDH298 1,993	RCFDH299 0	8.b.

6. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.  
 7. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.  
 8. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.  
 11. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.  
 12. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.

Dollar amounts in thousands						
	(Column A) Totals	(Column B) Adjustments to Totals Reported in Column A	(Column Q) Exposure Amount 1,250%	(Column T) Total Risk-Weighted Asset Amount by Calculation Methodology SSFA	(Column U) Total Risk-Weighted Asset Amount by Calculation Methodology Gross-Up	
9. On-balance sheet securitization exposures:						9.
a. Held-to-maturity securities.....	RCFDS475 0	RCFDS476 0	RCFDS477 0	RCFDS478 0	RCFDS479 0	9.a.
b. Available-for-sale securities.....	RCFDS480 1,722,266	RCFDS481 1,722,266	RCFDS482 0	RCFDS483 1,221,977	RCFDS484 0	9.b.
c. Trading assets.....	RCFDS485 34,846	RCFDS486 34,827	RCFDS487 19	RCFDS488 98,164	RCFDS489 0	9.c.
d. All other on-balance sheet securitization exposures.....	RCFDS490 16,187,218	RCFDS491 16,187,121	RCFDS492 97	RCFDS493 4,603,666	RCFDS494 0	9.d.
10. Off-balance sheet securitization exposures.....	RCFDS495 3,611,926	RCFDS496 3,611,926	RCFDS497 0	RCFDS498 756,698	RCFDS499 0	10.

	(Column A) Totals From Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%
Dollar amounts in thousands										
11. Total balance sheet assets <sup>14</sup>	RCFD2170 475,628,639	RCFDS500 12,968,740	RCFDD987 76,366,361	RCFDHJ90 0	RCFDHJ91 0		RCFDD988 58,809,457	RCFDD989 6,360,805	RCFDD990 309,391,307	RCFDS503 6,456,962

	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount
Dollar amounts in thousands								
11. Total balance sheet assets <sup>14</sup>	RCFDS504 3,451,161	RCFDS505 0	RCFDS506 0	RCFDS507 0			RCFDS510 116	RCFDH300 1,823,730

	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%
Dollar amounts in thousands										
12. Financial standby letters of credit	RCFDD991 1,236,379	RCFDD992 1,236,379	RCFDD993 104,588	RCFDHJ92 0	RCFDHJ93 0		RCFDD994 0	RCFDD995 0	RCFDD996 1,131,791	RCFDS511 0
13. Performance standby letters of credit and transaction-related contingent items	RCFDD997 220,152	RCFDD998 110,076	RCFDD999 791				RCFDG603 0	RCFDG604 0	RCFDG605 109,285	RCFDS512 0
14. Commercial and similar letters of credit with an original maturity of one year or less	RCFDG606 8,265	RCFDG607 1,653	RCFDG608 0	RCFDHJ94 0	RCFDHJ95 0		RCFDG609 0	RCFDG610 0	RCFDG611 1,653	RCFDS513 0
15. Retained recourse on small business obligations sold with recourse	RCFDG612 0	RCFDG613 0	RCFDG614 0				RCFDG615 0	RCFDG616 0	RCFDG617 0	RCFDS514 0

	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%
Dollar amounts in thousands										
16. Repo-style transactions <sup>21</sup>	RCFDS515 549,017	RCFDS516 549,017	RCFDS517 507,184	RCFDS518 0	RCFDS519 0		RCFDS520 0	RCFDS521 0	RCFDS522 41,833	RCFDS523 0
17. All other off-balance sheet liabilities	RCFDG618 6,591,029	RCFDG619 6,591,029	RCFDG620 0				RCFDG621 0	RCFDG622 5,636,841	RCFDG623 954,188	RCFDS524 0
18. Unused commitments: <sup>*</sup>										
a. Original maturity of one year or less	RCFDS525 1,716,060	RCFDS526 343,212	RCFDS527 0	RCFDHJ96 0	RCFDHJ97 0		RCFDS528 13,400	RCFDS529 0	RCFDS530 329,812	RCFDS531 0

14. For each of columns A through R of item 11, report the sum of items 1 through 9. For item 11, the sum of columns B through R must equal column A. Item 11, column A, must equal Schedule RC, item 12.

21. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.

\*. Excludes unused commitments to asset-backed commercial paper conduits.

	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
Dollar amounts in thousands											
b. Original maturity exceeding one year.....	RCFDG624 38,867,786	RCFDG625 19,433,893	RCFDG626 0	RCFDHJ98 0	RCFDHJ99 0		RCFDG627 968,267	RCFDG628 0	RCFDG629 17,598,794	RCFDS539 866,832	18.b.
19. Unconditionally cancelable commitments.....	RCFDS540 395,662,886	RCFDS541 0									19.
20. Over-the-counter derivatives.....		RCFDS542 3,101,671	RCFDS543 582,553	RCFDHK00 0	RCFDHK01 0	RCFDS544 0	RCFDS545 851,370	RCFDS546 0	RCFDS547 1,667,748	RCFDS548 0	20.
21. Centrally cleared derivatives.....		RCFDS549 6,248,522	RCFDS550 0	RCFDS551 6,248,522	RCFDS552 0		RCFDS554 0	RCFDS555 0	RCFDS556 0	RCFDS557 0	21.
22. Unsettled transactions (failed trades) <sup>22</sup> .....	RCFDH191 0		RCFDH193 0				RCFDH194 0	RCFDH195 0	RCFDH196 0	RCFDH197 0	22.

22. For item 22, the sum of columns C through Q must equal column A.

	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Credit Equivalent Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
Dollar amounts in thousands						
16. Repo-style transactions <sup>24</sup> .....				RCFDH301 0	RCFDH302 0	16.
17. All other off-balance sheet liabilities						17.
18. Unused commitments: <sup>*</sup>						18.
a. Original maturity of one year or less.....				RCFDH303 0	RCFDH304 0	18.a.
b. Original maturity exceeding one year.....				RCFDH307 0	RCFDH308 0	18.b.
19. Unconditionally cancelable commitments						19.
20. Over-the-counter derivatives.....				RCFDH309 0	RCFDH310 0	20.
21. Centrally cleared derivatives						21.
22. Unsettled transactions (failed trades) <sup>25</sup> .....	RCFDH198 0	RCFDH199 0	RCFDH200 0			22.

24. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.  
 \*. Excludes unused commitments to asset-backed commercial paper conduits.  
 25. For item 22, the sum of columns C through Q must equal column A.

Dollar amounts in thousands		(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22).....	RCFDG630 77,561,477	RCFDS558 6,248,522	RCFDS559 0	RCFDS560 0	RCFDG631 60,642,494	RCFDG632 11,997,646	RCFDG633 331,226,411	RCFDS561 7,323,794	23.	
24. Risk weight factor									24.	
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24).....	RCFDG634 0	RCFDS569 124,970	RCFDS570 0	RCFDS571 0	RCFDG635 12,128,499	RCFDG636 5,998,823	RCFDG637 331,226,411	RCFDS572 10,985,691	25.	

Dollar amounts in thousands		(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22).....	RCFDS562 3,451,161	RCFDS563 0	RCFDS564 0	RCFDS565 0	RCFDS566 0	RCFDS567 0	RCFDS568 116	23.	
24. Risk weight factor								24.	
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24).....	RCFDS573 8,627,903	RCFDS574 0	RCFDS575 0	RCFDS576 0	RCFDS577 0	RCFDS578 0	RCFDS579 1,450	25.	



Dollar amounts in thousands

26. Risk-weighted assets base for purposes of calculating the allowance for loan and lease losses 1.25 percent threshold.....	RCFDS580	<b>376,237,064</b>	26.
27. Standardized market-risk weighted assets (applicable only to banks that are covered by the market risk capital rule).....	RCFDS581	<b>209,825</b>	27.
28. Risk-weighted assets before deductions for excess allowance of loan and lease losses and allocated risk transfer risk reserve <sup>27</sup> .....	RCFDB704	<b>376,446,889</b>	28.
29. LESS: Excess allowance for loan and lease losses.....	RCFDA222	<b>9,205,026</b>	29.
30. LESS: Allocated transfer risk reserve.....	RCFD3128	<b>0</b>	30.
31. Total risk-weighted assets (item 28 minus items 29 and 30).....	RCFDG641	<b>367,241,863</b>	31.
1. Current credit exposure across all derivative contracts covered by the regulatory capital rules.....	RCFDG642	<b>2,985,866</b>	M.1.

Dollar amounts in thousands

	(Column A) With a remaining maturity of One year or less		(Column B) With a remaining maturity of Over one year through five years		(Column C) With a remaining maturity of Over five years		
2. Notional principal amounts of over-the-counter derivative contracts:							M.2.
a. Interest rate.....	RCFDS582	<b>31,978,930</b>	RCFDS583	<b>78,543,659</b>	RCFDS584	<b>10,945,936</b>	M.2.a.
b. Foreign exchange rate and gold.....	RCFDS585	<b>17,006,094</b>	RCFDS586	<b>69,255</b>	RCFDS587	<b>0</b>	M.2.b.
c. Credit (investment grade reference asset).....	RCFDS588	<b>0</b>	RCFDS589	<b>0</b>	RCFDS590	<b>0</b>	M.2.c.
d. Credit (non-investment grade reference asset).....	RCFDS591	<b>1,070,780</b>	RCFDS592	<b>5,173,304</b>	RCFDS593	<b>759,929</b>	M.2.d.
e. Equity.....	RCFDS594	<b>0</b>	RCFDS595	<b>0</b>	RCFDS596	<b>0</b>	M.2.e.
f. Precious metals (except gold).....	RCFDS597	<b>0</b>	RCFDS598	<b>0</b>	RCFDS599	<b>0</b>	M.2.f.
g. Other.....	RCFDS600	<b>2,082,276</b>	RCFDS601	<b>0</b>	RCFDS602	<b>0</b>	M.2.g.
3. Notional principal amounts of centrally cleared derivative contracts:							M.3.
a. Interest rate.....	RCFDS603	<b>13,306,657</b>	RCFDS604	<b>73,150,530</b>	RCFDS605	<b>8,585,839</b>	M.3.a.
b. Foreign exchange rate and gold.....	RCFDS606	<b>0</b>	RCFDS607	<b>0</b>	RCFDS608	<b>0</b>	M.3.b.
c. Credit (investment grade reference asset).....	RCFDS609	<b>0</b>	RCFDS610	<b>0</b>	RCFDS611	<b>0</b>	M.3.c.
d. Credit (non-investment grade reference asset).....	RCFDS612	<b>0</b>	RCFDS613	<b>0</b>	RCFDS614	<b>0</b>	M.3.d.
e. Equity.....	RCFDS615	<b>0</b>	RCFDS616	<b>0</b>	RCFDS617	<b>0</b>	M.3.e.
f. Precious metals (except gold).....	RCFDS618	<b>0</b>	RCFDS619	<b>0</b>	RCFDS620	<b>0</b>	M.3.f.
g. Other.....	RCFDS621	<b>10,502,813</b>	RCFDS622	<b>5,319,216</b>	RCFDS623	<b>1,993</b>	M.3.g.

Dollar amounts in thousands

4. Amount of allowances for credit losses on purchased credit-deteriorated assets: <sup>1</sup>			M.4.
a. Loans and leases held for investment.....	RCFDJJ30	<b>191</b>	M.4.a.
b. Held-to-maturity debt securities.....	RCFDJJ31	<b>0</b>	M.4.b.
c. Other financial assets measured at amortized cost.....	RCFDJJ32	<b>0</b>	M.4.c.

27. Sum of items 2.b through 20, column S; items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U; item 25, columns C through Q; and item 27 (if applicable).

1. Memorandum items 4.a through 4.c should be completed only by institutions that have adopted ASU 2016-13.

### Schedule RC-S - Servicing Securitization and Asset Sale Activities(Form Type - 031)

	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
Dollar amounts in thousands								
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements.....	RCFDB705 0	RCFDB706 0	RCFDB707 0	RCFDB708 0	RCFDB709 64,891	RCFDB710 0	RCFDB711 0	1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1.....	RCFDHU09 0	RCFDHU10 0	RCFDHU11 0	RCFDHU12 0	RCFDHU13 14,340	RCFDHU14 0	RCFDHU15 0	2.
<i>Item 3 is to be completed by banks with \$100 billion or more in total assets.</i>								
3. Reporting bank's unused commitments to provide liquidity to structures reported in item 1 <sup>1</sup> .....	RCFDB726 0	RCFDB727 0	RCFDB728 0	RCFDB729 0	RCFDB730 0	RCFDB731 0	RCFDB732 0	3.
4. Past due loan amounts included in item 1:								4.
a. 30-89 days past due.....	RCFDB733 0	RCFDB734 0	RCFDB735 0	RCFDB736 0	RCFDB737 4,160	RCFDB738 0	RCFDB739 0	4.a.
b. 90 days or more past due.....	RCFDB740 0	RCFDB741 0	RCFDB742 0	RCFDB743 0	RCFDB744 3,528	RCFDB745 0	RCFDB746 0	4.b.
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):								5.
a. Charge-offs.....	RIADB747 0	RIADB748 0	RIADB749 0	RIADB750 0	RIADB751 1,147	RIADB752 0	RIADB753 0	5.a.
b. Recoveries.....	RIADB754 0	RIADB755 0	RIADB756 0	RIADB757 0	RIADB758 0	RIADB759 0	RIADB760 0	5.b.
<i>Item 6 is to be completed by banks with \$10 billion or more in total assets.</i>								
6. Total amount of ownership (or seller's) interest carried as securities or loans <sup>1</sup> .....		RCFDHU16 0	RCFDHU17 0			RCFDHU18 0		6.
7. Not applicable								7.
8. Not applicable								8.
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements.....	RCFDB776 72,023			RCFDB779 646,692	RCFDB780 0	RCFDB781 0	RCFDB782 0	9.
<i>Item 10 is to be completed by banks with \$10 billion or more in total assets.</i>								
10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures <sup>1</sup> .....	RCFDB783 0			RCFDB786 0	RCFDB787 0	RCFDB788 0	RCFDB789 0	10.
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank.....	RCFDB790 0						RCFDB796 25,202,595	11.
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11....	RCFDB797 0						RCFDB803 6,646,461	12.

1. The \$100 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.  
 1. The \$10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.  
 1. The \$10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Dollar amounts in thousands

1. Not applicable			M.1.
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			M.2.
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements.....	RCFDB804	0	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements.....	RCFDB805	0	M.2.b.
c. Other financial assets (includes home equity lines) <sup>1</sup> .....	RCFDA591	82,326,737	M.2.c.
d. 1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans).....	RCFDF699	0	M.2.d.
<i>Memorandum item 3 is to be completed by banks with \$10 billion or more in total assets.</i>			
3. Asset-backed commercial paper conduits: <sup>2</sup>			M.3.
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:			M.3.a.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company.....	RCFDB806	0	M.3.a.1.
2. Conduits sponsored by other unrelated institutions.....	RCFDB807	0	M.3.a.2.
b. Unused commitments to provide liquidity to conduit structures:			M.3.b.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company.....	RCFDB808	0	M.3.b.1.
2. Conduits sponsored by other unrelated institutions.....	RCFDB809	0	M.3.b.2.
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column C <sup>2</sup> .....	RCFDC407	0	M.4.

## Schedule RC-T - Fiduciary and Related Services(Form Type - 031)

Dollar amounts in thousands

1. Does the institution have fiduciary powers? (If "NO," do not complete Schedule RC-T.).....	RCFDA345	Yes	1.
2. Does the institution exercise the fiduciary powers it has been granted?.....	RCFDA346	Yes	2.
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T.).....	RCFDB867	Yes	3.

Dollar amounts in thousands	(Column A) Managed Assets		(Column B) Non-Managed Assets		(Column C) Number of Managed Accounts		(Column D) Number of Non-Managed Accounts		
4. Personal trust and agency accounts.....	RCFDB868	816	RCFDB869	0	RCFDB870	3	RCFDB871	0	4.
5. Employee benefit and retirement-related trust and agency accounts:									5.
a. Employee benefit - defined contribution.....	RCFDB872	0	RCFDB873	0	RCFDB874	0	RCFDB875	0	5.a.
b. Employee benefit - defined benefit.....	RCFDB876	0	RCFDB877	0	RCFDB878	0	RCFDB879	0	5.b.
c. Other employee benefit and retirement-related accounts.....	RCFDB880	0	RCFDB881	0	RCFDB882	0	RCFDB883	0	5.c.
6. Corporate trust and agency accounts.....	RCFDB884	0	RCFDB885	0	RCFDC001	0	RCFDC002	0	6.
7. Investment management and investment advisory agency accounts.....	RCFDB886	0	RCFDJ253	0	RCFDB888	0	RCFDJ254	0	7.
8. Foundation and endowment trust and agency accounts.....	RCFDJ255	0	RCFDJ256	0	RCFDJ257	0	RCFDJ258	0	8.
9. Other fiduciary accounts.....	RCFDB890	0	RCFDB891	0	RCFDB892	0	RCFDB893	0	9.
10. Total fiduciary accounts (sum of items 4 through 9).....	RCFDB894	816	RCFDB895	0	RCFDB896	3	RCFDB897	0	10.
11. Custody and safekeeping accounts.....			RCFDB898	9			RCFDB899	1	11.
12. Fiduciary accounts held in foreign offices (included in items 10 and 11).....	RCFNB900	0	RCFNB901	0	RCFNB902	0	RCFNB903	0	12.
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11).....	RCFDJ259	0	RCFDJ260	0	RCFDJ261	0	RCFDJ262	0	13.

1. Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than \$10 million.  
 2. The \$10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.  
 2. Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

Dollar amounts in thousands

14. Personal trust and agency accounts.....	RIADB904	NR	14.
15. Employee benefit and retirement-related trust and agency accounts:			15.
a. Employee benefit - defined contribution.....	RIADB905	NR	15.a.
b. Employee benefit - defined benefit.....	RIADB906	NR	15.b.
c. Other employee benefit and retirement-related accounts.....	RIADB907	NR	15.c.
16. Corporate trust and agency accounts.....	RIADA479	NR	16.
17. Investment management and investment advisory agency accounts.....	RIADJ315	NR	17.
18. Foundation and endowment trust and agency accounts.....	RIADJ316	NR	18.
19. Other fiduciary accounts.....	RIADA480	NR	19.
20. Custody and safekeeping accounts.....	RIADB909	NR	20.
21. Other fiduciary and related services income.....	RIADB910	NR	21.
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a).....	RIAD4070	0	22.
a. Fiduciary and related services income - foreign offices (included in item 22).....	RIADB912	NR	22.a.
23. Less: Expenses.....	RIADC058	NR	23.
24. Less: Net losses from fiduciary and related services.....	RIADA488	NR	24.
25. Plus: Intracompany income credits for fiduciary and related services.....	RIADB911	NR	25.
26. Net fiduciary and related services income.....	RIADA491	NR	26.

Dollar amounts in thousands

	(Column A) Personal Trust and Agency and Investment Management Agency Accounts		(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts		(Column C) All Other Accounts		
1. Managed assets held in fiduciary accounts:							M.1.
a. Noninterest-bearing deposits.....	RCFDJ263	0	RCFDJ264	0	RCFDJ265	0	M.1.a.
b. Interest-bearing deposits.....	RCFDJ266	0	RCFDJ267	0	RCFDJ268	0	M.1.b.
c. U.S. Treasury and U.S. Government agency obligations.....	RCFDJ269	0	RCFDJ270	0	RCFDJ271	0	M.1.c.
d. State, county, and municipal obligations.....	RCFDJ272	0	RCFDJ273	0	RCFDJ274	0	M.1.d.
e. Money market mutual funds.....	RCFDJ275	615	RCFDJ276	0	RCFDJ277	0	M.1.e.
f. Equity mutual funds.....	RCFDJ278	0	RCFDJ279	0	RCFDJ280	0	M.1.f.
g. Other mutual funds.....	RCFDJ281	0	RCFDJ282	0	RCFDJ283	0	M.1.g.
h. Common trust funds and collective investment funds.....	RCFDJ284	0	RCFDJ285	0	RCFDJ286	0	M.1.h.
i. Other short-term obligations.....	RCFDJ287	0	RCFDJ288	0	RCFDJ289	0	M.1.i.
j. Other notes and bonds.....	RCFDJ290	0	RCFDJ291	0	RCFDJ292	0	M.1.j.
k. Investments in unregistered funds and private equity investments.....	RCFDJ293	0	RCFDJ294	0	RCFDJ295	0	M.1.k.
l. Other common and preferred stocks.....	RCFDJ296	0	RCFDJ297	0	RCFDJ298	0	M.1.l.
m. Real estate mortgages.....	RCFDJ299	0	RCFDJ300	0	RCFDJ301	0	M.1.m.
n. Real estate.....	RCFDJ302	201	RCFDJ303	0	RCFDJ304	0	M.1.n.
o. Miscellaneous assets.....	RCFDJ305	0	RCFDJ306	0	RCFDJ307	0	M.1.o.
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o).....	RCFDJ308	816	RCFDJ309	0	RCFDJ310	0	M.1.p.

Dollar amounts in thousands

	(Column A) Managed Assets		(Column B) Number of Managed Accounts		
q. Investments of managed fiduciary accounts in advised or sponsored mutual funds.....	RCFDJ311	0	RCFDJ312	0	M.1.q.

Dollar amounts in thousands		(Column A) Number of Issues	(Column B) Principal Amount Outstanding	
2. Corporate trust and agency accounts:				
a. Corporate and municipal trusteeships.....	RCFDB927	0	RCFDB928	0
1. Issues reported in Memorandum item 2.a that are in default.....				
	RCFDJ313	0	RCFDJ314	0
b. Transfer agent, registrar, paying agent, and other corporate agency.....	RCFDB929	0		

Dollar amounts in thousands		(Column A) Number of Funds	(Column B) Market Value of Fund Assets	
<i>Memoranda items 3.a through 3.g are to be completed by banks with collective investment funds and common trust funds with a total market value of \$1 billion or more as of the preceding December 31.</i>				
3. Collective investment funds and common trust funds:				
a. Domestic equity.....	RCFDB931	NR	RCFDB932	NR
b. International/Global equity.....	RCFDB933	NR	RCFDB934	NR
c. Stock/Bond blend.....	RCFDB935	NR	RCFDB936	NR
d. Taxable bond.....	RCFDB937	NR	RCFDB938	NR
e. Municipal bond.....	RCFDB939	NR	RCFDB940	NR
f. Short term investments/Money market.....	RCFDB941	NR	RCFDB942	NR
g. Specialty/Other.....	RCFDB943	NR	RCFDB944	NR
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g).....	RCFDB945	0	RCFDB946	0

Dollar amounts in thousands		(Column A) Gross Losses Managed Accounts	(Column B) Gross Losses Non-Managed Accounts	(Column C) Recoveries		
4. Fiduciary settlements, surcharges, and other losses:						
a. Personal trust and agency accounts.....	RIADB947	NR	RIADB948	NR	RIADB949	NR
b. Employee benefit and retirement-related trust and agency accounts.....	RIADB950	NR	RIADB951	NR	RIADB952	NR
c. Investment management agency accounts.....	RIADB953	NR	RIADB954	NR	RIADB955	NR
d. Other fiduciary accounts and related services.....	RIADB956	NR	RIADB957	NR	RIADB958	NR
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 24).....	RIADB959	NR	RIADB960	NR	RIADB961	NR

## Schedule RC-V - Variable Interest Entities(Form Type - 031)

Dollar amounts in thousands		(Column A) Securitization Vehicles	(Column B) Other VIEs	
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs:				
a. Cash and balances due from depository institutions.....	RCFDJ981	457,974	RCFDJF84	14,430
b. Securities not held for trading.....	RCFDHU20	0	RCFDHU21	0
c. Loans and leases held for investment, net of allowance, and held for sale.....	RCFDHU22	29,428,927	RCFDHU23	26,047
d. Other real estate owned.....	RCFDK009	0	RCFDJF89	0
e. Other assets.....	RCFDJF91	605,951	RCFDJF90	2,754,621
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank:				
a. Other borrowed money.....	RCFDJF92	18,043,310	RCFDJF85	0
b. Other liabilities.....	RCFDJF93	0	RCFDJF86	32,975
3. All other assets of consolidated VIEs (not included in items 1.a. through 1.e. above).....	RCFDK030	0	RCFDJF87	0
4. All other liabilities of consolidated VIEs (not included in items 2.a through 2.b. above).....	RCFDK033	0	RCFDJF88	0

Dollar amounts in thousands				
5. Total assets of asset-backed commercial paper (ABCP) conduit VIEs.....	RCFDJF77		0	5.
6. Total liabilities of ABCP conduit VIEs.....	RCFDJF78		0	6.

## Optional Narrative Statement Concerning the Amounts Reported in the Consolidated Reports of Condition and Income(Form Type - 031)

Dollar amounts in thousands

1. Comments?.....	RCON6979	<b>Yes</b>	1.
2. Bank Management Statement.....	TEXT6980	<b>Click here for value</b>	2.

**(TEXT6980)** RC-O Memorandum Item 2 Estimated Amount of Uninsured Deposits reported of \$95B includes \$31B in Intercompany balances (Non-IDI subsidiary and Parent company or affiliate intercompany deposits). This aligns to Estimated Uninsured Deposits of \$64B reported on a consolidated company basis, adjusted to exclude intercompany balances, in the Capital One Financial Corporation Form 10-K and Earnings Release Presentation for the quarterly period ended December 31, 2023.

**Federal Financial Institutions Examination Council**

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**Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031**

Institution Name	<b>DISCOVER BANK</b>
City	<b>GREENWOOD</b>
State	<b>DE</b>
Zip Code	<b>19950</b>
Call Report Report Date	<b>12/31/2023</b>
Report Type	<b>031</b>
RSSD-ID	<b>30810</b>
FDIC Certificate Number	<b>5649</b>
OCC Charter Number	<b>0</b>
ABA Routing Number	<b>31100649</b>
Last updated on	<b>2/5/2024</b>





# Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

## Report at the close of business December 31, 2023

(20231231)  
(RCON 9999)

This report is required by law: 12 U.S.C. §324 (State member banks); 12 U.S.C. §1817 (State non member banks); 12 U.S.C. §161 (National banks); and 12 U.S.C. §1464 (Savings associations).

Unless the context indicates otherwise, the term "bank" in this report form refers to both banks and savings associations.

NOTE: Each bank's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Reports of Condition and Income. The Reports of Condition and Income are to be prepared in accordance with federal regulatory authority instructions. The Reports of Condition and Income must be signed by the Chief Financial Officer (CFO) of the reporting bank (or by the individual performing an equivalent function) and attested to by not less than two directors (trustees) for state non member banks and three directors for state member banks, national banks, and savings associations.

schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

We, the undersigned directors (trustees), attest to the correctness of the Reports of Condition and Income (including the supporting schedules) for this report date and declare that the Reports of Condition and Income have been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

I, the undersigned CFO (or equivalent) of the named bank, attest that the Reports of Condition and Income (including the supporting

\_\_\_\_\_  
Signature of Chief Financial Officer (or Equivalent)

\_\_\_\_\_  
Director (Trustee)

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Director (Trustee)

\_\_\_\_\_  
Director (Trustee)

## Submission of Reports

Each bank must file its Reports of Condition and Income (Call Report) data by either:

- (a) Using computer software to prepare its Call Report and then submitting the report data directly to the FFIEC's Central Data Repository (CDR), an Internet-based system for datacollection (<https://cdr.ffiec.gov/cdr/>), or
- (b) Completing its Call Report in paper form and arranging with a software vendor or another party to convert the data in to the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's data file to the CDR.

FDIC Certificate Number **5649** (RSSD 9050)

To fulfill the signature and attestation requirement for the Reports of Condition and Income for this report date, attach your bank's completed signature page (or a photocopy or a computer generated version of this page) to the hard-copy record of the data file submitted to the CDR that your bank must place in its files.

The appearance of your bank's hard-copy record of the submitted data file need not match exactly the appearance of the FFIEC's sample report forms, but should show at least the caption of each Call Report item and the reported amount.

For technical assistance with submissions to the CDR, please contact the CDR Help Desk by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at [CDR.Help@cdr.ffiec.gov](mailto:CDR.Help@cdr.ffiec.gov).

### DISCOVER BANK

\_\_\_\_\_  
Legal Title of Bank (RSSD 9017)

### GREENWOOD

\_\_\_\_\_  
City (RSSD 9130)

### DE

\_\_\_\_\_  
State Abbreviation (RSSD 9200)

**19950**

\_\_\_\_\_  
Zip Code (RSSD 9220)

The estimated average burden associated with this information collection is 50.4 hours per respondent and is estimated to vary from 20 to 775 hours per response, depending on individual circumstances. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. A Federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503, and to one of the following: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219; Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429.

# Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

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For information or assistance, national banks, state nonmember banks, and savings associations should contact the FDIC's Data Collection and Analysis Section, 550 17th Street, NW, Washington, DC 20429, toll free on (800) 688-FDIC(3342), Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time. State member banks should contact their Federal Reserve District Bank.

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Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency

**Legend:** NR - Not Reported, CONF - Confidential

## Contact Information for the Reports of Condition and Income

To facilitate communication between the Agencies and the bank concerning the Reports of Condition and Income, please provide contact information for (1) the Chief Financial Officer (or equivalent) of the bank signing the reports for this quarter, and (2) the person at the bank—other than the Chief Financial Officer (or equivalent)—to whom questions about the reports should be directed. If the Chief Financial Officer (or equivalent) is the primary contact for questions about the reports, please provide contact information for another person at the bank who will serve as a secondary contact for communications between the Agencies and the bank concerning the Reports of Condition and Income. Enter “none” for the contact’s e-mail address or fax number if not available. Contact information for the Reports of Condition and Income is for the confidential use of the Agencies and will not be released to the public.

### Chief Financial Officer (or Equivalent) Signing the Reports

CONF  
Name (TEXT C490)

CONF  
Title (TEXT C491)

CONF  
E-mail Address (TEXT C492)

CONF  
Area Code / Phone Number / Extension (TEXT C493)

CONF  
Area Code / FAX Number (TEXT C494)

### Other Person to Whom Questions about the Reports Should be Directed

CONF  
Name (TEXT C495)

CONF  
Title (TEXT C496)

CONF  
E-mail Address (TEXT 4086)

CONF  
Area Code / Phone Number / Extension (TEXT 8902)

CONF  
Area Code / FAX Number (TEXT 9116)

---

## Emergency Contact Information

This information is being requested so the Agencies can distribute critical, time-sensitive information to emergency contacts at banks. Please provide primary contact information for a senior official of the bank who has decision-making authority. Also provide information for a secondary contact if available. Enter “none” for the contact’s e-mail address or fax number if not available. Emergency contact information is for the confidential use of the Agencies and will not be released to the public.

### Primary Contact

CONF  
Name (TEXT C366)

CONF  
Title (TEXT C367)

CONF  
E-mail Address (TEXT C368)

CONF  
Area Code / Phone Number / Extension (TEXT C369)

CONF  
Area Code / FAX Number (TEXT C370)

### Secondary Contact

CONF  
Name (TEXT C371)

CONF  
Title (TEXT C372)

CONF  
E-mail Address (TEXT C373)

CONF  
Area Code / Phone Number / Extension (TEXT C374)

CONF  
Area Code / FAX Number (TEXT C375)

## USA PATRIOT Act Section 314(a) Anti-Money Laundering

### Contact Information

This information is being requested to identify points-of-contact who are in charge of your bank's USA PATRIOT Act Section 314(a) information requests. Bank personnel listed could be contacted by law enforcement officers or the Financial Crimes Enforcement Network (FinCEN) for additional information related to specific Section 314(a) search requests or other anti-terrorist financing and anti- money laundering matters. Communications sent by FinCEN to the bank for purposes other than Section 314(a) notifications will state the intended purpose and should be directed to the appropriate bank personnel for review. Any disclosure of customer records to law enforcement officers or FinCEN must be done in compliance with applicable law, including the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.).

Please provide information for a primary and secondary contact. Information for a third and fourth contact may be provided at the bank's option. Enter "none" for the contact's e-mail address if not available. This contact information is for the confidential use of the Agencies, FinCEN, and law enforcement officers and will not be released to the public.

#### Primary Contact

CONF  
Name (TEXT C437)

CONF  
Title (TEXT C438)

CONF  
E-mail Address (TEXT C439)

CONF  
Area Code / Phone Number / Extension (TEXT C440)

#### Secondary Contact

CONF  
Name (TEXT C442)

CONF  
Title (TEXT C443)

CONF  
E-mail Address (TEXT C444)

CONF  
Area Code / Phone Number / Extension (TEXT 8902)

#### Third Contact

CONF  
Name (TEXT C870)

CONF  
Title (TEXT C871)

CONF  
E-mail Address (TEXT C368)

CONF  
Area Code / Phone Number / Extension (TEXT C873)

#### Fourth Contact

CONF  
Name (TEXT C875)

CONF  
Title (TEXT C876)

CONF  
E-mail Address (TEXT C877)

CONF  
Area Code / Phone Number / Extension (TEXT C878)

## Bank Demographic Information(Form Type - 031)

Dollar amounts in thousands

1. Reporting date.....	RCON9999	<b>20231231</b>	1.
2. FDIC certificate number.....	RSSD9050	<b>5649</b>	2.
3. Legal title of bank.....	RSSD9017	<b>Click here for value</b>	3.
4. City.....	RSSD9130	<b>Newark</b>	4.
5. State abbreviation.....	RSSD9200	<b>DE</b>	5.
6. Zip code.....	RSSD9220	<b>19713</b>	6.
7. Legal Entity Identifier (LEI) (Report only if your institution already has an LEI.).....	RCON9224	<b>Click here for value</b>	7.

**(RCON9224)** X05BVSK68TQ7YTOSNR22

**(RSSD9017)** Discover Bank

## Contact Information(Form Type - 031)

Dollar amounts in thousands

1. Contact Information for the Reports of Condition and Income			1.
a. Chief Financial Officer (or Equivalent) Signing the Reports			1.a.
1. Name.....	TEXTC490	<b>CONF</b>	1.a.1.
2. Title.....	TEXTC491	<b>CONF</b>	1.a.2.
3. E-mail Address.....	TEXTC492	<b>CONF</b>	1.a.3.
4. Telephone.....	TEXTC493	<b>CONF</b>	1.a.4.
5. FAX.....	TEXTC494	<b>CONF</b>	1.a.5.
b. Other Person to Whom Questions about the Reports Should be Directed			1.b.
1. Name.....	TEXTC495	<b>CONF</b>	1.b.1.
2. Title.....	TEXTC496	<b>CONF</b>	1.b.2.
3. E-mail Address.....	TEXT4086	<b>CONF</b>	1.b.3.
4. Telephone.....	TEXT8902	<b>CONF</b>	1.b.4.
5. FAX.....	TEXT9116	<b>CONF</b>	1.b.5.
2. Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed			2.
a. Name and Title.....	TEXTB962	<b>CONF</b>	2.a.
b. E-mail Address.....	TEXTB926	<b>CONF</b>	2.b.
c. Telephone.....	TEXTB963	<b>CONF</b>	2.c.
d. FAX.....	TEXTB964	<b>CONF</b>	2.d.
3. Emergency Contact Information			3.
a. Primary Contact			3.a.
1. Name.....	TEXTC366	<b>CONF</b>	3.a.1.
2. Title.....	TEXTC367	<b>CONF</b>	3.a.2.
3. E-mail Address.....	TEXTC368	<b>CONF</b>	3.a.3.
4. Telephone.....	TEXTC369	<b>CONF</b>	3.a.4.
5. FAX.....	TEXTC370	<b>CONF</b>	3.a.5.
b. Secondary Contact			3.b.
1. Name.....	TEXTC371	<b>CONF</b>	3.b.1.
2. Title.....	TEXTC372	<b>CONF</b>	3.b.2.
3. E-mail Address.....	TEXTC373	<b>CONF</b>	3.b.3.
4. Telephone.....	TEXTC374	<b>CONF</b>	3.b.4.
5. FAX.....	TEXTC375	<b>CONF</b>	3.b.5.
4. USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information			4.
a. Primary Contact			4.a.

Dollar amounts in thousands

1. Name.....	TEXTC437	<b>CONF</b>	4.a.1.
2. Title.....	TEXTC438	<b>CONF</b>	4.a.2.
3. E-mail Address.....	TEXTC439	<b>CONF</b>	4.a.3.
4. Telephone.....	TEXTC440	<b>CONF</b>	4.a.4.
b. Secondary Contact			4.b.
1. Name.....	TEXTC442	<b>CONF</b>	4.b.1.
2. Title.....	TEXTC443	<b>CONF</b>	4.b.2.
3. E-mail Address.....	TEXTC444	<b>CONF</b>	4.b.3.
4. Telephone.....	TEXTC445	<b>CONF</b>	4.b.4.
c. Third Contact			4.c.
1. Name.....	TEXTC870	<b>CONF</b>	4.c.1.
2. Title.....	TEXTC871	<b>CONF</b>	4.c.2.
3. E-mail Address.....	TEXTC872	<b>CONF</b>	4.c.3.
4. Telephone.....	TEXTC873	<b>CONF</b>	4.c.4.
d. Fourth Contact			4.d.
1. Name.....	TEXTC875	<b>CONF</b>	4.d.1.
2. Title.....	TEXTC876	<b>CONF</b>	4.d.2.
3. E-mail Address.....	TEXTC877	<b>CONF</b>	4.d.3.
4. Telephone.....	TEXTC878	<b>CONF</b>	4.d.4.
5. Chief Executive Officer Contact Information			5.
a. Chief Executive Officer			5.a.
1. Name.....	TEXTFT42	<b>CONF</b>	5.a.1.
2. E-mail Address.....	TEXTFT44	<b>CONF</b>	5.a.2.
3. Telephone.....	TEXTFT43	<b>CONF</b>	5.a.3.
4. FAX.....	TEXTFT45	<b>CONF</b>	5.a.4.



## Schedule RI - Income Statement(Form Type - 031)

All Report of Income schedules are to be reported on a calendar year-to-date basis in thousands of dollars.

Dollar amounts in thousands

1. Interest income:			1.
a. Interest and fee income on loans:			1.a.
1. In domestic offices:			1.a.1.
a. Loans secured by real estate:			1.a.1.a.
1. Loans secured by 1-4 family residential properties.....	RIAD4435	<b>324,622</b>	1.a.1.a.1.
2. All other loans secured by real estate.....	RIAD4436	<b>0</b>	1.a.1.a.2.
b. Loans to finance agricultural production and other loans to farmers.....	RIAD4024	<b>0</b>	1.a.1.b.
c. Commercial and industrial loans.....	RIAD4012	<b>12,233</b>	1.a.1.c.
d. Loans to individuals for household, family, and other personal expenditures:			1.a.1.d.
1. Credit cards.....	RIADB485	<b>15,040,057</b>	1.a.1.d.1.
2. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....	RIADB486	<b>2,195,061</b>	1.a.1.d.2.
e. Loans to foreign governments and official institutions.....	RIAD4056	<b>0</b>	1.a.1.e.
f. All other loans in domestic offices.....	RIADB487	<b>1,729</b>	1.a.1.f.
2. In foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RIAD4059	<b>NR</b>	1.a.2.
3. Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(2)).....	RIAD4010	<b>17,573,702</b>	1.a.3.
b. Income from lease financing receivables.....	RIAD4065	<b>0</b>	1.b.
c. Interest income on balances due from depository institutions <sup>1</sup> .....	RIAD4115	<b>387,596</b>	1.c.
d. Interest and dividend income on securities:			1.d.
1. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities).....	RIADB488	<b>423,533</b>	1.d.1.
2. Mortgage-backed securities.....	RIADB489	<b>25,581</b>	1.d.2.
3. All other securities (includes securities issued by states and political subdivisions in the U.S.).....	RIAD4060	<b>9,645</b>	1.d.3.
e. Interest income from trading assets.....	RIAD4069	<b>0</b>	1.e.
f. Interest income on federal funds sold and securities purchased under agreements to resell.....	RIAD4020	<b>0</b>	1.f.
g. Other interest income.....	RIAD4518	<b>12,957</b>	1.g.
h. Total interest income (sum of items 1.a.(3) through 1.g.).....	RIAD4107	<b>18,433,014</b>	1.h.
2. Interest expense:			2.
a. Interest on deposits:			2.a.
1. Interest on deposits in domestic offices:			2.a.1.
a. Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....	RIAD4508	<b>18,796</b>	2.a.1.a.
b. Nontransaction accounts:			2.a.1.b.
1. Savings deposits (includes MMDAs).....	RIAD0093	<b>2,449,037</b>	2.a.1.b.1.
2. Time deposits of \$250,000 or less.....	RIADHK03	<b>1,357,120</b>	2.a.1.b.2.
3. Time deposits of more than \$250,000.....	RIADHK04	<b>91,539</b>	2.a.1.b.3.
2. Interest on deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RIAD4172	<b>NR</b>	2.a.2.
b. Expense of federal funds purchased and securities sold under agreements to repurchase.....	RIAD4180	<b>48</b>	2.b.
c. Interest on trading liabilities and other borrowed money.....	RIAD4185	<b>643,250</b>	2.c.
d. Interest on subordinated notes and debentures.....	RIAD4200	<b>108,035</b>	2.d.
e. Total interest expense (sum of items 2.a through 2.d.).....	RIAD4073	<b>4,667,825</b>	2.e.
3. Net interest income (item 1.h minus 2.e.).....	RIAD4074	<b>13,765,189</b>	3.
4. Provision for loan and lease losses <sup>1</sup> .....	RIADJJ33	<b>6,018,441</b>	4.
5. Noninterest income:			5.
a. Income from fiduciary activities <sup>2</sup> .....	RIAD4070	<b>0</b>	5.a.
b. Service charges on deposit accounts in domestic offices.....	RIAD4080	<b>2,278</b>	5.b.

1. Includes interest income on time certificates of deposit not held for trading.

1. Institutions that have adopted ASU 2016-13 should report in item 4, the provisions for credit losses for all financial assets and off-balance-sheet credit exposures that fall within the scope of the standard.

2. For banks required to complete Schedule RC-T, items 14 through 22, income from fiduciary activities reported in Schedule RI, item 5.a, must equal the amount reported in Schedule RC-T, item 22.

Dollar amounts in thousands

c. Trading revenue <sup>3</sup> .....	RIADA220	0	5.c.
d. Income from securities-related and insurance activities:			5.d.
1. Fees and commissions from securities brokerage.....	RIADC886	0	5.d.1.
2. Investment banking, advisory, and underwriting fees and commissions.....	RIADC888	0	5.d.2.
3. Fees and commissions from annuity sales.....	RIADC887	0	5.d.3.
4. Underwriting income from insurance and reinsurance activities.....	RIADC386	0	5.d.4.
5. Income from other insurance activities.....	RIADC387	72,731	5.d.5.
e. Venture capital revenue.....	RIADB491	0	5.e.
f. Net servicing fees.....	RIADB492	0	5.f.
g. Net securitization income.....	RIADB493	0	5.g.
h. Not applicable			5.h.
i. Net gains (losses) on sales of loans and leases.....	RIAD5416	0	5.i.
j. Net gains (losses) on sales of other real estate owned.....	RIAD5415	1	5.j.
k. Net gains (losses) on sales of other assets <sup>4</sup> .....	RIADB496	0	5.k.
l. Other noninterest income <sup>*</sup> .....	RIADB497	976,108	5.l.
m. Total noninterest income (sum of items 5.a through 5.l.).....	RIAD4079	1,051,118	5.m.
6. Not available			6.
a. Realized gains (losses) on held-to-maturity securities.....	RIAD3521	0	6.a.
b. Realized gains (losses) on available-for-sale debt securities.....	RIAD3196	0	6.b.
7. Noninterest expense:			7.
a. Salaries and employee benefits.....	RIAD4135	1,433,941	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest).....	RIAD4217	40,924	7.b.
c. Not available			7.c.
1. Goodwill impairment losses.....	RIADC216	0	7.c.1.
2. Amortization expense and impairment losses for other intangible assets.....	RIADC232	0	7.c.2.
d. Other noninterest expense <sup>*</sup> .....	RIAD4092	3,856,193	7.d.
e. Total noninterest expense (sum of items 7.a through 7.d.).....	RIAD4093	5,331,058	7.e.
8. Not available			8.
a. Income (loss) before change in net unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e.).....	RIADHT69	3,466,808	8.a.
b. Change in net unrealized holding gains (losses) on equity securities not held for trading <sup>5</sup> .....	RIADHT70	0	8.b.
c. Income (loss) before applicable income taxes and discontinued operations (sum of items 8.a and 8.b.).....	RIAD4301	3,466,808	8.c.
9. Applicable income taxes (on item 8.c.).....	RIAD4302	817,086	9.
10. Income (loss) before discontinued operations (item 8.c minus item 9).....	RIAD4300	2,649,722	10.
11. Discontinued operations, net of applicable income taxes (Describe on Schedule RI-E - Explanations) <sup>*</sup> .....	RIADFT28	0	11.
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11).....	RIADG104	2,649,722	12.
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value).....	RIADG103	0	13.
14. Net income (loss) attributable to bank (item 12 minus item 13).....	RIAD4340	2,649,722	14.
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes.....	RIAD4513	0	M.1.
<i>Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets</i>			
2. Income from the sale and servicing of mutual funds and annuities in domestic offices (included in Schedule RI, item 8).....	RIAD8431	0	M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b).....	RIAD4313	0	M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3)).....	RIAD4507	0	M.4.
5. Number of full-time equivalent employees at end of current period (round to nearest whole number).....	RIAD4150	13916	M.5.
6. Not applicable			M.6.

3. For banks required to complete Schedule RI, Memorandum item 8, trading revenue reported in Schedule RI, item 5.c, must equal the sum of Memorandum items 8.a through 8.e.  
 4. Exclude net gains (losses) on sales of trading assets and held-to-maturity and available-for-sale debt securities.  
 \*. Describe on Schedule RI-E—Explanations.  
 5. Item 8.b is to be completed by all institutions. See the instructions this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

Dollar amounts in thousands

7. If the reporting institution has applied pushdown accounting this calendar year, report the date of the institution's acquisition (see instructions) <sup>2</sup> .....	RIAD9106	<b>00000000</b>	M.7.
8. Trading revenue (from cash instruments and derivative instruments) (sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c):			M.8.
<i>Memorandum items 8.a through 8.e are to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$2 million or more for any quarter of the preceding calendar year.</i>			
a. Interest rate exposures.....	RIAD8757	<b>NR</b>	M.8.a.
b. Foreign exchange exposures.....	RIAD8758	<b>NR</b>	M.8.b.
c. Equity security and index exposures.....	RIAD8759	<b>NR</b>	M.8.c.
d. Commodity and other exposures.....	RIAD8760	<b>NR</b>	M.8.d.
e. Credit exposures.....	RIADF186	<b>NR</b>	M.8.e.
<i>Memorandum items 8.f through 8.h are to be completed by banks with \$100 billion or more in total assets that are required to complete Schedule RI, Memorandum items 8.a through 8.e, above.</i>			
f. Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (year-to-date changes) (included in Memorandum items 8.a through 8.e above):			M.8.f.
1. Gross credit valuation adjustment (CVA).....	RIADFT36	<b>NR</b>	M.8.f.1.
2. CVA hedge.....	RIADFT37	<b>NR</b>	M.8.f.2.
g. Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (year-to-date changes) (included in Memorandum items 8.a through 8.e above):			M.8.g.
1. Gross debit valuation adjustment (DVA).....	RIADFT38	<b>NR</b>	M.8.g.1.
2. DVA hedge.....	RIADFT39	<b>NR</b>	M.8.g.2.
h. Gross trading revenue, before including positive or negative net CVA and net DVA.....	RIADFT40	<b>NR</b>	M.8.h.
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:			M.9.
a. Net gains (losses) on credit derivatives held for trading.....	RIADC889	<b>0</b>	M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading.....	RIADC890	<b>0</b>	M.9.b.
10. Credit losses on derivatives (see instructions).....	RIADA251	<b>0</b>	M.10.
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?.....	RIADA530	<b>No</b>	M.11.
12. Not applicable			M.12.
<i>Memorandum item 13 is to be completed by banks that have elected to account for assets and liabilities under a fair value option.</i>			
13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:			M.13.
a. Net gains (losses) on assets.....	RIADF551	<b>NR</b>	M.13.a.
1. Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk.....	RIADF552	<b>NR</b>	M.13.a.1.
b. Net gains (losses) on liabilities.....	RIADF553	<b>NR</b>	M.13.b.
1. Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk.....	RIADF554	<b>NR</b>	M.13.b.1.
14. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities <sup>2</sup> .....	RIADJ321	<b>NR</b>	M.14.
<i>Memorandum item 15 is to be completed by institutions with \$1 billion or more in total assets that answered "Yes" to Schedule RC-E, Part I, Memorandum item 5.</i>			
15. Components of service charges on deposit accounts in domestic offices (sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b):			M.15.
a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	RIADH032	<b>0</b>	M.15.a.
b. Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	RIADH033	<b>0</b>	M.15.b.
c. Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	RIADH034	<b>0</b>	M.15.c.
d. All other service charges on deposit accounts.....	RIADH035	<b>2,278</b>	M.15.d.

2. Report the date in YYYYMMDD format. For example, a bank acquired on March 1, 2023, would report 20230301.  
 2. Memorandum item 14 is to be completed only by institutions that have not adopted ASU 2016-13.

## Schedule RI-A - Changes in Bank Equity Capital(Form Type - 031)

Dollar amounts in thousands

1. Total bank equity capital most recently reported for the December 31, 2022, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	RIAD3217	<b>11,684,875</b>	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors * .....	RIADB507	<b>51,577</b>	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2).....	RIADB508	<b>11,736,452</b>	3.
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14).....	RIAD4340	<b>2,649,722</b>	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions).....	RIADB509	<b>0</b>	5.
6. Treasury stock transactions, net.....	RIADB510	<b>0</b>	6.
7. Changes incident to business combinations, net.....	RIAD4356	<b>0</b>	7.
8. LESS: Cash dividends declared on preferred stock.....	RIAD4470	<b>0</b>	8.
9. LESS: Cash dividends declared on common stock.....	RIAD4460	<b>1,700,000</b>	9.
10. Other comprehensive income <sup>1</sup> .....	RIADB511	<b>104,925</b>	10.
11. Other transactions with stockholders (including a parent holding company) (not included in items 5, 6, 8, or 9 above) * .....	RIAD4415	<b>0</b>	11.
12. Total bank equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 27.a)..	RIAD3210	<b>12,791,099</b>	12.

\*. Describe on Schedule RI-E—Explanations

1. Includes, but is not limited to, changes in net unrealized holding gains (losses) on available-for-sale debt securities, changes in accumulated net gains (losses) on cash flow hedges, foreign currency translation adjustments, and pension and other postretirement plan-related changes other than net periodic benefit cost.

# Schedule RI-B Part I - Charge-offs and Recoveries on Loans and Leases (Form Type - 031)

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar amounts in thousands		(Column A) Charge-offs Calendar year-to-date		(Column B) Recoveries Calendar year-to-date		
1. Loans secured by real estate:						1.
a. Construction, land development, and other land loans in domestic offices:						1.a.
1. 1-4 family residential construction loans.....	RIADC891	0	RIADC892	0		1.a.1.
2. Other construction loans and all land development and other land loans.....	RIADC893	0	RIADC894	0		1.a.2.
b. Secured by farmland in domestic offices.....	RIAD3584	0	RIAD3585	0		1.b.
c. Secured by 1-4 family residential properties in domestic offices:						1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	RIAD5411	0	RIAD5412	0		1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:						1.c.2.
a. Secured by first liens.....	RIADC234	38	RIADC217	43		1.c.2.a.
b. Secured by junior liens.....	RIADC235	1,245	RIADC218	275		1.c.2.b.
d. Secured by multifamily (5 or more) residential properties in domestic offices.....	RIAD3588	0	RIAD3589	0		1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:						1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties.....	RIADC895	0	RIADC896	0		1.e.1.
2. Loans secured by other nonfarm nonresidential properties.....	RIADC897	0	RIADC898	0		1.e.2.
f. In foreign offices.....	RIADB512	NR	RIADB513	NR		1.f.
2. Not applicable						2.
3. Loans to finance agricultural production and other loans to farmers.....	RIAD4655	0	RIAD4665	0		3.
4. Commercial and industrial loans:						4.
a. To U.S. addressees (domicile).....	RIAD4645	4,410	RIAD4617	448		4.a.
b. To non-U.S. addressees (domicile).....	RIAD4646	0	RIAD4618	0		4.b.
5. Loans to individuals for household, family, and other personal expenditures:						5.
a. Credit cards.....	RIADB514	4,476,698	RIADB515	806,884		5.a.
b. Automobile loans.....	RIADK129	0	RIADK133	0		5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans).....	RIADK205	445,723	RIADK206	78,023		5.c.
6. Loans to foreign governments and official institutions.....	RIAD4643	0	RIAD4627	0		6.
7. All other loans.....	RIAD4644	0	RIAD4628	0		7.
8. Lease financing receivables:						8.
a. Leases to individuals for household, family, and other personal expenditures.....	RIADF185	0	RIADF187	0		8.a.
b. All other leases.....	RIADC880	0	RIADF188	0		8.b.
9. Total (sum of items 1 through 8).....	RIAD4635	4,928,114	RIAD4605	885,673		9.
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above.....	RIAD5409	0	RIAD5410	0		M.1.
2. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above).....	RIAD4652	0	RIAD4662	0		M.2.
3. Not applicable						M.3.

Dollar amounts in thousands

Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)<sup>2</sup>.....

RIADC388	930,289	M.4.
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2. Institutions that have adopted ASU 2016-13 should report in Memorandum item 4 uncollectible retail credit card fees and finance charges reversed against income (i.e. not included in charge-offs against the allowance for credit losses on loans and leases).

## Schedule RI-B Part II - Changes in Allowances for Credit Losses(Form Type - 031)

Dollar amounts in thousands	(Column A) Loans and Leases Held for Investment		(Column B) Held-to-maturity Debt Securities		(Column C) Available-for-sale Debt Securities		
1. Balance most recently reported for the December 31, 2022, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	RIADB522	<b>7,374,000</b>	RIADJH88	<b>0</b>	RIADJH94	<b>0</b>	1.
2. Recoveries (column A must equal Part I, item 9, column B, above).....	RIAD4605	<b>885,673</b>	RIADJH89	<b>0</b>	RIADJH95	<b>0</b>	2.
3. LESS: Charge-offs (column A must equal Part I, item 9, column A, above less Schedule RI-B, Part II, item 4, column A).....	RIADC079	<b>4,928,114</b>	RIADJH92	<b>0</b>	RIADJH98	<b>0</b>	3.
4. LESS: Write-downs arising from transfers of financial assets <sup>3</sup> .....	RIAD5523	<b>0</b>	RIADJJ00	<b>0</b>	RIADJJ01	<b>0</b>	4.
5. Provisions for credit losses <sup>4</sup> .....	RIAD4230	<b>6,019,441</b>	RIADJH90	<b>0</b>	RIADJH96	<b>0</b>	5.
6. Adjustments* (see instructions for this schedule)*.....	RIADC233	<b>-68,000</b>	RIADJH91	<b>0</b>	RIADJH97	<b>0</b>	6.
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (column A must equal Schedule RC, item 4.c).....	RIAD3123	<b>9,283,000</b>	RIADJH93	<b>0</b>	RIADJH99	<b>0</b>	7.

Dollar amounts in thousands			
1. Allocated transfer risk reserve included in Schedule RI-B, Part II, item 7, column A, above.....	RIADC435	<b>NR</b>	M.1.
<i>Memorandum items 2 and 3 are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.</i>	RIADC389	<b>0</b>	M.2.
2. Separate valuation allowance for uncollectible retail credit card fees and finance charges.....	RIADC390	<b>1,242,000</b>	M.3.
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges <sup>1</sup> .....	RIADC781	<b>NR</b>	M.4.
4. Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (included in Schedule RI-B, Part II, item 7, column A, above) <sup>2</sup> .....	RIADJJ02	<b>0</b>	M.5.
5. Provisions for credit losses on other financial assets measured at amortized cost (not included in item 5, above) <sup>3</sup> ...	RCFDJJ03	<b>0</b>	M.6.
6. Allowance for credit losses on other financial assets measured at amortized cost (not included in item 7, above) <sup>3</sup> ...	RIADMG93	<b>-1,000</b>	M.7.
7. Provisions for credit losses on off-balance-sheet credit exposures <sup>3</sup> .....	RIADMG94	<b>2,052,547</b>	M.8.
8. Estimated amount of expected recoveries of amounts previously written off included within the allowance for credit losses on loans and leases held for investment (included in item 7, column A, "Balance end of current period," above) <sup>3</sup> .....			

3. Institutions that have not yet adopted ASU 2016-13 should report write-downs arising from transfers of loans to a held-for-sale account in item 4, column A.

4. Institutions that have not yet adopted ASU 2016-13 should report the provision for loan and lease losses in item 5, column A and the amount reported must equal Schedule RI, item 4.

\*. Describe on Schedule RI-E - Explanations.

1. Institutions that have adopted ASU 2016-13 should report in Memorandum item 3 the amount of allowance for credit losses on loans and leases attributable to retail credit card fees and finance charges.

2. Memorandum item 4 is to be completed only by institutions that have not yet adopted ASU 2016-13.

3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

## Schedule RI-C Part I - Disaggregated Data on the Allowance for Loan and Lease Losses(Form Type - 031)

Schedule RI-C is to be completed by institutions with \$1 billion or more in total assets.

Dollar amounts in thousands		(Column A) Recorded Investment: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column B) Allowance Balance: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column C) Recorded Investment: Collectively Evaluated for Impairment (ASC 450-20)	(Column D) Allowance Balance: Collectively Evaluated for Impairment (ASC 450-20)	(Column E) Recorded Investment: Purchased Credit-Impaired Loans (ASC 310-30)	(Column F) Allowance Balance: Purchased Credit-Impaired Loans (ASC 310-30)	
1. Real estate loans:								1.
a. Construction loans.....	RCFDM708 NR	RCFDM709 NR	RCFDM710 NR	RCFDM711 NR	RCFDM712 NR	RCFDM713 NR		1.a.
b. Commercial real estate loans.....	RCFDM714 NR	RCFDM715 NR	RCFDM716 NR	RCFDM717 NR	RCFDM719 NR	RCFDM720 NR		1.b.
c. Residential real estate loans.....	RCFDM721 NR	RCFDM722 NR	RCFDM723 NR	RCFDM724 NR	RCFDM725 NR	RCFDM726 NR		1.c.
2. Commercial loans <sup>3</sup> .....	RCFDM727 NR	RCFDM728 NR	RCFDM729 NR	RCFDM730 NR	RCFDM731 NR	RCFDM732 NR		2.
3. Credit cards.....	RCFDM733 NR	RCFDM734 NR	RCFDM735 NR	RCFDM736 NR	RCFDM737 NR	RCFDM738 NR		3.
4. Other consumer loans.....	RCFDM739 NR	RCFDM740 NR	RCFDM741 NR	RCFDM742 NR	RCFDM743 NR	RCFDM744 NR		4.
5. Unallocated, if any.....				RCFDM745 NR				5.
6. Total (for each column, sum of items 1.a through 5) <sup>4</sup> .....	RCFDM746 NR	RCFDM747 NR	RCFDM748 NR	RCFDM749 NR	RCFDM750 NR	RCFDM751 NR		6.

3. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in items 1, 3, or 4 of Schedule RI-C.

4. The sum of item 6, columns B, D, and F, must equal Schedule RC, item 4.c. Item 6, column E, must equal Schedule RC-C, Part I, Memorandum item 7.b. Item 6, column F, must equal Schedule RI-B, Part II, Memorandum item 4.



## Schedule RI-C Part II - Disaggregated Data on the Allowances for Credit Losses (Form Type - 031)

Dollar amounts in thousands		(Column A) Amortized Cost	(Column B) Allowance Balance		
1. Real estate loans:				1.	
a. Construction loans.....	RCFDJJ04	0	RCFDJJ12	0	1.a.
b. Commercial real estate loans.....	RCFDJJ05	0	RCFDJJ13	0	1.b.
c. Residential real estate loans.....	RCFDJJ06	5,890,361	RCFDJJ14	84,000	1.c.
2. Commercial loans <sup>3</sup> .....	RCFDJJ07	208,556	RCFDJJ15	6,000	2.
3. Credit cards.....	RCFDJJ08	102,110,392	RCFDJJ16	7,613,000	3.
4. Other consumer loans.....	RCFDJJ09	20,203,508	RCFDJJ17	1,580,000	4.
5. Unallocated, if any.....			RCFDJJ18	0	5.
6. Total (sum of items 1.a. through 5) <sup>4</sup> .....	RCFDJJ11	128,412,817	RCFDJJ19	9,283,000	6.

Dollar amounts in thousands					
7. Securities issued by states and political subdivisions in the U.S.....	RCFDJJ20			0	7.
8. Mortgage-backed securities (MBS) (including CMOs, REMICs, and stripped MBS).....	RCFDJJ21			0	8.
9. Asset-backed securities and structured financial products.....	RCFDJJ23			0	9.
10. Other debt securities.....	RCFDJJ24			0	10.
11. Total (sum of items 7 through 10) <sup>5</sup> .....	RCFDJJ25			0	11.

## Schedule RI-D - Income from Foreign Offices (Form Type - 031)

For all banks with foreign offices (including Edge or Agreement subsidiaries and IBFs) and total foreign office assets of \$10 billion or more where foreign office revenues, assets, or net income exceed 10 percent of consolidated total revenues, total assets, or net income.

Dollar amounts in thousands					
1. Total interest income in foreign offices.....	RIADC899			NR	1.
2. Total interest expense in foreign offices.....	RIADC900			NR	2.
3. Provision for loan and lease losses in foreign offices <sup>1</sup> .....	RIADKW02			NR	3.
4. Noninterest income in foreign offices:					4.
a. Trading revenue.....	RIADC902			NR	4.a.
b. Investment banking, advisory, brokerage, and underwriting fees and commissions.....	RIADC903			NR	4.b.
c. Net securitization income.....	RIADC904			NR	4.c.
d. Other noninterest income.....	RIADC905			NR	4.d.
5. Realized gains (losses) on held-to-maturity and available-for-sale debt securities and change in net unrealized holding gains (losses) on equity securities not held for trading in foreign offices.....	RIADJA28			NR	5.
6. Total noninterest expense in foreign offices.....	RIADC907			NR	6.
7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs.....	RIADC908			NR	7.
8. Applicable income taxes (on items 1 through 7).....	RIADC909			NR	8.
9. Discontinued operations, net of applicable income taxes, in foreign offices.....	RIADGW64			NR	9.
10. Net income attributable to foreign offices before internal allocations of income and expense (item 1 plus or minus items 2 through 9).....	RIADC911			NR	10.
11. Not applicable					11.
12. Eliminations arising from the consolidation of foreign offices with domestic offices.....	RIADC913			NR	12.
13. Consolidated net income attributable to foreign offices (sum of items 10 and 12).....	RIADC914			NR	13.

3. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in item 1, 3, or 4 of Schedule RI-C, Part II.  
 4. Item 6, column B must equal schedule RC, item 4.c.  
 5. Item 11 must equal Schedule RI-B, Part II, item 7, column B.  
 1. Institutions that have adopted ASU 2016-13 should report the provisions for credit losses in foreign offices for all financial assets and off-balance-sheet credit exposures that fall within the scope of the standard in item 3.

## Schedule RI-E - Explanations (Form Type - 031)

Schedule RI-E is to be completed each quarter on a calendar year-to-date basis.

Detail all adjustments in Schedule RI-A and RI-B, all extraordinary items and other adjustments in Schedule RI, and all significant items of other noninterest income and other noninterest expense in Schedule RI. (See instructions for details.)

Dollar amounts in thousands

1. Other noninterest income (from Schedule RI, item 5.1) Itemize and describe amounts greater than \$100,000 that exceed 7 percent of Schedule RI, item 5.1:			1.
a. Income and fees from the printing and sale of checks.....	RIADC013	NR	1.a.
b. Earnings on/increase in value of cash surrender value of life insurance.....	RIADC014	NR	1.b.
c. Income and fees from automated teller machines (ATMs).....	RIADC016	NR	1.c.
d. Rent and other income from other real estate owned.....	RIAD4042	NR	1.d.
e. Safe deposit box rent.....	RIADC015	NR	1.e.
f. Bank card and credit card interchange fees.....	RIADF555	741,833	1.f.
g. Income and fees from wire transfers.....	RIADT047	NR	1.g.
h. Disclose component and the dollar amount of that component:			1.h.
1. Describe component.....	TEXT4461	Click here for value	1.h.1.
2. Amount of component.....	RIAD4461	241,748	1.h.2.
i. Disclose component and the dollar amount of that component:			1.i.
1. Describe component.....	TEXT4462	NR	1.i.1.
2. Amount of component.....	RIAD4462	NR	1.i.2.
j. Disclose component and the dollar amount of that component:			1.j.
1. Describe component.....	TEXT4463	NR	1.j.1.
2. Amount of component.....	RIAD4463	NR	1.j.2.
2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$100,000 that exceed 7 percent of Schedule RI, item 7.d:			2.
a. Data processing expenses.....	RIADC017	NR	2.a.
b. Advertising and marketing expenses.....	RIAD0497	1,085,127	2.b.
c. Directors' fees.....	RIAD4136	NR	2.c.
d. Printing, stationery, and supplies.....	RIADC018	NR	2.d.
e. Postage.....	RIAD8403	NR	2.e.
f. Legal fees and expenses.....	RIAD4141	NR	2.f.
g. FDIC deposit insurance assessments.....	RIAD4146	CONF	2.g.
h. Accounting and auditing expenses.....	RIADF556	NR	2.h.
i. Consulting and advisory expenses.....	RIADF557	NR	2.i.
j. Automated teller machine (ATM) and interchange expenses.....	RIADF558	NR	2.j.
k. Telecommunications expenses.....	RIADF559	NR	2.k.
l. Other real estate owned expenses.....	RIADY923	NR	2.l.
m. Insurance expenses (not included in employee expenses, premises and fixed asset expenses, and other real estate owned expenses).....	RIADY924	NR	2.m.
n. Disclose component and the dollar amount of that component:			2.n.
1. Describe component.....	TEXT4464	Click here for value	2.n.1.
2. Amount of component.....	RIAD4464	1,603,551	2.n.2.
o. Disclose component and the dollar amount of that component:			2.o.
1. Describe component.....	TEXT4467	NR	2.o.1.
2. Amount of component.....	RIAD4467	NR	2.o.2.
p. Disclose component and the dollar amount of that component:			2.p.
1. Describe component.....	TEXT4468	NR	2.p.1.
2. Amount of component.....	RIAD4468	NR	2.p.2.
3. Discontinued operations and applicable income tax effect (from Schedule RI, item 11) (itemize and describe each discontinued operation):			3.
a. Disclose component, the gross dollar amount of that component, and its related income tax:			3.a.
1. Describe component.....	TEXTFT29	NR	3.a.1.
2. Amount of component.....	RIADFT29	0	3.a.2.

Dollar amounts in thousands

3. Applicable income tax effect.....	RIADFT30	0	3.a.3.
b. Disclose component, the gross dollar amount of that component, and its related income tax:			3.b.
1. Describe component.....	TEXTFT31	NR	3.b.1.
2. Amount of component.....	RIADFT31	0	3.b.2.
3. Applicable income tax effect.....	RIADFT32	0	3.b.3.
4. Cumulative effect of changes in accounting principles and corrections of material accounting errors (from Schedule RI-A, item 2) (itemize and describe all such effects):			4.
a. Effect of adoption of Current Expected Credit Losses Methodology - ASU 2016-13 <sup>1</sup> .....	RIADJJ26	NR	4.a.
b. Not applicable			4.b.
c. Disclose component and the dollar amount of that component:			4.c.
1. Describe component.....	TEXTB526	Click here for value	4.c.1.
2. Amount of component.....	RIADB526	51,577	4.c.2.
d. Disclose component and the dollar amount of that component:			4.d.
1. Describe component.....	TEXTB527	NR	4.d.1.
2. Amount of component.....	RIADB527	0	4.d.2.
5. Other transactions with stockholders (including a parent holding company) (from Schedule RI-A, item 11) (itemize and describe all such transactions):			5.
a. Disclose component and the dollar amount of that component:			5.a.
1. Describe component.....	TEXT4498	NR	5.a.1.
2. Amount of component.....	RIAD4498	0	5.a.2.
b. Disclose component and the dollar amount of that component:			5.b.
1. Describe component.....	TEXT4499	NR	5.b.1.
2. Amount of component.....	RIAD4499	0	5.b.2.
6. Adjustments to allowances for credit losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments): <sup>3</sup>			6.
a. Initial allowances for credit losses recognized upon the acquisition of purchased credit-deteriorated assets on or after the effective date of ASU 2016-13 <sup>1</sup> .....	RIADJJ27	0	6.a.
b. Effect of adoption of current expected credit losses methodology on allowances for credit losses <sup>1</sup> .....	RIADJJ28	NR	6.b.
c. Disclose component and the dollar amount of that component:			6.c.
1. Describe component.....	TEXT4521	Click here for value	6.c.1.
2. Amount of component.....	RIAD4521	-68,000	6.c.2.
d. Disclose component and the dollar amount of that component:			6.d.
1. Describe component.....	TEXT4522	NR	6.d.1.
2. Amount of component.....	RIAD4522	0	6.d.2.
7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):			7.
a. Comments?.....	RIAD4769	No	7.a.
b. Other explanations.....	TEXT4769	NR	7.b.

(TEXT4461) Net Credit Card Fee Income

(TEXT4464) Servicing Fees Paid To Affiliates

(TEXT4521) ASU 2022-02

(TEXTB526) ASU 2022-02

1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.  
 3. Institutions that have not adopted ASU 2016-13 should report the allowance for loan and lease losses in item 6, where applicable.  
 1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.  
 1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.

## Schedule RC - Balance Sheet(Form Type - 031)

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Dollar amounts in thousands

1. Cash and balances due from depository institutions (from Schedule RC-A):			1.
a. Noninterest-bearing balances and currency and coin <sup>1</sup>	RCFD0081	1,932,511	1.a.
b. Interest-bearing balances <sup>2</sup>	RCFD0071	9,331,039	1.b.
2. Securities:			2.
a. Held-to-maturity securities (from Schedule RC-B, column A) <sup>3</sup>	RCFDJJ34	252,642	2.a.
b. Available-for-sale debt securities (from Schedule RC-B, column D)	RCFD1773	13,401,243	2.b.
c. Equity securities with readily determinable fair values not held for trading <sup>4</sup>	RCFDJA22	43,241	2.c.
3. Federal funds sold and securities purchased under agreements to resell:			3.
a. Federal funds sold in domestic offices	RCONB987	0	3.a.
b. Securities purchased under agreements to resell <sup>5</sup>	RCFDB989	0	3.b.
4. Loans and lease financing receivables (from Schedule RC-C):			4.
a. Loans and leases held for sale	RCFD5369	0	4.a.
b. Loans and leases held for investment	RCFDB528	128,412,817	4.b.
c. LESS: Allowance for loan and lease losses <sup>7</sup>	RCFD3123	9,283,000	4.c.
d. Loans and leases held for investment, net of allowance (item 4.b minus 4.c)	RCFDB529	119,129,817	4.d.
5. Trading assets (from Schedule RC-D)	RCFD3545	0	5.
6. Premises and fixed assets (including capitalized leases)	RCFD2145	277,275	6.
7. Other real estate owned (from Schedule RC-M)	RCFD2150	345	7.
8. Investments in unconsolidated subsidiaries and associated companies	RCFD2130	3,017	8.
9. Direct and indirect investments in real estate ventures	RCFD3656	514,339	9.
10. Intangible assets (from Schedule RC-M)	RCFD2143	0	10.
11. Other assets (from Schedule RC-F) <sup>6</sup>	RCFD2160	4,467,761	11.
12. Total assets (sum of items 1 through 11)	RCFD2170	149,353,230	12.
13. Deposits:			13.
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I):	RCON2200	112,624,604	13.a.
1. Noninterest-bearing <sup>8</sup>	RCON6631	1,627,481	13.a.1.
2. Interest-bearing	RCON6636	110,997,123	13.a.2.
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II):	RCFN2200	0	13.b.
1. Noninterest-bearing	RCFN6631	NR	13.b.1.
2. Interest-bearing	RCFN6636	NR	13.b.2.
14. Federal funds purchased and securities sold under agreements to repurchase:			14.
a. Federal funds purchased in domestic offices <sup>9</sup>	RCONB993	0	14.a.
b. Securities sold under agreements to repurchase <sup>10</sup>	RCFDB995	0	14.b.
15. Trading liabilities (from Schedule RC-D)	RCFD3548	0	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)	RCFD3190	16,362,338	16.
17. Not applicable			17.
18. Not applicable			18.
19. Subordinated notes and debentures <sup>1</sup>	RCFD3200	1,750,000	19.

1. Includes cash items in process of collection and unposted debits.  
 2. Includes time certificates of deposit not held for trading.  
 3. Institutions that have adopted ASU 2016-13 should report in item 2.a, amounts net of any applicable allowance for credit losses, and should equal to Schedule RC-B, item 8, column A less Schedule RI-B, Part II, item 7, column B.  
 4. Item 2.c is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.  
 5. Includes all securities resale agreements, regardless of maturity.  
 6. Institutions that have adopted ASU 2016-13 should report in item 4.c the allowance for credit losses on loans and leases.  
 7. Institutions that have adopted ASU 2016-13 should report in items 3.b and 11 amounts net of any applicable allowance for credit losses.  
 8. Includes noninterest-bearing demand, time, and savings deposits.  
 9. Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."  
 10. Includes all securities repurchase agreements, regardless of maturity.  
 1. Includes limited-life preferred stock and related surplus.

Dollar amounts in thousands

20. Other liabilities (from Schedule RC-G).....	RCFD2930	<b>5,825,189</b>	20.
21. Total liabilities (sum of items 13 through 20).....	RCFD2948	<b>136,562,131</b>	21.
22. Not applicable			22.
23. Perpetual preferred stock and related surplus.....	RCFD3838	<b>0</b>	23.
24. Common stock.....	RCFD3230	<b>35</b>	24.
25. Surplus (exclude all surplus related to preferred stock).....	RCFD3839	<b>4,601,729</b>	25.
26. Not available			26.
a. Retained earnings.....	RCFD3632	<b>8,234,616</b>	26.a.
b. Accumulated other comprehensive income <sup>2</sup> .....	RCFDB530	<b>-45,281</b>	26.b.
c. Other equity capital components <sup>3</sup> .....	RCFDA130	<b>0</b>	26.c.
27. Not available			27.
a. Total bank equity capital (sum of items 23 through 26.c.).....	RCFD3210	<b>12,791,099</b>	27.a.
b. Noncontrolling (minority) interests in consolidated subsidiaries.....	RCFD3000	<b>0</b>	27.b.
28. Total equity capital (sum of items 27.a and 27.b).....	RCFDG105	<b>12,791,099</b>	28.
29. Total liabilities and equity capital (sum of items 21 and 28).....	RCFD3300	<b>149,353,230</b>	29.
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2022.....	RCFD6724	<b>NR</b>	M.1.
2. Bank's fiscal year-end date (report the date in MMDD format).....	RCON8678	<b>NR</b>	M.2.

## Schedule RC-A - Cash and Balances Due From Depository Institutions(Form Type - 031)

Exclude assets held for trading.

Dollar amounts in thousands

	(Column A) Consolidated Bank		(Column B) Domestic Offices		
1. Cash items in process of collection, unposted debits, and currency and coin.....	RCFD0022	<b>1,779,915</b>			1.
a. Cash items in process of collection and unposted debits.....			RCON0020	<b>1,779,651</b>	1.a.
b. Currency and coin.....			RCON0080	<b>264</b>	1.b.
2. Balances due from depository institutions in the U.S.....	RCFD0082	<b>998,284</b>	RCON0082	<b>998,284</b>	2.
3. Balances due from banks in foreign countries and foreign central banks.....	RCFD0070	<b>0</b>	RCON0070	<b>0</b>	3.
4. Balances due from Federal Reserve Banks.....	RCFD0090	<b>8,485,351</b>	RCON0090	<b>8,485,351</b>	4.
5. Total.....	RCFD0010	<b>11,263,550</b>	RCON0010	<b>11,263,550</b>	5.

2. Includes, but is not limited to, net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and accumulated defined benefit pension and other postretirement plan adjustments.

3. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

## Schedule RC-B - Securities(Form Type - 031)

Exclude assets held for trading.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost		(Column B) Held-to-maturity Fair Value		(Column C) Available-for-sale Amortized Cost		(Column D) Available-for-sale Fair Value		
1. U.S. Treasury securities.....	RCFD0211	0	RCFD0213	0	RCFD1286	12,962,520	RCFD1287	12,927,891	1.
2. U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities) <sup>1</sup> .....	RCFDHT50	0	RCFDHT51	0	RCFDHT52	8,500	RCFDHT53	7,674	2.
3. Securities issued by states and political subdivisions in the U.S.....	RCFD8496	0	RCFD8497	0	RCFD8498	0	RCFD8499	0	3.
4. Mortgage-backed securities (MBS):									4.
a. Residential mortgage pass-through securities:									4.a.
1. Guaranteed by GNMA.....	RCFDG300	197,128	RCFDG301	182,075	RCFDG302	21,663	RCFDG303	20,787	4.a.1.
2. Issued by FNMA and FHLMC.....	RCFDG304	55,514	RCFDG305	51,752	RCFDG306	458,525	RCFDG307	444,891	4.a.2.
3. Other pass-through securities.....	RCFDG308	0	RCFDG309	0	RCFDG310	0	RCFDG311	0	4.a.3.
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):									4.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....	RCFDG312	0	RCFDG313	0	RCFDG314	0	RCFDG315	0	4.b.1.
2. Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....	RCFDG316	0	RCFDG317	0	RCFDG318	0	RCFDG319	0	4.b.2.
3. All other residential MBS.....	RCFDG320	0	RCFDG321	0	RCFDG322	0	RCFDG323	0	4.b.3.
c. Commercial MBS:									4.c.
1. Commercial mortgage pass-through securities:									4.c.1.
a. Issued or guaranteed by FNMA, FHLMC, or GNMA.....	RCFDK142	0	RCFDK143	0	RCFDK144	0	RCFDK145	0	4.c.1a.
b. Other pass-through securities.....	RCFDK146	0	RCFDK147	0	RCFDK148	0	RCFDK149	0	4.c.1b.
2. Other commercial MBS:									4.c.2.
a. Issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....	RCFDK150	0	RCFDK151	0	RCFDK152	0	RCFDK153	0	4.c.2a.
b. All other commercial MBS.....	RCFDK154	0	RCFDK155	0	RCFDK156	0	RCFDK157	0	4.c.2b.
5. Asset-backed securities and structured financial products:									5.
a. Asset-backed securities (ABS).....	RCFDC026	0	RCFDC988	0	RCFDC989	0	RCFDC027	0	5.a.
b. Structured financial products.....	RCFDHT58	0	RCFDHT59	0	RCFDHT60	0	RCFDHT61	0	5.b.
6. Other debt securities:									6.
a. Other domestic debt securities.....	RCFD1737	0	RCFD1738	0	RCFD1739	0	RCFD1741	0	6.a.
b. Other foreign debt securities.....	RCFD1742	0	RCFD1743	0	RCFD1744	0	RCFD1746	0	6.b.
7. Unallocated portfolio layer fair value hedge basis adjustments...					RCFDMG95	NR			7.
8. Total (sum of items 1 through 7) <sup>2</sup> .....	RCFD1754	252,642	RCFD1771	233,827	RCFD1772	13,451,208	RCFD1773	13,401,243	8.

Dollar amounts in thousands

1. Pledged securities <sup>1</sup> .....	RCFD0416	<b>321,001</b>	M.1.
2. Maturity and repricing data for debt securities (excluding those in nonaccrual status): <sup>1</sup>			M.2.
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: <sup>2</sup>			M.2.a.
1. Three months or less.....	RCFDA549	<b>497,741</b>	M.2.a.1.
2. Over three months through 12 months.....	RCFDA550	<b>1,595,342</b>	M.2.a.2.
3. Over one year through three years.....	RCFDA551	<b>3,069,332</b>	M.2.a.3.
4. Over three years through five years.....	RCFDA552	<b>7,557,777</b>	M.2.a.4.
5. Over five years through 15 years.....	RCFDA553	<b>215,373</b>	M.2.a.5.
6. Over 15 years.....	RCFDA554	<b>0</b>	M.2.a.6.
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: <sup>2</sup>			M.2.b.
1. Three months or less.....	RCFDA555	<b>0</b>	M.2.b.1.
2. Over three months through 12 months.....	RCFDA556	<b>524</b>	M.2.b.2.
3. Over one year through three years.....	RCFDA557	<b>0</b>	M.2.b.3.
4. Over three years through five years.....	RCFDA558	<b>70,473</b>	M.2.b.4.
5. Over five years through 15 years.....	RCFDA559	<b>395,466</b>	M.2.b.5.
6. Over 15 years.....	RCFDA560	<b>251,857</b>	M.2.b.6.
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of: <sup>5</sup>			M.2.c.
1. Three years or less.....	RCFDA561	<b>0</b>	M.2.c.1.
2. Over three years.....	RCFDA562	<b>0</b>	M.2.c.2.
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above).....	RCFDA248	<b>2,093,607</b>	M.2.d.
<i>Memorandum item 3 is to be completed semiannually in the June and December reports only.</i>			
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer).....	RCFD1778	<b>0</b>	M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):			M.4.
a. Amortized cost.....	RCFD8782	<b>0</b>	M.4.a.
b. Fair value.....	RCFD8783	<b>0</b>	M.4.b.

1. Includes Small Business Administration "Guaranteed Loan Pool Certificates"; U.S. Maritime Administration obligations; Export-Import Bank participation certificates; and obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

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2. For institutions that have adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a, plus Schedule RI-B, Part II, item 7, column B. For institutions that have not adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a. For all institutions, the total reported in column D must equal Schedule RC, item 2.b.

Dollar amounts in thousands

	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for-sale Amortized Cost	(Column D) Available-for-sale Fair Value					
<i>Memorandum items 5.a through 5.f and 6.a through 6.g are to be completed by banks with \$10 billion or more in total assets.</i>									
5. Asset-backed securities (ABS) (for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5.a): <sup>1</sup>					M.5.				
a. Credit card receivables.....	RCFDB838	0	RCFDB839	0	RCFDB840	0	RCFDB841	0	M5a
b. Home equity lines.....	RCFDB842	0	RCFDB843	0	RCFDB844	0	RCFDB845	0	M5b
c. Automobile loans.....	RCFDB846	0	RCFDB847	0	RCFDB848	0	RCFDB849	0	M5c
d. Other consumer loans.....	RCFDB850	0	RCFDB851	0	RCFDB852	0	RCFDB853	0	M5d
e. Commercial and industrial loans.....	RCFDB854	0	RCFDB855	0	RCFDB856	0	RCFDB857	0	M5e
f. Other.....	RCFDB858	0	RCFDB859	0	RCFDB860	0	RCFDB861	0	M5.f
6. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 6.a through 6.g must equal Schedule RC-B item 5.b):									M.6.
a. Trust preferred securities issued by financial institutions.....	RCFDG348	0	RCFDG349	0	RCFDG350	0	RCFDG351	0	M6a
b. Trust preferred securities issued by real estate investment trusts.....	RCFDG352	0	RCFDG353	0	RCFDG354	0	RCFDG355	0	M6b
c. Corporate and similar loans.....	RCFDG356	0	RCFDG357	0	RCFDG358	0	RCFDG359	0	M6c
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs).....	RCFDG360	0	RCFDG361	0	RCFDG362	0	RCFDG363	0	M6d
e. 1-4 family residential MBS not issued or guaranteed by GSEs.....	RCFDG364	0	RCFDG365	0	RCFDG366	0	RCFDG367	0	M6e
f. Diversified (mixed) pools of structured financial products.....	RCFDG368	0	RCFDG369	0	RCFDG370	0	RCFDG371	0	M6.f
g. Other collateral or reference assets.....	RCFDG372	0	RCFDG373	0	RCFDG374	0	RCFDG375	0	M6g

1. Includes held-to-maturity securities at amortized cost, available-for-sale debt securities at fair value, and equity securities with readily determinable fair values not held for trading (reported in Schedule RC, item 2.c) at fair value.

1. Includes held-to-maturity securities at amortized cost, available-for-sale debt securities at fair value, and equity securities with readily determinable fair values not held for trading (reported in Schedule RC, item 2.c) at fair value.

2. Report fixed-rate debt securities by remaining maturity and floating-rate debt securities by next repricing date.

2. Report fixed-rate debt securities by remaining maturity and floating-rate debt securities by next repricing date.

5. Sum of Memorandum items 2.c.(1) and 2.c.(2) plus any nonaccrual "Other mortgage-backed securities" included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, sum of items 4.b and 4.c.(2), columns A and D.

1. The \$10 billion asset size test is based on the total assets reported on the June 30, 2022, Report of Condition.



## Schedule RC-C Part I - Loans and Leases(Form Type - 031)

Do not deduct the allowance for loan and lease losses or the allocated transfer risk reserve from amounts reported in this schedule. Report (1) loans and leases held for sale at the lower of cost or fair value, (2) loans and leases held for investment, net of unearned income, and (3) loans and leases accounted for at fair value under a fair value option. Exclude assets held for trading and commercial paper.

Dollar amounts in thousands		(Column A) Consolidated Bank		(Column B) Domestic Offices	
1. Loans secured by real estate <sup>2</sup> .....	RCFD1410	NR			1.
a. Construction, land development, and other land loans:					1.a.
1. 1-4 family residential construction loans.....	RCFDF158	0	RCONF158	0	1.a.1.
2. Other construction loans and all land development and other land loans.....	RCFDF159	0	RCONF159	0	1.a.2.
b. Secured by farmland (including farm residential and other improvements).....	RCFD1420	0	RCON1420	0	1.b.
c. Secured by 1-4 family residential properties:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	RCFD1797	0	RCON1797	0	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens.....	RCFD5367	1,317,267	RCON5367	1,317,267	1.c.2.a.
b. Secured by junior liens.....	RCFD5368	4,573,094	RCON5368	4,573,094	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties.....	RCFD1460	0	RCON1460	0	1.d.
e. Secured by nonfarm nonresidential properties:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties.....	RCFDF160	0	RCONF160	0	1.e.1.
2. Loans secured by other nonfarm nonresidential properties.....	RCFDF161	0	RCONF161	0	1.e.2.
2. Loans to depository institutions and acceptances of other banks:					2.
a. To commercial banks in the U.S.....			RCONB531	0	2.a.
1. To U.S. branches and agencies of foreign banks.....	RCFDB532	0			2.a.1.
2. To other commercial banks in the U.S.....	RCFDB533	0			2.a.2.
b. To other depository institutions in the U.S.....	RCFDB534	0	RCONB534	0	2.b.
c. To banks in foreign countries.....			RCONB535	0	2.c.
1. To foreign branches of other U.S. banks.....	RCFDB536	0			2.c.1.
2. To other banks in foreign countries.....	RCFDB537	0			2.c.2.
3. Loans to finance agricultural production and other loans to farmers.....	RCFD1590	0	RCON1590	0	3.
4. Commercial and industrial loans:					4.
a. To U.S. addressees (domicile).....	RCFD1763	147,145	RCON1763	147,145	4.a.
b. To non-U.S. addressees (domicile).....	RCFD1764	0	RCON1764	0	4.b.
5. Not applicable					5.
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					6.
a. Credit cards.....	RCFDB538	102,110,392	RCONB538	102,110,392	6.a.
b. Other revolving credit plans.....	RCFDB539	0	RCONB539	0	6.b.
c. Automobile loans.....	RCFDK137	0	RCONK137	0	6.c.
d. Other consumer loans (includes single payment and installment loans other than automobile loans, and all student loans).....	RCFDK207	20,203,508	RCONK207	20,203,508	6.d.
7. Loans to foreign governments and official institutions (including foreign central banks).....	RCFD2081	0	RCON2081	0	7.
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.....	RCFD2107	0	RCON2107	0	8.
9. Loans to nondepository financial institutions and other loans.....	RCFD1563	61,411			9.
a. Loans to nondepository financial institutions.....			RCONJ454	56,410	9.a.
b. Other loans:					9.b.
1. Loans for purchasing or carrying securities (secured and unsecured).....			RCON1545	0	9.b.1.
2. All other loans (exclude consumer loans).....			RCONJ451	5,001	9.b.2.
10. Lease financing receivables (net of unearned income).....			RCON2165	0	10.
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases).....	RCFDF162	0			10.a.
b. All other leases.....	RCFDF163	0			10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above.....	RCFD2123	0	RCON2123	0	11.
12. Total loans and leases held for investment and held for sale (item 12, column A must equal Schedule RC, sum of items 4.a and 4.b).....	RCFD2122	128,412,817	RCON2122	128,412,817	12.

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2. When reporting "Loans secured by real estate," "large institutions" and "highly complex institutions," as defined for deposit insurance assessment purposes in FDIC regulations, should complete items 1.a.(1) through 1.e.(2) in columns A and B (but not item 1 in column A); all other institutions should complete item 1 in column A and items 1.a.(1) through 1.e.(2) in column B (but not items 1.a.(1) through 1.e.(2) in column A).

Dollar amounts in thousands

1. Loans restructured in troubled debt restructurings that are in compliance with their modified terms (included in Schedule RC-C, part 1, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):			M.1.
a. Construction, land development, and other land loans in domestic offices:			M.1.a.
1. 1-4 family residential construction loans.....	RCONK158	0	M.1.a.1.
2. Other construction loans and all land development and other land loans.....	RCONK159	0	M.1.a.2.
b. Loans secured by 1-4 family residential properties in domestic offices.....	RCONF576	0	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices.....	RCONK160	0	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:			M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties.....	RCONK161	0	M.1.d.1.
2. Loans secured by other nonfarm nonresidential properties.....	RCONK162	0	M.1.d.2.
e. Commercial and industrial loans:			M.1.e.
1. To U.S. addressees (domicile).....	RCFDK163	0	M.1.e.1.
2. To non-U.S. addressees (domicile).....	RCFDK164	0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures).....	RCFDK165	2,136,778	M.1.f.
<i>Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a through 1.f):</i>			
1. Loans secured by farmland in domestic offices.....	RCONK166	0	M.1.f.1.
2. Not applicable			M.1.f.2.
3. Loans to finance agricultural production and other loans to farmers.....	RCFDK168	0	M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:			M.1.f.4.
a. Credit cards.....	RCFDK098	1,880,318	M.1.f.4.a.
b. Automobile loans.....	RCFDK203	0	M.1.f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans).....	RCFDK204	256,460	M.1.f.4.c.
g. Total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a.(1) through 1.f.).....	RCFDHK25	2,136,778	M.1.g.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):			M.2.
a. Closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.a.
1. Three months or less.....	RCONA564	2	M.2.a.1.
2. Over three months through 12 months.....	RCONA565	46	M.2.a.2.
3. Over one year through three years.....	RCONA566	833	M.2.a.3.
4. Over three years through five years.....	RCONA567	2,508	M.2.a.4.
5. Over five years through 15 years.....	RCONA568	241,393	M.2.a.5.
6. Over 15 years.....	RCONA569	1,057,328	M.2.a.6.
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.b.
1. Three months or less.....	RCFDA570	83,745,946	M.2.b.1.
2. Over three months through 12 months.....	RCFDA571	13,538,170	M.2.b.2.
3. Over one year through three years.....	RCFDA572	12,494,901	M.2.b.3.
4. Over three years through five years.....	RCFDA573	4,431,562	M.2.b.4.
5. Over five years through 15 years.....	RCFDA574	6,242,891	M.2.b.5.
6. Over 15 years.....	RCFDA575	6,386,755	M.2.b.6.
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status).....	RCFDA247	215,417	M.2.c.
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column A <sup>4</sup> .....	RCFD2746	0	M.3.
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (included in Schedule RC-C, part I, item 1.c.(2)(a), column B).....	RCON5370	0	M.4.
5. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, Part I, item 1, column A, or Schedule RC-C, Part I, items 1.a.(1) through 1.e.(2), column A, as appropriate).....	RCFDB837	0	M.5.
6. Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a, column A.....	RCFDC391	4,003,190	M.6.

Memorandum item 6 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

4. Exclude loans secured by real estate that are included in Schedule RC-C, Part I, item 1, column A.

Dollar amounts in thousands

<i>Memorandum items 7.a and 7.b are to be completed by all banks semiannually in the June and December reports only.</i>				
7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale): <sup>5</sup>				M.7.
a. Outstanding balance.....	RCFDC779		<b>NR</b>	M.7.a.
b. Amount included in Schedule RC-C, part I, items 1 through 9.....	RCFDC780		<b>NR</b>	M.7.b.
<i>Memorandum items 8.a, 8.b, and 8.c are to be completed semiannually in the June and December reports only.</i>				
8. Closed-end loans with negative amortization features secured by 1-4 family residential properties in domestic offices:				M.8.
a. Total amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, part I, items 1.c.(2)(a) and 1.c.(2)(b)).....	RCONF230		<b>0</b>	M.8.a.
<i>Memorandum items 8.b and 8.c are to be completed semiannually in the June and December reports only by banks that had closed-end loans with negative amortization features secured by 1-4 family residential properties (as reported in Schedule RC-C, Part I, Memorandum item 8.a) as of December 31, 2021, that exceeded the lesser of \$100 million or 5 percent of total loans and leases held for investment and held for sale in domestic offices (as reported in Schedule RC-C, Part I, item 12, column B).</i>				
b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties.....	RCONF231		<b>NR</b>	M.8.b.
c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the amount reported in Memorandum item 8.a above.....	RCONF232		<b>NR</b>	M.8.c.

5. Memorandum item 7 is to be completed only by institutions that have not yet adopted ASU 2016-13.

Dollar amounts in thousands

9. Loans secured by 1-4 family residential properties in domestic offices in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b)).....	RCONF577	<b>4,216</b>	M.9.
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Dollar amounts in thousands

10. Not applicable			M.10.
11. Not applicable			M.11.

Dollar amounts in thousands

	(Column A) Fair value of acquired loans and leases at acquisition date	(Column B) Gross contractual amounts receivable at acquisition date	(Column C) Best estimate at acquisition date of contractual cash flows not expected to be collected				
<i>Memorandum items 12.a, 12.b, 12.c, and 12.d are to be completed semiannually in the June and December reports only.</i>							
12. Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: <sup>1</sup>				M.12.			
a. Loans secured by real estate.....	RCFDG091	<b>0</b>	RCFDG092	<b>0</b>	RCFDG093	<b>0</b>	M.12a
b. Commercial and industrial loans.....	RCFDG094	<b>0</b>	RCFDG095	<b>0</b>	RCFDG096	<b>0</b>	M.12b
c. Loans to individuals for household, family, and other personal expenditures.....	RCFDG097	<b>0</b>	RCFDG098	<b>0</b>	RCFDG099	<b>0</b>	M.12c
d. All other loans and all leases.....	RCFDG100	<b>0</b>	RCFDG101	<b>0</b>	RCFDG102	<b>0</b>	M.12d

Dollar amounts in thousands

<i>Memoranda item 13 is to be completed by banks that had construction, land development, and other land loans in domestic offices (as reported in Schedule RC-C, Part I, item 1.a., column B) that exceeded 100 percent of the sum of tier 1 capital (as reported in Schedule RC-R, Part I, item 26) plus the allowance for loan and lease losses or the allowance for credit losses on loans and leases, as applicable (as reported in Schedule RC, item 4.c) as of December 31, 2021.</i>				M.13.
13. Construction, land development, and other land loans in domestic offices with interest reserves:				
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, part I, item 1.a, column B).....	RCONG376		<b>NR</b>	M.13.a.
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(a)(2)).	RIADG377		<b>NR</b>	M.13.b.
<i>Memorandum item 14 is to be completed by all banks.</i>				
14. Pledged loans and leases.....	RCFDG378		<b>103,955,350</b>	M.14.
<i>Memorandum item 15 is to be completed for the December report only.</i>				
15. Reverse mortgages in domestic offices:				M.15.
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above).....	RCONPR04		<b>0</b>	M.15.a.
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages.....	RCONPR05		<b>0</b>	M.15.b.
c. Principal amount of reverse mortgage originations that have been sold during the year.....	RCONPR06		<b>0</b>	M.15.c.
<i>Memorandum item 16 is to be completed by all banks.</i>				
16. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit in domestic offices that have converted to non-revolving closed-end status (included in item 1.c.(1) above).....	RCONLE75		<b>0</b>	M.16.
<i>Amounts reported in Memorandum items 17.a and 17.b will not be made available to the public on an individual institution basis.</i>				
17. Eligible loan modifications under Section 4013, Temporary Relief from Troubled Debt Restructurings, of the 2020 Coronavirus Aid, Relief, and Economic Security Act:				M.17.
a. Number of Section 4013 loans outstanding.....	RCONLG24		<b>CONF</b>	M.17.a.
b. Outstanding balance of Section 4013 loans.....	RCONLG25		<b>CONF</b>	M.17.b.

1. Institutions that have adopted ASU 2016-13 should report only loans held for investment not considered purchased credit-deteriorated in Memorandum item 12.

## Schedule RC-C Part II - Loans to Small Businesses and Small Farms(Form Type - 031)

Report the number and amount currently outstanding as of the report date of business loans with "original amounts" of \$1,000,000 or less and farm loans with "original amounts" of \$500,000 or less. The following guidelines should be used to determine the "original amount" of a loan:  
 (1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date. (2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender. (3) For all other loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Dollar amounts in thousands

1. Not applicable			1.
2. Not applicable			2.

Dollar amounts in thousands

	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" in domestic offices reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), column B:					3.
a. With original amounts of \$100,000 or less.....	RCON5564	0	RCON5565	0	3.a.
b. With original amounts of more than \$100,000 through \$250,000.....	RCON5566	0	RCON5567	0	3.b.
c. With original amounts of more than \$250,000 through \$1,000,000.....	RCON5568	0	RCON5569	0	3.c.
4. Number and amount currently outstanding of "Commercial and industrial loans to U.S. addressees" in domestic offices reported in Schedule RC-C, part I, item 4.a, column B:					4.
a. With original amounts of \$100,000 or less.....	RCON5570	64969	RCON5571	147,145	4.a.
b. With original amounts of more than \$100,000 through \$250,000.....	RCON5572	0	RCON5573	0	4.b.
c. With original amounts of more than \$250,000 through \$1,000,000.....	RCON5574	0	RCON5575	0	4.c.

Dollar amounts in thousands

5. Not applicable			5.
6. Not applicable			6.

Dollar amounts in thousands

	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B:					7.
a. With original amounts of \$100,000 or less.....	RCON5578	0	RCON5579	0	7.a.
b. With original amounts of more than \$100,000 through \$250,000.....	RCON5580	0	RCON5581	0	7.b.
c. With original amounts of more than \$250,000 through \$500,000.....	RCON5582	0	RCON5583	0	7.c.
8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B:					8.
a. With original amounts of \$100,000 or less.....	RCON5584	0	RCON5585	0	8.a.
b. With original amounts of more than \$100,000 through \$250,000.....	RCON5586	0	RCON5587	0	8.b.
c. With original amounts of more than \$250,000 through \$500,000.....	RCON5588	0	RCON5589	0	8.c.

## Schedule RC-D - Trading Assets and Liabilities(Form Type - 031)

Schedule RC-D is to be completed by banks that reported total trading assets of \$10 million or more in any of the four preceding calendar quarters, and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

Dollar amounts in thousands		Consolidated Bank		
1. U.S. Treasury securities.....		RCFD3531	0	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities).....		RCFD3532	0	2.
3. Securities issued by states and political subdivisions in the U.S.....		RCFD3533	0	3.
4. Mortgage-backed securities (MBS):				4.
a. Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA.....		RCFDG379	0	4.a.
b. Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (include CMOs, REMICs, and stripped MBS) <sup>1</sup> .....		RCFDG380	0	4.b.
c. All other residential MBS.....		RCFDG381	0	4.c.
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....		RCFDK197	0	4.d.
e. All other commercial MBS.....		RCFDK198	0	4.e.
5. Other debt securities:				5.
a. Structured financial products.....		RCFDHT62	0	5.a.
b. All other debt securities.....		RCFDG386	0	5.b.
6. Loans:				6.
a. Loans secured by real estate				6.a.
1. Loans secured by 1-4 family residential properties.....		RCFDHT63	0	6.a.1.
2. All other loans secured by real estate.....		RCFDHT64	0	6.a.2.
b. Commercial and industrial loans.....		RCFDF614	0	6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....		RCFDHT65	0	6.c.
d. Other loans.....		RCFDF618	0	6.d.
7. Not applicable				7.
8. Not applicable				8.
9. Other trading assets.....		RCFD3541	0	9.
10. Not applicable				10.
11. Derivatives with a positive fair value.....		RCFD3543	0	11.
12. Total trading assets (sum of items 1 through 11) (total of column A must equal Schedule RC, item 5).....		RCFD3545	0	12.
13. Not available				13.
a. Liability for short positions.....		RCFD3546	0	13.a.
b. Other trading liabilities.....		RCFDF624	0	13.b.
14. Derivatives with a negative fair value.....		RCFD3547	0	14.
15. Total trading liabilities (sum of items 13.a through 14) (total of column A must equal Schedule RC, item 15).....		RCFD3548	0	15.
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a through 6.d):				M.1.
a. Loans secured by real estate				M.1.a.
1. Loans secured by 1-4 family residential properties.....		RCFDHT66	0	M.1.a.1.
2. All other loans secured by real estate.....		RCFDHT67	0	M.1.a.2.
b. Commercial and industrial loans.....		RCFDF632	0	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....		RCFDHT68	0	M.1.c.
d. Other loans.....		RCFDF636	0	M.1.d.
<i>Memorandum items 2 through 10 are to be completed by banks with \$10 billion or more in total trading assets.</i>				M.2.
2. Loans measured at fair value that are past due 90 days or more: <sup>1</sup>				
a. Fair value.....		RCFDF639	NR	M.2.a.
b. Unpaid principal balance.....		RCFDF640	NR	M.2.b.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

1. The \$10 billion trading asset-size test is based on total trading assets reported on the June 30, 2022, Report of Condition.

Dollar amounts in thousands

Memorandum items 3 through 10 are to be completed by banks with \$10 billion or more in total trading assets.

3. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 3.a through 3.g must equal Schedule RC-D, sum of items 5.a.(1) through (3)):

		Consolidated Bank		
				M.3.
a.	Trust preferred securities issued by financial institutions.....	RCFDG299	NR	M.3.a.
b.	Trust preferred securities issued by real estate investment trusts.....	RCFDG332	NR	M.3.b.
c.	Corporate and similar loans.....	RCFDG333	NR	M.3.c.
d.	1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs).....	RCFDG334	NR	M.3.d.
e.	1-4 family residential MBS not issued or guaranteed by GSEs.....	RCFDG335	NR	M.3.e.
f.	Diversified (mixed) pools of structured financial products.....	RCFDG651	NR	M.3.f.
g.	Other collateral or reference assets.....	RCFDG652	NR	M.3.g.
4. Pledged trading assets:				M.4.
a.	Pledged securities.....	RCFDG387	NR	M.4.a.
b.	Pledged loans.....	RCFDG388	NR	M.4.b.

Dollar amounts in thousands

5. Asset-backed securities:

a.	Credit card receivables.....	RCFDF643	NR	M.5.a.
b.	Home equity lines.....	RCFDF644	NR	M.5.b.
c.	Automobile loans.....	RCFDF645	NR	M.5.c.
d.	Other consumer loans.....	RCFDF646	NR	M.5.d.
e.	Commercial and industrial loans.....	RCFDF647	NR	M.5.e.
f.	Other.....	RCFDF648	NR	M.5.f.
6. Retained beneficial interests in securitizations (first-loss or equity tranches)				M.6.
7. Equity securities (included in Schedule RC-D, item 9, above):				M.7.
a.	Readily determinable fair values.....	RCFDF652	NR	M.7.a.
b.	Other.....	RCFDF653	NR	M.7.b.
8. Loans pending securitization.....		RCFDF654	NR	M.8.
9. Other trading assets (itemize and describe amounts included in Schedule RC-D, item 9, that are greater than \$1,000,000 and exceed 25% of the item): <sup>1</sup>				M.9.
a. Disclose component and the dollar amount of that component:				M.9.a.
1. Describe component.....		TEXTF655	NR	M.9.a.1.
2. Amount of component.....		RCFDF655	NR	M.9.a.2.
b. Disclose component and the dollar amount of that component:				M.9.b.
(TEXTF656) NR		RCFDF656	NR	M.9.b.1.
c. Disclose component and the dollar amount of that component:				M.9.c.
(TEXTF657) NR		RCFDF657	NR	M.9.c.1.
10. Other trading liabilities (itemize and describe amounts included in Schedule RC-D, item 13.b, that are greater than \$1,000,000 and exceed 25% of the item):				M.10.
a. Disclose component and the dollar amount of that component:				M.10.a.
1. Describe component.....		TEXTF658	NR	M.10.a.1.
2. Amount of component.....		RCFDF658	NR	M.10.a.2.
b. Disclose component and the dollar amount of that component:				M.10.b.
(TEXTF659) NR		RCFDF659	NR	M.10.b.1.
c. Disclose component and the dollar amount of that component:				M.10.c.
(TEXTF660) NR		RCFDF660	NR	M.10.c.1.

1. Exclude equity securities.



## Schedule RC-E Part I - Deposits in Domestic Offices(Form Type - 031)

Dollar amounts in thousands		(Column A) Transaction Accounts Total Transaction accounts (including total demand deposits)	(Column B) Transaction Accounts Memo: Total demand deposits (included in column A)	(Column C) Nontransaction Accounts Total nontransaction accounts (including MMDAs)
Deposits of:				
1. Individuals, partnerships, and corporations (include all certified and official checks).....	RCONB549	<b>2,937,329</b>		RCONB550 <b>109,686,915</b> 1.
2. U.S. Government.....	RCON2202	<b>0</b>		RCON2520 <b>0</b> 2.
3. States and political subdivisions in the U.S.....	RCON2203	<b>309</b>		RCON2530 <b>0</b> 3.
4. Commercial banks and other depository institutions in the U.S.....	RCONB551	<b>51</b>		RCONB552 <b>0</b> 4.
5. Banks in foreign countries.....	RCON2213	<b>0</b>		RCON2236 <b>0</b> 5.
6. Foreign governments and official institutions (including foreign central banks).....	RCON2216	<b>0</b>		RCON2377 <b>0</b> 6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a).....	RCON2215	<b>2,937,689</b>	RCON2210 <b>2,097,336</b>	RCON2385 <b>109,686,915</b> 7.

Dollar amounts in thousands

1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			M.1.
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts.....	RCON6835	<b>3,099,281</b>	M.1.a.
b. Total brokered deposits.....	RCON2365	<b>23,730,452</b>	M.1.b.
c. Brokered deposits of \$250,000 or less (fully insured brokered deposits) <sup>2</sup> .....	RCONHK05	<b>23,730,452</b>	M.1.c.
d. Maturity data for brokered deposits:			M.1.d.
1. Brokered deposits of \$250,000 or less with a remaining maturity of one year or less (included in Memorandum item 1.c above).....	RCONHK06	<b>11,093,649</b>	M.1.d.1.
2. Not applicable.....			M.1.d.2.
3. Brokered deposits of more than \$250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b above).....	RCONK220	<b>0</b>	M.1.d.3.
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only).	RCON5590	<b>0</b>	M.1.e.
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits.....	RCONK223	<b>13,306,037</b>	M.1.f.
g. Total reciprocal deposits (as of the report date).....	RCONJH83	<b>0</b>	M.1.g.
<i>Memorandum items 1.h.(1)(a), 1.h.(2)(a), 1.h.(3)(a), and 1.h.(4)(a) are to be completed by banks with \$100 billion or more in total assets</i>			M.1.h.
h. Sweep deposits:			
1. Fully insured, affiliate sweep deposits.....	RCONMT87	<b>0</b>	M.1.h.1.
a. Fully insured, affiliate, retail sweep deposits.....	RCONMT88	<b>0</b>	M.1.h.1.a.
2. Not fully insured, affiliate sweep deposits.....	RCONMT89	<b>0</b>	M.1.h.2.
a. Not fully insured, affiliate, retail sweep deposits.....	RCONMT90	<b>0</b>	M.1.h.2.a.
3. Fully insured, non-affiliate sweep deposits.....	RCONMT91	<b>3,481,620</b>	M.1.h.3.
a. Fully insured, non-affiliate, retail sweep deposits.....	RCONMT92	<b>3,481,620</b>	M.1.h.3.a.
4. Not fully insured, non-affiliate sweep deposits.....	RCONMT93	<b>0</b>	M.1.h.4.
a. Not fully insured, non-affiliate, retail sweep deposits.....	RCONMT94	<b>0</b>	M.1.h.4.a.
i. Total sweep deposits that are not brokered deposits.....	RCONMT95	<b>840,352</b>	M.1.i.
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):			M.2.
a. Savings deposits:			M.2.a.
1. Money market deposit accounts (MMDAs).....	RCON6810	<b>10,860,864</b>	M.2.a.1.
2. Other savings deposits (excludes MMDAs).....	RCON0352	<b>53,585,812</b>	M.2.a.2.
b. Total time deposits of less than \$100,000.....	RCON6648	<b>33,727,533</b>	M.2.b.
c. Total time deposits of \$100,000 through \$250,000.....	RCONJ473	<b>8,510,253</b>	M.2.c.
d. Total time deposits of more than \$250,000.....	RCONJ474	<b>3,002,453</b>	M.2.d.
e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of \$100,000 or more included in Memorandum items 2.c and 2.d above.....	RCONF233	<b>1,220,689</b>	M.2.e.
3. Maturity and repricing data for time deposits of \$250,000 or less:			M.3.
a. Time deposits of \$250,000 or less with a remaining maturity or next repricing date of:			M.3.a.
1. Three months or less.....	RCONHK07	<b>4,822,135</b>	M.3.a.1.
2. Over three months through 12 months.....	RCONHK08	<b>18,710,722</b>	M.3.a.2.
3. Over one year through three years.....	RCONHK09	<b>11,762,832</b>	M.3.a.3.
4. Over three years.....	RCONHK10	<b>6,942,097</b>	M.3.a.4.
b. Time deposits of \$250,000 or less with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above) <sup>3</sup> .....	RCONHK11	<b>23,532,857</b>	M.3.b.
4. Maturity and repricing data for time deposits of more than \$250,000:			M.4.
a. Time deposits of more than \$250,000 with a remaining maturity or next repricing date of:			M.4.a.
1. Three months or less.....	RCONHK12	<b>463,135</b>	M.4.a.1.
2. Over three months through 12 months.....	RCONHK13	<b>1,565,043</b>	M.4.a.2.
3. Over one year through three years.....	RCONHK14	<b>518,618</b>	M.4.a.3.
4. Over three years.....	RCONHK15	<b>455,657</b>	M.4.a.4.

2. The dollar amount used as the basis for reporting in Memorandum item 1.c reflects the deposit insurance limit in effect on the report date.  
 3. Report both fixed- and floating-rate time deposits by remaining maturity. Exclude floating rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.

Dollar amounts in thousands

b. Time deposits of more than \$250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above) <sup>3</sup> .....	RCONK222	<b>2,028,178</b>	M.4.b.
5. Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?.....	RCONP752	<b>Yes</b>	M.5.
<i>Memorandum items 6 and 7 are to be completed by institutions with \$1 billion or more in total assets that answered "Yes" to Memorandum item 5 above.</i>			
6. Components of total transaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 6.a and 6.b must be less than or equal to item 1, column A, above): <sup>5</sup>			M.6.
a. Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.....	RCONP753	<b>1,291,113</b>	M.6.a.
b. Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.....	RCONP754	<b>0</b>	M.6.b.
7. Components of total nontransaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal item 1, column C, above):			M.7.
a. Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Memorandum item 2.a.(1) above):			M.7.a.
1. Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use.....	RCONP756	<b>5,186,046</b>	M.7.a.1.
2. Deposits in all other MMDAs of individuals, partnerships, and corporations.....	RCONP757	<b>5,674,818</b>	M.7.a.2.
b. Other savings deposit accounts of individuals, partnerships, and corporations (sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Memorandum item 2.a.(2) above):			M.7.b.
1. Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use.....	RCONP758	<b>53,585,812</b>	M.7.b.1.
2. Deposits in all other savings deposit accounts of individuals, partnerships, and corporations.....	RCONP759	<b>0</b>	M.7.b.2.

## Schedule RC-E Part II - Deposits in Foreign Offices including Edge and Agreement subsidiaries and IBFs(Form Type - 031)

Dollar amounts in thousands

Deposits of:			
1. Individuals, partnerships, and corporations (include all certified and official checks).....	RCFNB553	<b>0</b>	1.
2. U.S. banks (including IBFs and foreign branches of U.S. banks) and other U.S. depository institutions.....	RCFNB554	<b>0</b>	2.
3. Foreign banks (including U.S. branches and agencies of foreign banks, including their IBFs).....	RCFN2625	<b>0</b>	3.
4. Foreign governments and official institutions (including foreign central banks).....	RCFN2650	<b>0</b>	4.
5. U.S. Government and states and political subdivisions in the U.S.....	RCFNB555	<b>0</b>	5.
6. Total.....	RCFN2200	<b>0</b>	6.
1. Time deposits with a remaining maturity of one year or less (included in Schedule RC, item 13.b).....	RCFNA245	<b>NR</b>	M.1.

5. The \$1 billion asset size test is based on the total assets reported on the June 30, 2022, Report of Condition.

## Schedule RC-F - Other Assets(Form Type - 031)

Dollar amounts in thousands

1. Accrued interest receivable <sup>2</sup> .....	RCFDB556	<b>1,450,157</b>	1.
2. Net deferred tax assets <sup>3</sup> .....	RCFD2148	<b>2,548,308</b>	2.
3. Interest-only strips receivable (not in the form of a security) <sup>4</sup> .....	RCFDHT80	<b>0</b>	3.
4. Equity investments without readily determinable fair values <sup>5</sup> .....	RCFD1752	<b>51,841</b>	4.
5. Life insurance assets:			5.
a. General account life insurance assets.....	RCFDK201	<b>0</b>	5.a.
b. Separate account life insurance assets.....	RCFDK202	<b>0</b>	5.b.
c. Hybrid account life insurance assets.....	RCFDK270	<b>0</b>	5.c.
6. All other assets (itemize and describe amounts greater than \$100,000 that exceed 25% of this item).....	RCFD2168	<b>417,455</b>	6.
a. Prepaid expenses.....	RCFD2166	<b>NR</b>	6.a.
b. Repossessed personal property (including vehicles).....	RCFD1578	<b>NR</b>	6.b.
c. Derivatives with a positive fair value held for purposes other than trading.....	RCFDC010	<b>NR</b>	6.c.
d. Not applicable			6.d.
e. Computer software.....	RCFDFT33	<b>NR</b>	6.e.
f. Accounts receivable.....	RCFDFT34	<b>NR</b>	6.f.
g. Receivables from foreclosed government-guaranteed mortgage loans.....	RCFDFT35	<b>NR</b>	6.g.
h. Disclose component and the dollar amount of that component:			6.h.
1. Describe component.....	TEXT3549	<b>NR</b>	6.h.1.
2. Amount of component.....	RCFD3549	<b>NR</b>	6.h.2.
i. Disclose component and the dollar amount of that component:			6.i.
1. Describe component.....	TEXT3550	<b>Click here for value</b>	6.i.1.
2. Amount of component.....	RCFD3550	<b>142,219</b>	6.i.2.
j. Disclose component and the dollar amount of that component:			6.j.
1. Describe component.....	TEXT3551	<b>Click here for value</b>	6.j.1.
2. Amount of component.....	RCFD3551	<b>166,311</b>	6.j.2.
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11).....	RCFD2160	<b>4,467,761</b>	7.

(TEXT3550) Investment Receivable

(TEXT3551) Income Tax Receivable

2. Include accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets. Exclude accrued interest receivables on financial assets that are reported elsewhere on the balance sheet.  
 3. See discussion of deferred income taxes in Glossary entry on "income taxes."  
 4. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate.  
 5. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

## Schedule RC-G - Other Liabilities(Form Type - 031)

Dollar amounts in thousands

1. Not available			1.
a. Interest accrued and unpaid on deposits in domestic offices <sup>6</sup>	RCON3645	<b>300,902</b>	1.a.
b. Other expenses accrued and unpaid (includes accrued income taxes payable)	RCFD3646	<b>3,092,156</b>	1.b.
2. Net deferred tax liabilities <sup>2</sup>	RCFD3049	<b>0</b>	2.
3. Allowance for credit losses on off-balance sheet credit exposures <sup>7</sup>	RCFDB557	<b>41,000</b>	3.
4. All other liabilities (itemize and describe amounts greater than \$100,000 that exceed 25 percent of this item)	RCFD2938	<b>2,391,131</b>	4.
a. Accounts payable	RCFD3066	<b>0</b>	4.a.
b. Deferred compensation liabilities	RCFDC011	<b>0</b>	4.b.
c. Dividends declared but not yet payable	RCFD2932	<b>0</b>	4.c.
d. Derivatives with a negative fair value held for purposes other than trading	RCFDC012	<b>0</b>	4.d.
e. Operating lease liabilities	RCFDLB56	<b>0</b>	4.e.
f. Disclose component and the dollar amount of that component:			4.f.
1. Describe component	TEXT3552	<b>Click here for value</b>	4.f.1.
2. Amount of component	RCFD3552	<b>2,131,842</b>	4.f.2.
g. Disclose component and the dollar amount of that component:			4.g.
1. Describe component	TEXT3553	<b>NR</b>	4.g.1.
2. Amount of component	RCFD3553	<b>0</b>	4.g.2.
h. Disclose component and the dollar amount of that component:			4.h.
1. Describe component	TEXT3554	<b>NR</b>	4.h.1.
2. Amount of component	RCFD3554	<b>0</b>	4.h.2.
5. Total	RCFD2930	<b>5,825,189</b>	5.

(TEXT3552) Payment Services

6. For savings banks, include "dividends" accrued and unpaid on deposits.  
 2. See discussion of deferred income taxes in Glossary entry on "income taxes."  
 7. Institutions that have adopted ASU 2016-13 should report in Schedule RC-G, item 3 the allowance for credit losses on those off-balance sheet credit exposures that are not unconditionally cancelable.

## Schedule RC-H - Selected Balance Sheet Items for Domestic Offices(Form Type - 031)

To be completed only by banks with foreign offices.

Dollar amounts in thousands

1. Not applicable			1.
2. Not applicable			2.
3. Securities purchased under agreements to resell.....	RCONB989	NR	3.
4. Securities sold under agreements to repurchase.....	RCONB995	NR	4.
5. Other borrowed money.....	RCON3190	NR	5.
<i>EITHER</i>			
6. Net due from own foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RCON2163	NR	6.
<i>OR</i>			
7. Net due to own foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RCON2941	NR	7.
8. Total assets (excludes net due from foreign offices, Edge and Agreement subsidiaries, and IBFs).....	RCON2192	NR	8.
9. Total liabilities (excludes net due to foreign offices, Edge and Agreement subsidiaries, and IBFs).....	RCON3129	NR	9.

Dollar amounts in thousands

	(Column A) Amortized Cost of Held-to-Maturity Securities		(Column B) Fair Value of Available-for-Sale Securities		
10. U.S. Treasury securities.....	RCON0211	NR	RCON1287	NR	10.
11. U.S. Government agency obligations (exclude mortgage-backed securities).....	RCON8492	NR	RCON8495	NR	11.
12. Securities issued by states and political subdivisions in the U.S.....	RCON8496	NR	RCON8499	NR	12.
13. Mortgage-backed securities (MBS):					13.
a. Mortgage pass-through securities:					13.a.
1. Issued or guaranteed by FNMA, FHLMC, or GNMA.....	RCONG389	NR	RCONG390	NR	13.a.1.
2. Other mortgage pass-through securities.....	RCON1709	NR	RCON1713	NR	13.a.2.
b. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS):					13.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies <sup>1</sup> .....	RCONG393	NR	RCONG394	NR	13.b.1.
2. All other mortgage-backed securities.....	RCON1733	NR	RCON1736	NR	13.b.2.
14. Other domestic debt securities (include domestic structured financial products and domestic asset-backed securities).....	RCONG397	NR	RCONG398	NR	14.
15. Other foreign debt securities (include foreign structured financial products and foreign asset-backed securities).....	RCONG399	NR	RCONG400	NR	15.
16. Not applicable.					16.
17. Total held-to-maturity and available-for-sale debt securities (sum of items 10 through 15).....	RCON1754	NR	RCON1773	NR	17.

Dollar amounts in thousands

18. Equity investments not held for trading:			18.
a. Equity securities with readily determinable fair values <sup>4</sup> .....	RCONJA22	NR	18.a.
b. Equity investments without readily determinable fair values.....	RCON1752	NR	18.b.
<i>Items 19, 20 and 21 are to be completed by banks that reported total trading assets of \$10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.</i>			
19. Total trading assets.....	RCON3545	NR	19.
20. Total trading liabilities.....	RCON3548	NR	20.
21. Total loans held for trading.....	RCONHT71	NR	21.
<i>Item 22 is to be completed by banks that: (1) have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or (2) are required to complete Schedule RC-D, Trading Assets and Liabilities.</i>			
22. Total amount of fair value option loans held for investment and held for sale.....	RCONJF75	NR	22.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

4. Item 18.a is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

## Schedule RC-I - Assets and Liabilities of IBFs(Form Type - 031)

To be completed only by banks with IBFs and other "foreign" offices.

Dollar amounts in thousands

1. Total IBF assets of the consolidated bank (component of Schedule RC, item 12).....	RCFN2133	<b>NR</b>	1.
2. Total IBF liabilities (component of Schedule RC, item 21).....	RCFN2898	<b>NR</b>	2.

## Schedule RC-K - Quarterly Averages(Form Type - 031)

Dollar amounts in thousands

1. Interest-bearing balances due from depository institutions.....	RCFD3381	<b>8,345,048</b>	1.
2. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities) <sup>2</sup> .....	RCFDB558	<b>12,997,731</b>	2.
3. Mortgage-backed securities <sup>2</sup> .....	RCFDB559	<b>744,630</b>	3.
4. All other debt securities and equity securities with readily determinable fair values not held for trading <sup>2</sup> .....	RCFDB560	<b>52,203</b>	4.
5. Federal funds sold and securities purchased under agreements to resell.....	RCFD3365	<b>0</b>	5.
6. Loans:			6.
a. Loans in domestic offices:			6.a.
1. Total loans.....	RCON3360	<b>125,383,828</b>	6.a.1.
2. Loans secured by real estate:			6.a.2.
a. Loans secured by 1-4 family residential properties.....	RCON3465	<b>5,598,516</b>	6.a.2.a.
b. All other loans secured by real estate.....	RCON3466	<b>0</b>	6.a.2.b.
3. Loans to finance agricultural production and other loans to farmers .....	RCON3386	<b>0</b>	6.a.3.
4. Commercial and industrial loans.....	RCON3387	<b>151,845</b>	6.a.4.
5. Loans to individuals for household, family, and other personal expenditures:			6.a.5.
a. Credit cards.....	RCONB561	<b>99,455,454</b>	6.a.5.a.
b. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....	RCONB562	<b>20,122,756</b>	6.a.5.b.
b. Total loans in foreign offices, Edge and Agreement subsidiaries, and IBFs.....	RCFN3360	<b>NR</b>	6.b.
<i>Item 7 is to be completed by banks with total trading assets of \$10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.</i>			
7. Trading assets.....	RCFD3401	<b>0</b>	7.
8. Lease financing receivables (net of unearned income).....	RCFD3484	<b>0</b>	8.
9. Total assets <sup>4</sup> .....	RCFD3368	<b>144,758,333</b>	9.
10. Interest-bearing transaction accounts in domestic offices (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....	RCON3485	<b>1,185,829</b>	10.
11. Nontransaction accounts in domestic offices:			11.
a. Savings deposits (includes MMDAs).....	RCONB563	<b>63,967,704</b>	11.a.
b. Time deposits of \$250,000 or less.....	RCONHK16	<b>39,498,576</b>	11.b.
c. Time deposits of more than \$250,000.....	RCONHK17	<b>2,851,386</b>	11.c.
12. Interest-bearing deposits in foreign offices, EDGE and Agreement subsidiaries, and IBFs.....	RCFN3404	<b>NR</b>	12.
13. Federal funds purchased and securities sold under agreements to repurchase.....	RCFD3353	<b>3,414</b>	13.
14. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases).....	RCFD3355	<b>15,641,555</b>	14.

2. Quarterly averages for all debt securities should be based on amortized cost.

2. Quarterly averages for all debt securities should be based on amortized cost.

4. The quarterly average for total assets should reflect securities not held for trading as follows: a) Debt securities at amortized cost, b) Equity securities with readily determinable fair values at fair value, c) Equity investments without readily determinable fair values, their balance sheet carrying values (i.e., fair value or, if elected, cost minus impairment, if any, plus or minus changes resulting from observable price changes).

## Schedule RC-L - Derivatives and Off-Balance Sheet Items(Form Type - 031)

Please read carefully the instructions for the preparation of Schedule RC-L. Some of the amounts reported in Schedule RC-L are regarded as volume indicators and not necessarily as measures of risk.

Dollar amounts in thousands

1. Unused commitments:					1.
a. Revolving, open-end lines secured by 1-4 family residential properties, i.e., home equity lines.....	RCFD3814		0		1.a.
<i>Item 1.a.(1) is to be completed for the December report only.</i>					
1. Unused commitments for reverse mortgages outstanding that are held for investment in domestic offices..	RCONHT72		0		1.a.1.
b. Credit card lines (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b.).....	RCFD3815		229,056,856		1.b.
<i>Items 1.b.(1) and 1.b.(2) are to be completed by banks with either \$300 million or more in total assets or \$300 million or more in credit card lines. (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b)</i>					
<i>Items 1.b.(1) and 1.b.(2) are to be completed semiannually in the June and December reports only.</i>					
1. Unused consumer credit card lines.....	RCFDJ455		228,302,314		1.b.1.
2. Other unused credit card lines.....	RCFDJ456		754,542		1.b.2.
c. Commitments to fund commercial real estate, construction, and land development loans:					1.c.
1. Secured by real estate:					1.c.1.
a. 1-4 family residential construction loan commitments.....	RCDFD164		0		1.c.1.a.
b. Commercial real estate, other construction loan, and land development loan commitments.....	RCDFD165		0		1.c.1.b.
2. Not secured by real estate.....	RCFD6550		0		1.c.2.
d. Securities underwriting.....	RCFD3817		0		1.d.
e. Other unused commitments:					1.e.
1. Commercial and industrial loans.....	RCFDJ457		0		1.e.1.
2. Loans to financial institutions.....	RCFDJ458		35,075		1.e.2.
3. All other unused commitments.....	RCFDJ459		643,803		1.e.3.
2. Financial standby letters of credit and foreign office guarantees.....	RCFD3819		0		2.
<i>Item 2.a is to be completed by banks with \$1 billion or more in total assets.</i>					
a. Amount of financial standby letters of credit conveyed to others <sup>1</sup> .....	RCFD3820		0		2.a.
3. Performance standby letters of credit and foreign office guarantees.....	RCFD3821		0		3.
<i>Item 3.a is to be completed by banks with \$1 billion or more in total assets.</i>					
a. Amount of performance standby letters of credit conveyed to others <sup>1</sup> .....	RCFD3822		0		3.a.
4. Commercial and similar letters of credit.....	RCFD3411		0		4.
5. Not applicable					5.
6. Securities lent and borrowed:					6.
a. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank).....	RCFD3433		0		6.a.
b. Securities borrowed.....	RCFD3432		0		6.b.

Dollar amounts in thousands

	(Column A) Sold Protection		(Column B) Purchased Protection		
7. Credit derivatives:					7.
a. Notional amounts:					7.a.
1. Credit default swaps.....	RCFDC968	0	RCFDC969	0	7.a.1.
2. Total return swaps.....	RCFDC970	0	RCFDC971	0	7.a.2.
3. Credit options.....	RCFDC972	0	RCFDC973	0	7.a.3.
4. Other credit derivatives.....	RCFDC974	0	RCFDC975	0	7.a.4.
b. Gross fair values:					7.b.
1. Gross positive fair value.....	RCFDC219	0	RCFDC221	0	7.b.1.
2. Gross negative fair value.....	RCFDC220	0	RCFDC222	0	7.b.2.



Dollar amounts in thousands

c. Notional amounts by regulatory capital treatment: <sup>1</sup>				7.c.
1. Positions covered under the Market Risk Rule:				7.c.1.
a. Sold protection.....	RCFDG401		0	7.c.1.a.
b. Purchased protection.....	RCFDG402		0	7.c.1.b.
2. All other positions:				7.c.2.
a. Sold protection.....	RCFDG403		0	7.c.2.a.
b. Purchased protection that is recognized as a guarantee for regulatory capital purposes.....	RCFDG404		0	7.c.2.b.
c. Purchased protection that is not recognized as a guarantee for regulatory capital purposes.....	RCFDG405		0	7.c.2.c.

Dollar amounts in thousands

	(Column A) Remaining Maturity of One Year or Less		(Column B) Remaining Maturity of Over One Year Through Five Years		(Column C) Remaining Maturity of Over Five Years		
d. Notional amounts by remaining maturity:							7.d.
1. Sold credit protection: <sup>2</sup>							7.d.1.
a. Investment grade.....	RCFDG406	0	RCFDG407	0	RCFDG408	0	7d1a.
b. Subinvestment grade.....	RCFDG409	0	RCFDG410	0	RCFDG411	0	7d1b.
2. Purchased credit protection: <sup>3</sup>							7.d.2.
a. Investment grade.....	RCFDG412	0	RCFDG413	0	RCFDG414	0	7d2a.
b. Subinvestment grade.....	RCFDG415	0	RCFDG416	0	RCFDG417	0	7d2b.

1. The asset-size tests and the \$300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2022, Report of Condition.  
 1. The asset-size tests and the \$300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2022, Report of Condition.

Dollar amounts in thousands

8. Spot foreign exchange contracts.....	RCFD8765	0	8.
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital").....	RCFD3430	0	9.
a. Not applicable			9.a.
b. Commitments to purchase when-issued securities.....	RCFD3434	0	9.b.
c. Standby letters of credit issued by another party (e.g., a Federal Home Loan Bank) on the bank's behalf.....	RCFDC978	0	9.c.
d. Disclose component and the dollar amount of that component:			9.d.
1. Describe component.....	TEXT3555	NR	9.d.1.
2. Amount of component.....	RCFD3555	0	9.d.2.
e. Disclose component and the dollar amount of that component:			9.e.
1. Describe component.....	TEXT3556	NR	9.e.1.
2. Amount of component.....	RCFD3556	0	9.e.2.
f. Disclose component and the dollar amount of that component:			9.f.
(TEXT3557) NR	RCFD3557	0	9.f.1.
10. All other off-balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital").....	RCFD5591	0	10.
a. Commitments to sell when-issued securities.....	RCFD3435	0	10.a.
b. Disclose component and the dollar amount of that component:			10.b.
1. Describe component.....	TEXT5592	NR	10.b.1.
2. Amount of component.....	RCFD5592	0	10.b.2.
c. Disclose component and the dollar amount of that component:			10.c.
1. Describe component.....	TEXT5593	NR	10.c.1.
2. Amount of component.....	RCFD5593	0	10.c.2.
d. Disclose component and the dollar amount of that component:			10.d.
1. Describe component.....	TEXT5594	NR	10.d.1.
2. Amount of component.....	RCFD5594	0	10.d.2.
e. Disclose component and the dollar amount of that component:			10.e.
1. Describe component.....	TEXT5595	NR	10.e.1.
2. Amount of component.....	RCFD5595	0	10.e.2.
<i>Items 11.a and 11.b are to be completed semiannually in the June and December reports only.</i>			11.
11. Year-to-date merchant credit card sales volume:			
a. Sales for which the reporting bank is the acquiring bank.....	RCFDC223	0	11.a.
b. Sales for which the reporting bank is the agent bank with risk.....	RCFDC224	0	11.b.

1. Sum of items 7.c.(1)(a) and 7.c.(2)(a), must equal sum of items 7.a.(1) through (4), column A. Sum of items 7.c.(1)(b), 7.c.(2)(b), and 7.c.(2)(c) must equal sum of items 7.a.(1) through (4), column B.

2. Sum of items 7.d.(1)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column A.

3. Sum of items 7.d.(2)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column B.

Dollar amounts in thousands		(Column A) Interest Rate Contracts	(Column B) Foreign Exchange Contracts	(Column C) Equity Derivative Contracts	(Column D) Commodity and Other Contracts				
12. Gross amounts (e.g., notional amounts):						12.			
a. Futures contracts.....	RCFD8693	0	RCFD8694	0	RCFD8695	0	RCFD8696	0	12.a.
b. Forward contracts.....	RCFD8697	35,000	RCFD8698	0	RCFD8699	0	RCFD8700	0	12.b.
c. Exchange-traded option contracts:									12.c.
1. Written options.....	RCFD8701	0	RCFD8702	0	RCFD8703	0	RCFD8704	0	12c1.
2. Purchased options.....	RCFD8705	0	RCFD8706	0	RCFD8707	0	RCFD8708	0	12c2.
d. Over-the-counter option contracts:									12.d.
1. Written options.....	RCFD8709	0	RCFD8710	0	RCFD8711	0	RCFD8712	0	12d1.
2. Purchased options.....	RCFD8713	0	RCFD8714	0	RCFD8715	0	RCFD8716	0	12d2.
e. Swaps.....	RCFD3450	19,300,000	RCFD3826	0	RCFD8719	0	RCFD8720	0	12.e.
13. Total gross notional amount of derivative contracts held for trading.....	RCFDA126	0	RCFDA127	0	RCFD8723	0	RCFD8724	0	13.
14. Total gross notional amount of derivative contracts held for purposes other than trading.....	RCFD8725	19,335,000	RCFD8726	0	RCFD8727	0	RCFD8728	0	14.
a. Interest rate swaps where the bank has agreed to pay a fixed rate.....	RCFDA589	500,000							14.a.
15. Gross fair values of derivative contracts:									15.
a. Contracts held for trading:									15.a.
1. Gross positive fair value.....	RCFD8733	0	RCFD8734	0	RCFD8735	0	RCFD8736	0	15a1.
2. Gross negative fair value.....	RCFD8737	0	RCFD8738	0	RCFD8739	0	RCFD8740	0	15a2.
b. Contracts held for purposes other than trading:									15.b.
1. Gross positive fair value.....	RCFD8741	4,168	RCFD8742	0	RCFD8743	0	RCFD8744	0	15b1.
2. Gross negative fair value.....	RCFD8745	579	RCFD8746	0	RCFD8747	0	RCFD8748	0	15b2.

Dollar amounts in thousands		(Column A) Banks and Securities Firms	(Column B)	(Column C) Hedge Funds	(Column D) Sovereign Governments	(Column E) Corporations and All Other Counterparties				
<i>Item 16 is to be completed only by banks with total assets of \$10 billion or more.</i>										
16. Over-the counter derivatives: <sup>1</sup>							16.			
a. Net current credit exposure.....	RCFDG418	4,168		RCFDG420	0	RCFDG421	0	RCFDG422	0	16.a.
b. Fair value of collateral:									16.b.	
1. Cash - U.S. dollar.....	RCFDG423	0		RCFDG425	0	RCFDG426	0	RCFDG427	0	16.b.1.
2. Cash - Other currencies.....	RCFDG428	0		RCFDG430	0	RCFDG431	0	RCFDG432	0	16.b.2.
3. U.S. Treasury securities.....	RCFDG433	0		RCFDG435	0	RCFDG436	0	RCFDG437	0	16.b.3.
4. U.S. Government agency and U.S. Government-sponsored agency debt securities.....	RCFDG438	0		RCFDG440	0	RCFDG441	0	RCFDG442	0	16.b.4.
5. Corporate bonds.....	RCFDG443	0		RCFDG445	0	RCFDG446	0	RCFDG447	0	16.b.5.
6. Equity securities.....	RCFDG448	0		RCFDG450	0	RCFDG451	0	RCFDG452	0	16.b.6.
7. All other collateral.....	RCFDG453	0		RCFDG455	0	RCFDG456	0	RCFDG457	0	16.b.7.
8. Total fair value of collateral (sum of items 16.b.(1) through (7)).....	RCFDG458	0		RCFDG460	0	RCFDG461	0	RCFDG462	0	16.b.8.

1. The \$10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

## Schedule RC-M - Memoranda(Form Type - 031)

Dollar amounts in thousands

1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:			1.
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests.....	RCFD6164	<b>302</b>	1.a.
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of \$500,000 or 5 percent of total capital as defined for this purpose in agency regulations.....	RCFD6165	<b>0</b>	1.b.
2. Intangible assets:			2.
a. Mortgage servicing assets.....	RCFD3164	<b>0</b>	2.a.
1. Estimated fair value of mortgage servicing assets.....	RCFDA590	<b>0</b>	2.a.1.
b. Goodwill.....	RCFD3163	<b>0</b>	2.b.
c. All other intangible assets.....	RCFDJF76	<b>0</b>	2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10).....	RCFD2143	<b>0</b>	2.d.
3. Other real estate owned:			3.
a. Construction, land development, and other land in domestic offices.....	RCON5508	<b>0</b>	3.a.
b. Farmland in domestic offices.....	RCON5509	<b>0</b>	3.b.
c. 1-4 family residential properties in domestic offices.....	RCON5510	<b>345</b>	3.c.
d. Multifamily (5 or more) residential properties in domestic offices.....	RCON5511	<b>0</b>	3.d.
e. Nonfarm nonresidential properties in domestic offices.....	RCON5512	<b>0</b>	3.e.
f. In foreign offices.....	RCFN5513	<b>NR</b>	3.f.
g. Total (sum of items 3.a through 3.g) (must equal Schedule RC, item 7).....	RCFD2150	<b>345</b>	3.g.
4. Cost of equity securities with readily determinable fair values not held for trading (the fair value of which is reported in Schedule RC, item 2.c) <sup>1</sup> .....	RCFDJA29	<b>43,241</b>	4.
5. Other borrowed money:			5.
a. Federal Home Loan Bank advances:			5.a.
1. Advances with a remaining maturity or next repricing date of: <sup>1</sup>			5.a.1.
a. One year or less.....	RCFDF055	<b>525,000</b>	5.a.1.a.
b. Over one year through three years.....	RCFDF056	<b>0</b>	5.a.1.b.
c. Over three years through five years.....	RCFDF057	<b>0</b>	5.a.1.c.
d. Over five years.....	RCFDF058	<b>523,000</b>	5.a.1.d.
2. Advances with a remaining maturity of one year or less (included in item 5.a.(1)(a) above) <sup>2</sup> .....	RCFD2651	<b>525,000</b>	5.a.2.
3. Structured advances (included in items 5.a.(1)(a) - (d) above).....	RCFDF059	<b>0</b>	5.a.3.
b. Other borrowings:			5.b.
1. Other borrowings with a remaining maturity or next repricing date of: <sup>3</sup>			5.b.1.
a. One year or less.....	RCFDF060	<b>4,041,739</b>	5.b.1.a.
b. Over one year through three years.....	RCFDF061	<b>9,864,594</b>	5.b.1.b.
c. Over three years through five years.....	RCFDF062	<b>910,846</b>	5.b.1.c.
d. Over five years.....	RCFDF063	<b>497,159</b>	5.b.1.d.
2. Other borrowings with a remaining maturity of one year or less (included in item 5.b.(1)(a) above) <sup>4</sup> .....	RCFDB571	<b>3,976,457</b>	5.b.2.
c. Total (sum of items 5.a.(1)(a)-(d) and items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16).....	RCFD3190	<b>16,362,338</b>	5.c.
6. Does the reporting bank sell private label or third party mutual funds and annuities?.....	RCFDB569	<b>No</b>	6.
7. Assets under the reporting bank's management in proprietary mutual funds and annuities.....	RCFDB570	<b>0</b>	7.
8. Internet Web site addresses and physical office trade names:			8.
a. Uniform Resource Locator (URL) of the reporting institution's primary Internet Web site (home page), if any (Example: www.examplebank.com):.....	TEXT4087	<b>Click here for value</b>	8.a.

1. Item 4 is to be completed only by insured state banks that have been approved by the FDIC to hold grandfathered equity investments. See instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

1. Report fixed-rate advances by remaining maturity and floating-rate advances by next repricing date.

2. Report both fixed- and floating-rate advances by remaining maturity. Exclude floating-rate advances with a next repricing date of one year or less that have a remaining maturity of over one year.

3. Report fixed-rate other borrowings by remaining maturity and floating-rate other borrowings by next repricing date.

4. Report both fixed- and floating-rate other borrowings by remaining maturity. Exclude floating rate other borrowings with a next repricing date of one year or less that have a remaining maturity of over one year.

Dollar amounts in thousands

b. URLs of all other public-facing Internet Web sites that the reporting institution uses to accept or solicit deposits from the public, if any (Example: www.examplebank.biz): <sup>1</sup>			8.b.
1. URL 1.....	TE01N528	<a href="#">Click here for value</a>	8.b.1.
2. URL 2.....	TE02N528	<a href="#">Click here for value</a>	8.b.2.
3. URL 3.....	TE03N528	<a href="#">Click here for value</a>	8.b.3.
4. URL 4.....	TE04N528	<a href="#">Click here for value</a>	8.b.4.
5. URL 5.....	TE05N528	<a href="#">Click here for value</a>	8.b.5.
6. URL 6.....	TE06N528	<a href="#">Click here for value</a>	8.b.6.
7. URL 7.....	TE07N528	NR	8.b.7.
8. URL 8.....	TE08N528	NR	8.b.8.
9. URL 9.....	TE09N528	NR	8.b.9.
10. URL 10.....	TE10N528	NR	8.b.10.
c. Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any:			8.c.
1. Trade name 1.....	TE01N529	NR	8.c.1.
2. Trade name 2.....	TE02N529	NR	8.c.2.
3. Trade name 3.....	TE03N529	NR	8.c.3.
4. Trade name 4.....	TE04N529	NR	8.c.4.
5. Trade name 5.....	TE05N529	NR	8.c.5.
6. Trade name 6.....	TE06N529	NR	8.c.6.
<i>Item 9 is to be completed annually in the December report only.</i>			
9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site?.....	RCFD4088	Yes	9.
10. Secured liabilities:			10.
a. Amount of "Federal funds purchased in domestic offices" that are secured (included in Schedule RC, item 14.a).....	RCONF064	0	10.a.
b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a) - (d)).....	RCFDF065	11,743,195	10.b.
11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?.....	RCONG463	Yes	11.
12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?.....	RCONG464	No	12.
13. Assets covered by loss-sharing agreements with the FDIC:.....	RCFDK192	0	13.
<i>Items 14.a and 14.b are to be completed annually in the December report only.</i>			14.
14. Captive insurance and reinsurance subsidiaries:			
a. Total assets of captive insurance subsidiaries <sup>2</sup> .....	RCFDK193	0	14.a.
b. Total assets of captive reinsurance subsidiaries <sup>2</sup> .....	RCFDK194	0	14.b.
<i>Item 15 is to be completed by institutions that are required or have elected to be treated as a Qualified Thrift Lender.</i>			15.
15. Qualified Thrift Lender (QTL) test:			
a. Does the institution use the Home Owners' Loan Act (HOLA) QTL test or the Internal Revenue Service Domestic Building and Loan Association (IRS DBLA) test to determine its QTL compliance? (for the HOLA QTL test, enter 1; for the IRS DBLA test, enter 2).....	RCONL133	NR	15.a.
b. Has the institution been in compliance with the HOLA QTL test as of each month end during the quarter or the IRS DBLA test for its most recent taxable year, as applicable?.....	RCONL135	NR	15.b.
<i>Item 16.a and, if appropriate, items 16.b.(1) through 16.b.(3) are to be completed annually in the December report only.</i>			16.
16. International remittance transfers offered to consumers: <sup>1</sup>			
a. Estimated number of international remittance transfers provided by your institution during the calendar year ending on the report date.....	RCONN523	6813	16.a.
<i>Items 16.b.(1) through 16.b.(3) are to be completed by institutions that reported 501 or more international remittance transfers in item 16.a in either or both of the current report or the most recent prior report in which item 16.a was required to be completed.</i>			16.b.
b. Estimated dollar value of remittance transfers provided by your institution and usage of regulatory exceptions during the calendar year ending on the report date:			
1. Estimated dollar value of international remittance transfers.....	RCONN524	154,827	16.b.1.

1. Report only highest level URLs (for example, report www.examplebank.biz, but do not also report www.examplebank.biz/checking). Report each top level domain name used (for example, report both www.examplebank.biz and www.examplebank.net).

2. Report total assets before eliminating intercompany transactions between the consolidated insurance or reinsurance subsidiary and other offices or consolidated subsidiaries of the reporting bank.

1. Report information about international electronic transfers of funds offered to consumers in the United States that: (a) are "remittance transfers" as defined by subpart B of Regulation E (12 CFR § 1005.30(e)), or (b) would qualify as "remittance transfers" under subpart B of Regulation E (12 CFR § 1005.30(e)) but are excluded from that definition only because the provider is not providing those transfers in the normal course of its business. See 12 CFR § 1005.30(f). For purposes of this item 16, such trans

Dollar amounts in thousands

2. Estimated number of international remittance transfers for which your institution applied the permanent exchange rate exception.....	RCONMM07	0	16.b.2.
3. Estimated number of international remittance transfers for which your institution applied the permanent covered third-party fee exception.....	RCONMQ52	0	16.b.3.
17. U.S. Small Business Administration Paycheck Protection Program (PPP) loans and the Federal Reserve PPP Liquidity Facility (PPPLF): <sup>3</sup>			17.
a. Number of PPP loans outstanding.....	RCONLG26	0	17.a.
b. Outstanding balance of PPP loans.....	RCONLG27	0	17.b.
c. Outstanding balance of PPP loans pledged to the PPPLF.....	RCONLG28	0	17.c.
d. Outstanding balance of borrowings from Federal Reserve Banks under the PPPLF with a remaining maturity of:			17.d.
1. One year or less.....	RCONLL59	0	17.d.1.
2. More than one year.....	RCONLL60	0	17.d.2.
e. Quarterly average amount of PPP loans pledged to the PPPLF and excluded from "Total assets for the leverage ratio" reported in Schedule RC-R, Part I, item 30.....	RCONLL57	0	17.e.

(TE01N528) [www.discover.com/](http://www.discover.com/)

(TE02N528) [www.mydiscoverbank.com/](http://www.mydiscoverbank.com/)

(TE03N528) [aaa.discoverbank.com/](http://aaa.discoverbank.com/)

(TE04N528) [aaii.discoverbank.com/](http://aaii.discoverbank.com/)

(TE05N528) [www.discoverbank.com/](http://www.discoverbank.com/)

(TE06N528) [bank.discover.com/](http://bank.discover.com/)

(TEXT4087) [www.discover.com](http://www.discover.com/)

3. Paycheck Protection Program (PPP) covered loans as defined in sections 7(a)(36) and 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(36) and (37)). The PPP was established by Section 1102 of the 2020 Coronavirus Aid, Relief, and Economic Security Act.



Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
1. 1-4 family residential construction loans.....	RCONK105	0	RCONK106	0	RCONK107	0	M1a.1.
2. Other construction loans and all land development and other land loans.....	RCONK108	0	RCONK109	0	RCONK110	0	M1a.2.
b. Loans secured by 1-4 family residential properties in domestic offices..	RCONF661	0	RCONF662	0	RCONF663	0	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices.....	RCONK111	0	RCONK112	0	RCONK113	0	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:							M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties.....	RCONK114	0	RCONK115	0	RCONK116	0	M1d.1.
2. Loans secured by other nonfarm nonresidential properties.....	RCONK117	0	RCONK118	0	RCONK119	0	M1d.2.
e. Commercial and industrial loans:							M.1.e.
1. To U.S. addressees (domicile).....	RCFDK120	0	RCFDK121	0	RCFDK122	0	M1e.1.
2. To non-U.S. addressees (domicile).....	RCFDK123	0	RCFDK124	0	RCFDK125	0	M1e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures).....	RCFDK126	286,287	RCFDK127	206,057	RCFDK128	8,182	M.1.f.
<i>Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are past due 30 days or more or in nonaccrual status (sum of Memorandum items 1.a through 1.f, columns A through C):</i>							
1. Loans secured by farmland in domestic offices.....	RCONK130	0	RCONK131	0	RCONK132	0	M1f.1.
2. Not applicable							M1f.2.
3. Loans to finance agricultural production and other loans to farmers.....	RCFDK138	0	RCFDK139	0	RCFDK140	0	M1f.3.
4. Loans to individuals for household, family, and other personal expenditures:							M1f.4.
a. Credit cards.....	RCFDK274	248,691	RCFDK275	193,956	RCFDK276	7,190	M1f.4.a.
b. Automobile loans.....	RCFDK277	0	RCFDK278	0	RCFDK279	0	M1f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans).....	RCFDK280	37,596	RCFDK281	12,101	RCFDK282	992	M1f.4.c.
g. Total loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above and not reported in Schedule RC-C, Part I, Memorandum item 1 (sum of items Memorandum item 1.a.(1) through Memorandum item 1.f.) <sup>1</sup> .....	RCFDHK26	286,287	RCFDHK27	206,057	RCFDHK28	8,182	M.1.g.
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above.....	RCFD6558	0	RCFD6559	0	RCFD6560	0	M.2.
3. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above).....	RCFD1248	0	RCFD1249	0	RCFD1250	0	M.3.
4. Not applicable							M.4.

1. Exclude amounts reported in Memorandum items 1.f.(1) through 1.f.(4) when calculating the total in Memorandum item 1.g.



Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCFDC240	0	RCFDC241	0	RCFDC226	0	
5. Loans and leases held for sale (included in Schedule RC-N, items 1 through 8, above).....							M.5.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days		(Column B) Past due 90 days or more		
	RCFD3529	0	RCFD3530	0	
6. Derivative contracts: Fair value of amounts carried as assets.....					M.6.

Dollar amounts in thousands	
<i>Memorandum items 7, 8, 9.a, and 9.b are to be completed semiannually in the June and December reports only.</i>	
7. Additions to nonaccrual assets during the previous six months.....	RCFDC410 <b>977,587</b> M.7.
8. Nonaccrual assets sold during the previous six months.....	RCFDC411 <b>0</b> M.8.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
	RCFDL183	NR	RCFDL184	NR	RCFDL185	NR	
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Stament of Position 03-3): <sup>2</sup>							M.9.
a. Outstanding balance.....	RCFDL183	NR	RCFDL184	NR	RCFDL185	NR	M.9.a.
b. Amount included in Schedule RC-N, items 1 through 7, above.....	RCFDL186	NR	RCFDL187	NR	RCFDL188	NR	M.9.b.

2. Memorandum items 9.a and 9.b should be completed only by institutions that have not yet adopted ASU 2016-13.

## Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments(Form Type - 031)

All FDIC-insured depository institutions must complete items 1 through 9, 10, and 11, Memorandum item 1, and, if applicable, item 9.a, Memorandum items 2, 3, and 6 through 18 each quarter. Unless otherwise indicated, complete items 1 through 11 and Memorandum items 1 through 3 on an "unconsolidated single FDIC certificate number basis" (see instructions) and complete Memorandum items 6 through 18 on a fully consolidated basis.

Dollar amounts in thousands

1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.....	RCFDF236	<b>112,925,506</b>	1.
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits).....	RCFDF237	<b>0</b>	2.
3. Total foreign deposits, including interest accrued and unpaid thereon (included in item 2 above).....	RCFNF234	<b>0</b>	3.
4. Average consolidated total assets for the calendar quarter.....	RCFDK652	<b>144,758,333</b>	4.
a. Averaging method used (for daily averaging, enter 1; for weekly averaging, enter 2).....	RCFDK653	<b>1</b>	4.a.
5. Average tangible equity for the calendar quarter <sup>1</sup> .....	RCFDK654	<b>13,928,108</b>	5.
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions.....	RCFDK655	<b>0</b>	6.
7. Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)-(d) minus item 10.b):			7.
a. One year or less.....	RCFDG465	<b>751,695</b>	7.a.
b. Over one year through three years.....	RCFDG466	<b>1,411,443</b>	7.b.
c. Over three years through five years.....	RCFDG467	<b>910,846</b>	7.c.
d. Over five years.....	RCFDG468	<b>497,159</b>	7.d.
8. Subordinated notes and debentures with a remaining maturity of (sum of items 8.a through 8.d must equal Schedule RC, item 19):			8.
a. One year or less.....	RCFDG469	<b>0</b>	8.a.
b. Over one year through three years.....	RCFDG470	<b>500,000</b>	8.b.
c. Over three years through five years.....	RCFDG471	<b>500,000</b>	8.c.
d. Over five years.....	RCFDG472	<b>750,000</b>	8.d.
9. Brokered reciprocal deposits (included in Schedule RC-E, Part I, Memorandum item 1.b).....	RCONG803	<b>0</b>	9.
<i>Item 9.a is to be completed on a fully consolidated basis by all institutions that own another insured depository institution.</i>			
a. Fully consolidated brokered reciprocal deposits.....	RCONL190	<b>NR</b>	9.a.
10. Banker's bank certification: Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations? If the answer to item 10 is "YES," complete items 10.a and 10.b.....	RCFDK656	<b>No</b>	10.
<i>If the answer to item 10 is "YES," complete items 10.a and 10.b.</i>			
a. Banker's bank deduction.....	RCFDK657	<b>NR</b>	10.a.
b. Banker's bank deduction limit.....	RCFDK658	<b>NR</b>	10.b.
11. Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations? If the answer to item 11 is "YES," complete items 11.a and 11.b.....	RCFDK659	<b>No</b>	11.
<i>If the answer to item 11 is "YES," complete items 11.a and 11.b.</i>			
a. Custodial bank deduction.....	RCFDK660	<b>NR</b>	11.a.
b. Custodial bank deduction limit.....	RCFDK661	<b>NR</b>	11.b.
1. Total deposit liabilities of the bank (including related interest accrued and unpaid) less allowable exclusions (including related interest accrued and unpaid) (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):			M.1.
a. Deposit accounts (excluding retirement accounts) of \$250,000 or less: <sup>1</sup>			M.1.a.
1. Amount of deposit accounts (excluding retirement accounts) of \$250,000 or less.....	RCONF049	<b>91,243,700</b>	M.1.a.1.
2. Number of deposit accounts (excluding retirement accounts) of \$250,000 or less.....	RCONF050	<b>7162341</b>	M.1.a.2.
b. Deposit accounts (excluding retirement accounts) of more than \$250,000: <sup>1</sup>			M.1.b.
1. Amount of deposit accounts (excluding retirement accounts) of more than \$250,000.....	RCONF051	<b>18,577,791</b>	M.1.b.1.
2. Number of deposit accounts (excluding retirement accounts) of more than \$250,000.....	RCONF052	<b>40460</b>	M.1.b.2.
c. Retirement deposit accounts of \$250,000 or less: <sup>1</sup>			M.1.c.
1. Amount of retirement deposit accounts of \$250,000 or less.....	RCONF045	<b>2,761,232</b>	M.1.c.1.
2. Number of retirement deposit accounts of \$250,000 or less.....	RCONF046	<b>101779</b>	M.1.c.2.
d. Retirement deposit accounts of more than \$250,000: <sup>1</sup>			M.1.d.

1. See instructions for averaging methods. For deposit insurance assessment purposes, tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and reported in Schedule RC-R, Part I, item 26, except as described in the instructions.  
 1. The dollar amounts used as the basis for reporting in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on the report date.

Dollar amounts in thousands

1. Amount of retirement deposit accounts of more than \$250,000.....	RCONF047	<b>342,783</b>	M.1.d.1.
2. Number of retirement deposit accounts of more than \$250,000.....	RCONF048	<b>1041</b>	M.1.d.2.
<i>Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets.</i>			
2. Estimated amount of uninsured deposits in domestic offices of the bank and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid (see instructions) <sup>3</sup> .....	RCON5597	<b>7,034,610</b>	M.2.
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:			M.3.
a. Legal title.....	TEXTA545	<b>NR</b>	M.3.a.
b. FDIC Certificate Number.....	RCONA545	<b>0</b>	M.3.b.
4. Dually payable deposits in the reporting institution's foreign branches.....	RCFNGW43	<b>NR</b>	M.4.
<i>Memorandum items 5 through 12 are to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.</i>			
5. Applicable portion of the CECL transitional amount or modified CECL transitional amount that has been added to retained earnings for regulatory capital purposes as of the current report date and is attributable to loans and leases held for investment.....	RCFDMW53	<b>1,074,052</b>	M.5.
6. Criticized and classified items:			M.6.
a. Special mention.....	RCFDK663	<b>CONF</b>	M.6.a.
b. Substandard.....	RCFDK664	<b>CONF</b>	M.6.b.
c. Doubtful.....	RCFDK665	<b>CONF</b>	M.6.c.
d. Loss.....	RCFDK666	<b>CONF</b>	M.6.d.
7. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations:			M.7.
a. Nontraditional 1-4 family residential mortgage loans.....	RCFDN025	<b>CONF</b>	M.7.a.
b. Securitizations of nontraditional 1-4 family residential mortgage loans.....	RCFDN026	<b>CONF</b>	M.7.b.
8. "Higher-risk consumer loans" as defined for assessment purposes only in FDIC regulations:			M.8.
a. Higher-risk consumer loans.....	RCFDN027	<b>CONF</b>	M.8.a.
b. Securitizations of higher-risk consumer loans.....	RCFDN028	<b>CONF</b>	M.8.b.
9. "Higher-risk commercial and industrial loans and securities" as defined for assessment purposes only in FDIC regulations:			M.9.
a. Higher-risk commercial and industrial loans and securities.....	RCFDN029	<b>CONF</b>	M.9.a.
b. Securitizations of higher-risk commercial and industrial loans and securities.....	RCFDN030	<b>CONF</b>	M.9.b.
10. Commitments to fund construction, land development, and other land loans secured by real estate for the consolidated bank:			M.10.
a. Total unfunded commitments.....	RCFDK676	<b>0</b>	M.10.a.
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC).....	RCFDK677	<b>0</b>	M.10.b.
11. Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements).....	RCFDK669	<b>0</b>	M.11.
12. Nonbrokered time deposits of more than \$250,000 in domestic offices (included in Schedule RC-E, Memorandum item 2.d).....	RCONK678	<b>3,002,453</b>	M.12.
<i>Memorandum item 13.a is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. Memorandum items 13.b through 13.h are to be completed by "large institutions" only.</i>			
13. Portion of funded loans and securities in domestic and foreign offices guaranteed or insured by the U.S. government (including FDIC loss-sharing agreements):			M.13.
a. Construction, land development, and other land loans secured by real estate.....	RCFDN177	<b>0</b>	M.13.a.
b. Loans secured by multifamily residential and nonfarm nonresidential properties.....	RCFDN178	<b>0</b>	M.13.b.
c. Closed-end loans secured by first liens on 1-4 family residential properties.....	RCFDN179	<b>0</b>	M.13.c.
d. Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	RCFDN180	<b>0</b>	M.13.d.
e. Commercial and industrial loans.....	RCFDN181	<b>0</b>	M.13.e.
f. Credit card loans to individuals for household, family, and other personal expenditures.....	RCFDN182	<b>0</b>	M.13.f.
g. All other loans to individuals for household, family, and other personal expenditures.....	RCFDN183	<b>0</b>	M.13.g.
h. Non-agency residential mortgage-backed securities.....	RCFDM963	<b>0</b>	M.13.h.
<i>Memorandum items 14 and 15 are to be completed by "highly complex institutions" as defined in FDIC regulations.</i>			
14. Amount of the institution's largest counterparty exposure.....	RCFDK673	<b>CONF</b>	M.14.
15. Total amount of the institution's 20 largest counterparty exposures.....	RCFDK674	<b>CONF</b>	M.15.

3. Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum items 1.a through 1.d.

Dollar amounts in thousands

*Memorandum item 16 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.*

16. Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, part I, Memorandum item 1).....

RCFDL189	<b>0</b>	M.16.
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*Memorandum item 17 is to be completed on a fully consolidated basis by those "large institutions" and "highly complex institutions" as defined in FDIC regulations that own another insured depository institution.*

17. Selected fully consolidated data for deposit insurance assessment purposes:

		M.17.
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a. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.....

RCFDL194	<b>NR</b>	M.17.a.
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b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits).....

RCFDL195	<b>NR</b>	M.17.b.
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c. Unsecured "Other borrowings" with a remaining maturity of one year or less.....

RCFDL196	<b>NR</b>	M.17.c.
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d. Estimated amount of uninsured deposits in domestic offices of the institution and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid.....

RCONL197	<b>NR</b>	M.17.d.
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	(Column A) Two-Year Probability of Default (PD) <= 1%	(Column B) Two-Year Probability of Default (PD) 1.01-4%	(Column C) Two-Year Probability of Default (PD) 4.01-7%	(Column D) Two-Year Probability of Default (PD) 7.01-10%	(Column E) Two-Year Probability of Default (PD) 10.01-14%	(Column F) Two-Year Probability of Default (PD) 14.01-16%	(Column G) Two-Year Probability of Default (PD) 16.01-18%	(Column H) Two-Year Probability of Default (PD) 18.01-20%	(Column I) Two-Year Probability of Default (PD) 20.01-22%	(Column J) Two-Year Probability of Default (PD) 22.01-26%	(Column K) Two-Year Probability of Default (PD) 26.01-30%	(Column L) Two-Year Probability of Default (PD) > 30%	(Column M) Two-Year Probability of Default (PD) Unscoreable	(Column N) Two-Year Probability of Default (PD) Total	(Column O) PDS Were Derived Using	
Dollar amounts in thousands																
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:																M18
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations.....	RCFDM964 CONF	RCFDM965 CONF	RCFDM966 CONF	RCFDM967 CONF	RCFDM968 CONF	RCFDM969 CONF	RCFDM970 CONF	RCFDM971 CONF	RCFDM972 CONF	RCFDM973 CONF	RCFDM974 CONF	RCFDM975 CONF	RCFDM976 CONF	RCFDM977 CONF	RCFDM978 CONF	M18a
b. Closed-end loans secured by first liens on 1-4 family residential properties.....	RCFDM979 CONF	RCFDM980 CONF	RCFDM981 CONF	RCFDM982 CONF	RCFDM983 CONF	RCFDM984 CONF	RCFDM985 CONF	RCFDM986 CONF	RCFDM987 CONF	RCFDM988 CONF	RCFDM989 CONF	RCFDM990 CONF	RCFDM991 CONF	RCFDM992 CONF	RCFDM993 CONF	M18b
c. Closed-end loans secured by junior liens on 1-4 family residential properties.....	RCFDM994 CONF	RCFDM995 CONF	RCFDM996 CONF	RCFDM997 CONF	RCFDM998 CONF	RCFDM999 CONF	RCFDN001 CONF	RCFDN002 CONF	RCFDN003 CONF	RCFDN004 CONF	RCFDN005 CONF	RCFDN006 CONF	RCFDN007 CONF	RCFDN008 CONF	RCFDN009 CONF	M18c
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	RCFDN010 CONF	RCFDN011 CONF	RCFDN012 CONF	RCFDN013 CONF	RCFDN014 CONF	RCFDN015 CONF	RCFDN016 CONF	RCFDN017 CONF	RCFDN018 CONF	RCFDN019 CONF	RCFDN020 CONF	RCFDN021 CONF	RCFDN022 CONF	RCFDN023 CONF	RCFDN024 CONF	M18d
e. Credit cards.....	RCFDN040 CONF	RCFDN041 CONF	RCFDN042 CONF	RCFDN043 CONF	RCFDN044 CONF	RCFDN045 CONF	RCFDN046 CONF	RCFDN047 CONF	RCFDN048 CONF	RCFDN049 CONF	RCFDN050 CONF	RCFDN051 CONF	RCFDN052 CONF	RCFDN053 CONF	RCFDN054 CONF	M18e
f. Automobile loans.....	RCFDN055 CONF	RCFDN056 CONF	RCFDN057 CONF	RCFDN058 CONF	RCFDN059 CONF	RCFDN060 CONF	RCFDN061 CONF	RCFDN062 CONF	RCFDN063 CONF	RCFDN064 CONF	RCFDN065 CONF	RCFDN066 CONF	RCFDN067 CONF	RCFDN068 CONF	RCFDN069 CONF	M18f
g. Student loans.....	RCFDN070 CONF	RCFDN071 CONF	RCFDN072 CONF	RCFDN073 CONF	RCFDN074 CONF	RCFDN075 CONF	RCFDN076 CONF	RCFDN077 CONF	RCFDN078 CONF	RCFDN079 CONF	RCFDN080 CONF	RCFDN081 CONF	RCFDN082 CONF	RCFDN083 CONF	RCFDN084 CONF	M18g
h. Other consumer loans and revolving credit plans other than credit cards.....	RCFDN085 CONF	RCFDN086 CONF	RCFDN087 CONF	RCFDN088 CONF	RCFDN089 CONF	RCFDN090 CONF	RCFDN091 CONF	RCFDN092 CONF	RCFDN093 CONF	RCFDN094 CONF	RCFDN095 CONF	RCFDN096 CONF	RCFDN097 CONF	RCFDN098 CONF	RCFDN099 CONF	M18h
i. Consumer leases.....	RCFDN100 CONF	RCFDN101 CONF	RCFDN102 CONF	RCFDN103 CONF	RCFDN104 CONF	RCFDN105 CONF	RCFDN106 CONF	RCFDN107 CONF	RCFDN108 CONF	RCFDN109 CONF	RCFDN110 CONF	RCFDN111 CONF	RCFDN112 CONF	RCFDN113 CONF	RCFDN114 CONF	M18i
j. Total.....	RCFDN115 CONF	RCFDN116 CONF	RCFDN117 CONF	RCFDN118 CONF	RCFDN119 CONF	RCFDN120 CONF	RCFDN121 CONF	RCFDN122 CONF	RCFDN123 CONF	RCFDN124 CONF	RCFDN125 CONF	RCFDN126 CONF	RCFDN127 CONF	RCFDN128 CONF		M18j

## Schedule RC-P - 1-4 Family Residential Mortgage Banking Activities in Domestic Offices(Form Type - 031)

Schedule RC-P is to be completed by banks at which either 1-4 family residential mortgage loan originations and purchases for resale from all sources, loan sales, or quarter-end loans held for sale or trading in domestic offices exceed \$10 million for two consecutive quarters.

Dollar amounts in thousands

1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale <sup>1</sup> .....	RCONHT81	NR	1.
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale <sup>2</sup> .....	RCONHT82	NR	2.
3. 1-4 family residential mortgage loans sold during the quarter.....	RCONFT04	NR	3.
4. 1-4 family residential mortgage loans held for sale or trading at quarter-end (included in Schedule RC, items 4.a and 5).....	RCONFT05	NR	4.
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, items 5.c, 5.f, 5.g, and 5.i).....	RIADHT85	NR	5.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter.....	RCONHT86	NR	6.
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:			7.
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies..	RCONL191	CONF	7.a.
b. For representations and warranties made to other parties.....	RCONL192	CONF	7.b.
c. Total representation and warranty reserves (sum of items 7.a and 7.b).....	RCONM288	NR	7.c.

## Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis(Form Type - 031)

Schedule RC-Q is to be completed by banks that:

- (1) Have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or
- (2) Are required to complete Schedule RC-D, Trading Assets and Liabilities.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
1. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading <sup>1</sup> .....	RCFDJA36 13,444,483	RCFDG474 0	RCFDG475 12,971,131	RCFDG476 473,352	RCFDG477 0	1.
2. Federal funds sold and securities purchased under agreements to resell.....	RCFDG478 0	RCFDG479 0	RCFDG480 0	RCFDG481 0	RCFDG482 0	2.
3. Loans and leases held for sale.....	RCFDG483 0	RCFDG484 0	RCFDG485 0	RCFDG486 0	RCFDG487 0	3.
4. Loans and leases held for investment.....	RCFDG488 0	RCFDG489 0	RCFDG490 0	RCFDG491 0	RCFDG492 0	4.
5. Trading assets:						5.
a. Derivative assets.....	RCFD3543 0	RCFDG493 0	RCFDG494 0	RCFDG495 0	RCFDG496 0	5.a.
b. Other trading assets.....	RCFDG497 0	RCFDG498 0	RCFDG499 0	RCFDG500 0	RCFDG501 0	5.b.
1. Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 5.b, above).....	RCFDF240 0	RCFDF684 0	RCFDF692 0	RCFDF241 0	RCFDF242 0	5.b.1.
6. All other assets.....	RCFDG391 4,168	RCFDG392 0	RCFDG395 0	RCFDG396 4,168	RCFDG804 0	6.
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5.b plus item 6).....	RCFDG502 13,448,651	RCFDG503 0	RCFDG504 12,971,131	RCFDG505 477,520	RCFDG506 0	7.
8. Deposits.....	RCFDF252 0	RCFDF686 0	RCFDF694 0	RCFDF253 0	RCFDF254 0	8.
9. Federal funds purchased and securities sold under agreements to repurchase.....	RCFDG507 0	RCFDG508 0	RCFDG509 0	RCFDG510 0	RCFDG511 0	9.
10. Trading liabilities:						10.
a. Derivative liabilities.....	RCFD3547 0	RCFDG512 0	RCFDG513 0	RCFDG514 0	RCFDG515 0	10.a.
b. Other trading liabilities.....	RCFDG516 0	RCFDG517 0	RCFDG518 0	RCFDG519 0	RCFDG520 0	10.b.

1. Exclude originations and purchases of 1-4 family residential mortgage loans that are held for investment.  
 1. The amount reported in item 1, column A, must equal the sum of Schedule RC, items 2.b and 2.c.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
11. Other borrowed money.....	RCFDG521 0	RCFDG522 0	RCFDG523 0	RCFDG524 0	RCFDG525 0	11.
12. Subordinated notes and debentures.....	RCFDG526 0	RCFDG527 0	RCFDG528 0	RCFDG529 0	RCFDG530 0	12.
13. All other liabilities.....	RCFDG805 579	RCFDG806 0	RCFDG807 0	RCFDG808 579	RCFDG809 0	13.
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13).....	RCFDG531 579	RCFDG532 0	RCFDG533 0	RCFDG534 579	RCFDG535 0	14.
1. All other assets (itemize and describe amounts included in Schedule RC-Q, item 6, that are greater than \$100,000 and exceed 25% of item 6):						M.1.
a. Mortgage servicing assets.....	RCFDG536 NR	RCFDG537 NR	RCFDG538 NR	RCFDG539 NR	RCFDG540 NR	M.1.a.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
b. Nontrading derivative assets.....	RCFDG541 4,168	RCFDG542 NR	RCFDG543 NR	RCFDG544 4,168	RCFDG545 NR	M.1.b.

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.1.c.
1. Describe component.....	TEXTG546	NR	M.1.c.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component.....	RCFDG546 NR	RCFDG547 NR	RCFDG548 NR	RCFDG549 NR	RCFDG550 NR	M.1.c.2.

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.1.d.
1. Describe component.....	TEXTG551	NR	M.1.d.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component.....	RCFDG551 NR	RCFDG552 NR	RCFDG553 NR	RCFDG554 NR	RCFDG555 NR	M.1.d.2.

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.1.e.
1. Describe component.....	TEXTG556	NR	M.1.e.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component.....	RCFDG556 NR	RCFDG557 NR	RCFDG558 NR	RCFDG559 NR	RCFDG560 NR	M.1.e.2.

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.1.f.
1. Describe component.....	TEXTG561	NR	M.1.f.1.



	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
2. Amount of component.....	RCFDG561 NR	RCFDG562 NR	RCFDG563 NR	RCFDG564 NR	RCFDG565 NR	M.1.f.2.
2. All other liabilities (itemize and describe amounts included in Schedule RC-Q, item 13, that are greater than \$100,000 and exceed 25% of item 13):						M.2.
a. Loan commitments (not accounted for as derivatives).....	RCFDF261 NR	RCFDF689 NR	RCFDF697 NR	RCFDF262 NR	RCFDF263 NR	M.2.a.
b. Nontrading derivative liabilities.....	RCFDG566 579	RCFDG567 NR	RCFDG568 NR	RCFDG569 579	RCFDG570 NR	M.2.b.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
c. Disclose component and the dollar amount of that component:						M.2.c.
1. Describe component.....			TEXTG571		NR	M.2.c.1.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
2. Amount of component.....	RCFDG571 NR	RCFDG572 NR	RCFDG573 NR	RCFDG574 NR	RCFDG575 NR	M.2.c.2.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
d. Disclose component and the dollar amount of that component:						M.2.d.
1. Describe component.....			TEXTG576		NR	M.2.d.1.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
2. Amount of component.....	RCFDG576 NR	RCFDG577 NR	RCFDG578 NR	RCFDG579 NR	RCFDG580 NR	M.2.d.2.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
e. Disclose component and the dollar amount of that component:						M.2.e.
1. Describe component.....			TEXTG581		NR	M.2.e.1.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
2. Amount of component.....	RCFDG581 NR	RCFDG582 NR	RCFDG583 NR	RCFDG584 NR	RCFDG585 NR	M.2.e.2.

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
Dollar amounts in thousands						
f. Disclose component and the dollar amount of that component:						M.2.f.
1. Describe component						M.2.f.1.
(TEXTG586) NR						

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component.....	RCFDG586 NR	RCFDG587 NR	RCFDG588 NR	RCFDG589 NR	RCFDG590 NR	M.2.f.2.

Dollar amounts in thousands	Consolidated Bank		
3. Loans measured at fair value (included in Schedule RC-C, Part I, items 1 through 9):			M.3.
a. Loans secured by real estate:			M.3.a.
1. Secured by 1-4 family residential properties.....	RCFDHT87	0	M.3.a.1.
2. All other loans secured by real estate.....	RCFDHT88	0	M.3.a.2.
b. Commercial and industrial loans.....	RCFDF585	0	M.3.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....	RCFDHT89	0	M.3.c.
d. Other loans.....	RCFDF589	0	M.3.d.
4. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-Q, Memorandum item 3):			M.4.
a. Loans secured by real estate:			M.4.a.
1. Secured by 1-4 family residential properties.....	RCFDHT91	0	M.4.a.1.
2. All other loans secured by real estate.....	RCFDHT92	0	M.4.a.2.
b. Commercial and industrial loans.....	RCFDF597	0	M.4.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper).....	RCFDHT93	0	M.4.c.
d. Other loans.....	RCFDF601	0	M.4.d.

## Schedule RC-R Part I - Regulatory Capital Components and Ratios(Form Type - 031)

Part I is to be completed on a consolidated basis.

Dollar amounts in thousands

1. Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares.....	RCFAP742	<b>4,601,764</b>	1.
2. Retained earnings <sup>1</sup> .....	RCFAKW00	<b>9,308,668</b>	2.
<i>To be completed only by institutions that have adopted ASU 2016-13:</i>			
a. Does your institution have a CECL transition election in effect as of the quarter-end report date? (enter "0" for No; enter "1" for Yes with a 3-year CECL transition election; enter "2" for Yes with a 5-year 2020 CECL transition election.).....	RCOAJJ29	<b>2</b>	2.a.
3. Accumulated other comprehensive income (AOCI).....	RCFAB530	<b>-45,281</b>	3.
a. AOCI opt-out election (enter "1" for Yes; enter "0" for No.) (Advanced approaches institutions must enter "0" for No.).....	RCOAP838	<b>1</b>	3.a.
4. Common equity tier 1 minority interest includable in common equity tier 1 capital.....	RCFAP839	<b>0</b>	4.
5. Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4).....	RCFAP840	<b>13,865,151</b>	5.
6. LESS: Goodwill net of associated deferred tax liabilities (DTLs).....	RCFAP841	<b>0</b>	6.
7. LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs.....	RCFAP842	<b>0</b>	7.
8. LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs.....	RCFAP843	<b>5</b>	8.
9. AOCI-related adjustments (items 9.a through 9.e are effective January 1, 2015) (if entered "1" for Yes in item 3.a, complete only items 9.a through 9.e; if entered "0" for No in item 3.a, complete only item 9.f):			9.
a. LESS: Net unrealized gains (losses) on available-for-sale debt securities (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAP844	<b>-38,151</b>	9.a.
b. Not applicable.			9.b.
c. LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAP846	<b>-7,130</b>	9.c.
d. LESS: Amounts recorded in AOCI attributed to defined benefit postretirement plans resulting from the initial and subsequent application of the relevant GAAP standards that pertain to such plans (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAP847	<b>0</b>	9.d.
e. LESS: Net unrealized gains (losses) on held-to-maturity securities that are included in AOCI (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAP848	<b>0</b>	9.e.
f. LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relate to the hedging of items that are not recognized at fair value on the balance sheet (if a gain, report as a positive value; if a loss, report as a negative value) (To be completed only by institutions that entered "0" for No in item 3.a.).....	RCFAP849	<b>NR</b>	9.f.
10. Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:			10.
a. LESS: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk (if a gain, report as a positive value; if a loss, report as a negative value).....	RCFAQ258	<b>0</b>	10.a.
b. LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions.	RCFAP850	<b>0</b>	10.b.

Dollar amounts in thousands		(Column A) Non-advanced Approaches Institutions	(Column B) Advanced Approaches Institutions	
11. LESS: Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments.....			RCFWP851	NR 11.
12. Subtotal (for column A, item 5 minus items 6 through 10.b; for column B, item 5 minus items 6 through 11).....	RCFAP852	13,910,427	RCFWP852	NR 12.
13. Not available				13.
a. LESS: Investments in the capital of unconsolidated financial institutions, net of associated DTLs, that exceed 25 percent of item 12.....	RCFALB58	0		13.a.
b. LESS: Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.....			RCFWP853	NR 13.b.
14. Not available				14.
a. LESS: MSAs, net of associated DTLs, that exceed 25 percent of item 12.....	RCFALB59	0		14.a.
b. LESS: MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.....			RCFWP854	NR 14.b.
15. Not available				15.
a. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed 25 percent of item 12.....	RCFALB60	0		15.a.
b. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold.....			RCFWP855	NR 15.b.
16. LESS: Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold.....			RCFWP856	NR 16.
17. LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital to cover deductions.....	RCFAP857	0	RCFWP857	NR 17.
18. Total adjustments and deductions for common equity tier 1 capital <sup>3</sup> .....	RCFAP858	0	RCFWP858	NR 18.
19. Common equity tier 1 capital (item 12 minus item 18).....	RCFAP859	13,910,427	RCFWP859	NR 19.

Dollar amounts in thousands				
20. Additional tier 1 capital instruments plus related surplus.....	RCFAP860		0	20.
21. Non-qualifying capital instruments subject to phase out from additional tier 1 capital .....	RCFAP861		0	21.
22. Tier 1 minority interest not included in common equity tier 1 capital.....	RCFAP862		0	22.
23. Additional tier 1 capital before deductions (sum of items 20, 21, and 22).....	RCFAP863		0	23.
24. LESS: Additional tier 1 capital deductions.....	RCFAP864		0	24.
25. Additional tier 1 capital (greater of item 23 minus item 24, or zero).....	RCFAP865		0	25.
26. Tier 1 capital <sup>1</sup> .....	RCFA8274		13,910,427	26.
27. Average total consolidated assets <sup>2</sup> .....	RCFAKW03		145,832,385	27.
28. LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (sum of items 6, 7, 8, 10.b, 13 through 15, 17, and certain elements of item 24 - see instructions) <sup>3</sup> .....	RCFAP875		5	28.
29. LESS: Other deductions from (additions to) assets for leverage ratio purposes.....	RCFAB596		0	29.
30. Total assets for the leverage ratio (item 27 minus items 28 and 29).....	RCFAA224		145,832,380	30.
31. Leverage ratio (item 26 divided by 30).....	RCFA7204		9.5386%	31.
a. Does your institution have a community bank leverage ratio (CBLR) framework election in effect as of the quarter-end report date? (enter "1" for Yes; enter "0" for No).....	RCOALE74		0	31.a.
<i>Item 31.b is to be completed only by non-advanced approaches institutions that elect to use the Standardized Approach for Counterparty Credit Risk (SA-CCR) for purposes of the standardized approach and supplementary leverage ratio.</i>				
b. Standardized Approach for Counterparty Credit Risk opt-in election (enter "1" for Yes; leave blank for No.) <sup>4</sup> .....	RCOANC99		NR	31.b.

1. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in this item.

Dollar amounts in thousands		(Column A) Amount		(Column B) Percentage	
32. Total assets (Schedule RC, item 12); (must be less than \$10 billion).....	RCFA2170	NR			32.
33. Trading assets and trading liabilities (Schedule RC, sum of items 5 and 15). Report as a dollar amount in Column A and as a percentage of total assets (5% limit) in Column B.....	RCFAKX77	NR	RCFAKX78	NR	33.
34. Off-balance sheet exposures:					34.
a. Unused portion of conditionally cancellable commitments.....	RCFAKX79	NR			34.a.
b. Securities lent and borrowed (Schedule RC-L, sum of items 6.a and 6.b).....	RCFAKX80	NR			34.b.
c. Other off-balance sheet exposures.....	RCFAKX81	NR			34.c.
d. Total off-balance sheet exposures (sum of items 34.a through 34.c). Report as a dollar amount in Column A and as a percentage of total assets (25% limit) in Column B.....	RCFAKX82	NR	RCFAKX83	NR	34.d.

Dollar amounts in thousands			
35. Unconditionally cancellable commitments.....	RCFAS540	NR	35.
36. Investments in the tier 2 capital of unconsolidated financial institutions.....	RCFALB61	NR	36.
37. Allocated transfer risk reserve.....	RCFA3128	NR	37.
38. Amount of allowances for credit losses on purchased credit-deteriorated assets: <sup>1</sup>			38.
a. Loans and leases held for investment.....	RCFAJJ30	NR	38.a.
b. Held-to-maturity debt securities.....	RCFAJJ31	NR	38.b.
c. Other financial assets measured at amortized cost.....	RCFAJJ32	NR	38.c.
39. Tier 2 capital instruments plus related surplus.....	RCFAP866	1,250,000	39.
40. Non-qualifying capital instruments subject to phase-out from tier 2 capital.....	RCFAP867	0	40.
41. Total capital minority interest that is not included in tier 1 capital.....	RCFAP868	0	41.
42. Allowance for loan and lease losses and eligible credit reserves includable in tier 2 capital			42.
a. Allowance for loan and lease losses includable in tier 2 capital <sup>3</sup> .....	RCFA5310	1,695,608	42.a.
b. (Advanced approaches institutions that exit parallel run only): Eligible credit reserves includable in tier 2 capital.....	RCFW5310	NR	42.b.
43. Not applicable.			43.
44. Tier 2 capital before deductions			44.
a. Tier 2 capital before deductions (sum of items 39 through 42).....	RCFAP870	2,945,608	44.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital before deductions (sum of items 39 through 41, plus item 42.b).....	RCFWP870	NR	44.b.
45. LESS: Tier 2 capital deductions.....	RCFAP872	0	45.
46. Tier 2 capital			46.
a. Tier 2 capital (greater of item 44.a minus item 45, or zero).....	RCFA5311	2,945,608	46.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital (greater of item 44.b minus item 45, or zero).....	RCFW5311	NR	46.b.
47. Total capital			47.
a. Total capital (sum of items 26 and 46.a).....	RCFA3792	16,856,035	47.a.
b. (Advanced approaches institutions that exit parallel run only): Total capital (sum of items 26 and 46.b).....	RCFW3792	NR	47.b.
48. Total risk-weighted assets			48.
a. Total risk-weighted assets (from Schedule RC-R, Part II, item 31).....	RCFAA223	129,395,056	48.a.
b. (Advanced approaches institutions that exit parallel run only): Total risk-weighted assets using advanced approaches rule (from FFIEC 101 Schedule A, item 60).....	RCFWA223	NR	48.b.

3. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report in item 18, column A, the sum of items 13.a, 14.a, 15.a, and 17, column A; all advanced approaches institutions should report in item 18, column B, the sum of items 13.b, 14.b, 15.b, 16, and 17, column B.

1. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report the sum of item 19, column A, and item 25 in item 26; all advanced approaches institutions should report the sum of item 19, column B, and item 25 in item 26.

2. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 27.

3. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report in item 28 the sum of items 6, 7, 8, 10.b, 13.a, 14.a, 15.a, 17 (column A), and certain elements of item 24 - see instructions; all advanced approaches institutions should report in item 28, the sum of items 6, 7, 8, 10.b, 11, 13.b, 14.b, 15.b, 16, 17 (column B), and certain elements of item 24 - see instructions.

4. For the December 31, 2021, report date only, advanced approaches institutions that adopt SA-CCR prior to the mandatory compliance date should enter "1" in item 31.b.

Dollar amounts in thousands		(Column A) Percentage		(Column B) Percentage	
49. Common equity tier 1 capital ratio (Column A: item 19, column A or B, as applicable, divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 19, column B, divided by item 48.b).....	RCFAP793	10.7504%	RCFWP793	NR	49.
50. Tier 1 capital ratio (Column A: item 26 divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 26 divided by item 48.b).....	RCFA7206	10.7504%	RCFW7206	NR	50.
51. Total capital ratio (Column A: item 47.a divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 47.b divided by item 48.b).....	RCFA7205	13.0268%	RCFW7205	NR	51.

Dollar amounts in thousands				
52. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments:				52.
a. Capital conservation buffer.....	RCFAH311	4.7504%		52.a.
b. Advanced approaches institutions and institutions subject to Category III capital standards only: Total applicable capital buffer.....	RCFWH312	NR		52.b.
53. Eligible retained income <sup>1</sup> .....	RCFAH313	NR		53.
54. Distributions and discretionary bonus payments during the quarter <sup>2</sup> .....	RCFAH314	NR		54.
55. Advanced approaches institutions and institutions subject to Category III capital standards only: Supplementary leverage ratio information:				55.
a. Total leverage exposure <sup>3</sup> .....	RCFAH015	NR		55.a.
b. Supplementary leverage ratio.....	RCFAH036	NR		55.b.

1. Items 38.a through 38.c should be completed only by institutions that have adopted ASU 2016-13.

3. Institutions that have adopted ASU 2016-13 should report the amount of adjusted allowances for credit losses (AACL), as defined in the regulatory capital rule, includable in tier 2 capital in item 42.a.

1. Institutions must complete item 53 only if the amount reported in item 52.a above is less than or equal to 2.5000 percent (plus any other applicable buffer if the institution is an advanced approaches institution or a Category III institution).

2. Institutions must complete item 54 only if the amount reported in Schedule RC-R, Part I, item 46.a, in the Call Report for the December 31, 2019, report date was less than or equal to 2.5000 percent (plus any other applicable buffer if the institution is an advanced approaches institution or a Category III institution).

3. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 55.a.

## Schedule RC-R Part II - Risk-Weighted Assets(Form Type - 031)

Institutions are required to assign a 100 percent risk weight to all assets not specifically assigned a risk weight under Subpart D of the federal banking agencies' regulatory capital rules and not deducted from tier 1 or tier 2 capital.

	(Column A) Totals from Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
Dollar amounts in thousands											
1. Cash and balances due from depository institutions.....	RCFDD957 11,263,550	RCFDS396 0	RCFDD958 8,485,615				RCFDD959 2,777,935	RCFDS397 0	RCFDD960 0	RCFDS398 0	1.
2. Securities:											2.
a. Held-to-maturity securities <sup>3</sup> .....	RCFDD961 252,642	RCFDS399 0	RCFDD962 197,128	RCFDHJ74 0	RCFDHJ75 0		RCFDD963 55,514	RCFDD964 0	RCFDD965 0	RCFDS400 0	2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading.....	RCFDJA21 13,444,484	RCFDS402 -49,965	RCFDD967 12,984,183	RCFDHJ76 0	RCFDHJ77 0		RCFDD968 509,553	RCFDD969 0	RCFDD970 713	RCFDS403 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:											3.
a. Federal funds sold in domestic offices.....	RCOND971 0		RCOND972 0				RCOND973 0	RCONS410 0	RCOND974 0	RCONS411 0	3.a.
b. Securities purchased under agreements to resell.....	RCFDH171 0	RCFDH172 0									3.b.
4. Loans and leases held for sale:											4.
a. Residential mortgage exposures.....	RCFDS413 0	RCFDS414 0	RCFDH173 0				RCFDS415 0	RCFDS416 0	RCFDS417 0		4.a.
b. High volatility commercial real estate exposures.....	RCFDS419 0	RCFDS420 0	RCFDH174 0				RCFDH175 0	RCFDH176 0	RCFDH177 0	RCFDS421 0	4.b.
c. Exposures past due 90 days or more or on nonaccrual <sup>3</sup> .....	RCFDS423 0	RCFDS424 0	RCFDS425 0	RCFDHJ78 0	RCFDHJ79 0		RCFDS426 0	RCFDS427 0	RCFDS428 0	RCFDS429 0	4.c.

	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
Dollar amounts in thousands										
1. Cash and balances due from depository institutions										1.
2. Securities:										2.
a. Held-to-maturity securities										2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading.....	RCFDH270 NR	RCFDS405 0		RCFDS406 0				RCFDH271 0	RCFDH272 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:										3.
a. Federal funds sold in domestic offices										3.a.

3. Institutions that have adopted ASU 2016-13 should report as a negative number allowances eligible for inclusion in tier 2 capital in Column B, which excludes PC D allowances.

3. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
Dollar amounts in thousands										
b. Securities purchased under agreements to resell										3.b.
4. Loans and leases held for sale:										4.
a. Residential mortgage exposures.....								RCFDH273 0	RCFDH274 0	4.a.
b. High volatility commercial real estate exposures.....								RCFDH275 0	RCFDH276 0	4.b.





	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
Dollar amounts in thousands										
4. Loans and leases held for sale (continued):										4.
d. All other exposures.....								RCFDH279 0	RCFDH280 0	4.d.
5. Loans and leases held for investment:										5.
a. Residential mortgage exposures.....								RCFDH281 0	RCFDH282 0	5.a.
b. High volatility commercial real estate exposures.....								RCFDH283 0	RCFDH284 0	5.b.
c. Exposures past due 90 days or more or on nonaccrual <sup>11</sup> .....								RCFDH285 0	RCFDH286 0	5.c.
d. All other exposures.....								RCFDH287 0	RCFDH288 0	5.d.
6. LESS: Allowance for loan and lease losses										6.
7. Trading assets.....	RCFDH289 NR	RCFDH186 0	RCFDH290 0	RCFDH187 0				RCFDH291 0	RCFDH292 0	7.
8. All other assets <sup>12</sup> .....	RCFDH293 755,975	RCFDH188 0	RCFDS470 0	RCFDS471 0				RCFDH294 0	RCFDH295 0	8.
a. Separate account bank-owned life insurance.....								RCFDH296 0	RCFDH297 0	8.a.
b. Default fund contributions to central counterparties.....								RCFDH298 0	RCFDH299 0	8.b.

6. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

7. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

8. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.

11. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

12. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.

Dollar amounts in thousands						
	(Column A) Totals	(Column B) Adjustments to Totals Reported in Column A	(Column Q) Exposure Amount 1,250%	(Column T) Total Risk-Weighted Asset Amount by Calculation Methodology SSFA	(Column U) Total Risk-Weighted Asset Amount by Calculation Methodology Gross-Up	
9. On-balance sheet securitization exposures:						9.
a. Held-to-maturity securities.....	RCFDS475 0	RCFDS476 0	RCFDS477 0	RCFDS478 0	RCFDS479 0	9.a.
b. Available-for-sale securities.....	RCFDS480 0	RCFDS481 0	RCFDS482 0	RCFDS483 0	RCFDS484 0	9.b.
c. Trading assets.....	RCFDS485 0	RCFDS486 0	RCFDS487 0	RCFDS488 0	RCFDS489 0	9.c.
d. All other on-balance sheet securitization exposures.....	RCFDS490 0	RCFDS491 0	RCFDS492 0	RCFDS493 0	RCFDS494 0	9.d.
10. Off-balance sheet securitization exposures.....	RCFDS495 0	RCFDS496 0	RCFDS497 0	RCFDS498 0	RCFDS499 0	10.

	(Column A) Totals From Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%
Dollar amounts in thousands										
11. Total balance sheet assets <sup>14</sup>	RCFD2170 149,353,230	RCFDS500 -9,027,100	RCFDD987 21,750,272	RCFDHJ90 0	RCFDHJ91 0		RCFDD988 3,392,057	RCFDD989 1,303,737	RCFDD990 128,975,199	RCFDS503 2,203,090

	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount
Dollar amounts in thousands								
11. Total balance sheet assets <sup>14</sup>	RCFDS504 755,975	RCFDS505 0	RCFDS506 0	RCFDS507 0			RCFDS510 0	RCFDH300 0

	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%
Dollar amounts in thousands										
12. Financial standby letters of credit	RCFDD991 0	RCFDD992 0	RCFDD993 0	RCFDHJ92 0	RCFDHJ93 0		RCFDD994 0	RCFDD995 0	RCFDD996 0	RCFDS511 0
13. Performance standby letters of credit and transaction-related contingent items	RCFDD997 0	RCFDD998 0	RCFDD999 0				RCFDG603 0	RCFDG604 0	RCFDG605 0	RCFDS512 0
14. Commercial and similar letters of credit with an original maturity of one year or less	RCFDG606 0	RCFDG607 0	RCFDG608 0	RCFDHJ94 0	RCFDHJ95 0		RCFDG609 0	RCFDG610 0	RCFDG611 0	RCFDS513 0
15. Retained recourse on small business obligations sold with recourse	RCFDG612 0	RCFDG613 0	RCFDG614 0				RCFDG615 0	RCFDG616 0	RCFDG617 0	RCFDS514 0

	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%
Dollar amounts in thousands										
16. Repo-style transactions <sup>21</sup>	RCFDS515 0	RCFDS516 0	RCFDS517 0	RCFDS518 0	RCFDS519 0		RCFDS520 0	RCFDS521 0	RCFDS522 0	RCFDS523 0
17. All other off-balance sheet liabilities	RCFDG618 0	RCFDG619 0	RCFDG620 0				RCFDG621 0	RCFDG622 0	RCFDG623 0	RCFDS524 0
18. Unused commitments: <sup>*</sup>										
a. Original maturity of one year or less	RCFDS525 636,630	RCFDS526 127,326	RCFDS527 0	RCFDHJ96 0	RCFDHJ97 0		RCFDS528 0	RCFDS529 0	RCFDS530 127,326	RCFDS531 0

14. For each of columns A through R of item 11, report the sum of items 1 through 9. For item 11, the sum of columns B through R must equal column A. Item 11, column A, must equal Schedule RC, item 12.

21. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.

\*. Excludes unused commitments to asset-backed commercial paper conduits.

	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
Dollar amounts in thousands											
b. Original maturity exceeding one year.....	RCFDG624 42,247	RCFDG625 21,124	RCFDG626 0	RCFDHJ98 0	RCFDHJ99 0		RCFDG627 0	RCFDG628 0	RCFDG629 21,124	RCFDS539 0	18.b.
19. Unconditionally cancelable commitments.....	RCFDS540 229,056,857	RCFDS541 0									19.
20. Over-the-counter derivatives.....		RCFDS542 0	RCFDS543 0	RCFDHK00 0	RCFDHK01 0	RCFDS544 0	RCFDS545 0	RCFDS546 0	RCFDS547 0	RCFDS548 0	20.
21. Centrally cleared derivatives.....		RCFDS549 4,168	RCFDS550 0	RCFDS551 0	RCFDS552 4,168		RCFDS554 0	RCFDS555 0	RCFDS556 0	RCFDS557 0	21.
22. Unsettled transactions (failed trades) <sup>22</sup> .....	RCFDH191 0		RCFDH193 0				RCFDH194 0	RCFDH195 0	RCFDH196 0	RCFDH197 0	22.

22. For item 22, the sum of columns C through Q must equal column A.

	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Credit Equivalent Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
Dollar amounts in thousands						
16. Repo-style transactions <sup>24</sup> .....				RCFDH301 0	RCFDH302 0	16.
17. All other off-balance sheet liabilities						17.
18. Unused commitments: <sup>*</sup>						18.
a. Original maturity of one year or less.....				RCFDH303 0	RCFDH304 0	18.a.
b. Original maturity exceeding one year.....				RCFDH307 0	RCFDH308 0	18.b.
19. Unconditionally cancelable commitments						19.
20. Over-the-counter derivatives.....				RCFDH309 0	RCFDH310 0	20.
21. Centrally cleared derivatives						21.
22. Unsettled transactions (failed trades) <sup>25</sup> .....	RCFDH198 0	RCFDH199 0	RCFDH200 0			22.

24. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.  
 \*. Excludes unused commitments to asset-backed commercial paper conduits.  
 25. For item 22, the sum of columns C through Q must equal column A.

Dollar amounts in thousands		(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22).....		RCFDG630 21,750,272	RCFDS558 0	RCFDS559 4,168	RCFDS560 0	RCFDG631 3,392,057	RCFDG632 1,303,737	RCFDG633 129,123,649	RCFDS561 2,203,090	23.
24. Risk weight factor										24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24).....		RCFDG634 0	RCFDS569 0	RCFDS570 167	RCFDS571 0	RCFDG635 678,411	RCFDG636 651,869	RCFDG637 129,123,649	RCFDS572 3,304,635	25.

Dollar amounts in thousands		(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22).....		RCFDS562 755,975	RCFDS563 0	RCFDS564 0	RCFDS565 0	RCFDS566 0	RCFDS567 0	RCFDS568 0	23.
24. Risk weight factor									24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24).....		RCFDS573 1,889,938	RCFDS574 0	RCFDS575 0	RCFDS576 0	RCFDS577 0	RCFDS578 0	RCFDS579 0	25.

Dollar amounts in thousands

26. Risk-weighted assets base for purposes of calculating the allowance for loan and lease losses 1.25 percent threshold.....	RCFDS580	<b>135,648,669</b>	26.
27. Standardized market-risk weighted assets (applicable only to banks that are covered by the market risk capital rule).....	RCFDS581	<b>0</b>	27.
28. Risk-weighted assets before deductions for excess allowance of loan and lease losses and allocated risk transfer risk reserve <sup>27</sup> .....	RCFDB704	<b>135,648,669</b>	28.
29. LESS: Excess allowance for loan and lease losses.....	RCFDA222	<b>6,253,613</b>	29.
30. LESS: Allocated transfer risk reserve.....	RCFD3128	<b>0</b>	30.
31. Total risk-weighted assets (item 28 minus items 29 and 30).....	RCFDG641	<b>129,395,056</b>	31.
1. Current credit exposure across all derivative contracts covered by the regulatory capital rules.....	RCFDG642	<b>4,168</b>	M.1.

Dollar amounts in thousands

	(Column A) With a remaining maturity of One year or less		(Column B) With a remaining maturity of Over one year through five years		(Column C) With a remaining maturity of Over five years		
2. Notional principal amounts of over-the-counter derivative contracts:							M.2.
a. Interest rate.....	RCFDS582	<b>35,000</b>	RCFDS583	<b>0</b>	RCFDS584	<b>0</b>	M.2.a.
b. Foreign exchange rate and gold.....	RCFDS585	<b>0</b>	RCFDS586	<b>0</b>	RCFDS587	<b>0</b>	M.2.b.
c. Credit (investment grade reference asset).....	RCFDS588	<b>0</b>	RCFDS589	<b>0</b>	RCFDS590	<b>0</b>	M.2.c.
d. Credit (non-investment grade reference asset).....	RCFDS591	<b>0</b>	RCFDS592	<b>0</b>	RCFDS593	<b>0</b>	M.2.d.
e. Equity.....	RCFDS594	<b>0</b>	RCFDS595	<b>0</b>	RCFDS596	<b>0</b>	M.2.e.
f. Precious metals (except gold).....	RCFDS597	<b>0</b>	RCFDS598	<b>0</b>	RCFDS599	<b>0</b>	M.2.f.
g. Other.....	RCFDS600	<b>0</b>	RCFDS601	<b>0</b>	RCFDS602	<b>0</b>	M.2.g.
3. Notional principal amounts of centrally cleared derivative contracts:							M.3.
a. Interest rate.....	RCFDS603	<b>19,300,000</b>	RCFDS604	<b>0</b>	RCFDS605	<b>0</b>	M.3.a.
b. Foreign exchange rate and gold.....	RCFDS606	<b>0</b>	RCFDS607	<b>0</b>	RCFDS608	<b>0</b>	M.3.b.
c. Credit (investment grade reference asset).....	RCFDS609	<b>0</b>	RCFDS610	<b>0</b>	RCFDS611	<b>0</b>	M.3.c.
d. Credit (non-investment grade reference asset).....	RCFDS612	<b>0</b>	RCFDS613	<b>0</b>	RCFDS614	<b>0</b>	M.3.d.
e. Equity.....	RCFDS615	<b>0</b>	RCFDS616	<b>0</b>	RCFDS617	<b>0</b>	M.3.e.
f. Precious metals (except gold).....	RCFDS618	<b>0</b>	RCFDS619	<b>0</b>	RCFDS620	<b>0</b>	M.3.f.
g. Other.....	RCFDS621	<b>0</b>	RCFDS622	<b>0</b>	RCFDS623	<b>0</b>	M.3.g.

Dollar amounts in thousands

4. Amount of allowances for credit losses on purchased credit-deteriorated assets: <sup>1</sup>			M.4.
a. Loans and leases held for investment.....	RCFDJJ30	<b>0</b>	M.4.a.
b. Held-to-maturity debt securities.....	RCFDJJ31	<b>0</b>	M.4.b.
c. Other financial assets measured at amortized cost.....	RCFDJJ32	<b>0</b>	M.4.c.

27. Sum of items 2.b through 20, column S; items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U; item 25, columns C through Q; and item 27 (if applicable).

1. Memorandum items 4.a through 4.c should be completed only by institutions that have adopted ASU 2016-13.



### Schedule RC-S - Servicing Securitization and Asset Sale Activities(Form Type - 031)

	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
Dollar amounts in thousands								
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements.....	RCFDB705 0	RCFDB706 0	RCFDB707 0	RCFDB708 0	RCFDB709 0	RCFDB710 0	RCFDB711 0	1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1.....	RCFDHU09 0	RCFDHU10 0	RCFDHU11 0	RCFDHU12 0	RCFDHU13 0	RCFDHU14 0	RCFDHU15 0	2.
<i>Item 3 is to be completed by banks with \$100 billion or more in total assets.</i>								
3. Reporting bank's unused commitments to provide liquidity to structures reported in item 1 <sup>1</sup> .....	RCFDB726 0	RCFDB727 0	RCFDB728 0	RCFDB729 0	RCFDB730 0	RCFDB731 0	RCFDB732 0	3.
4. Past due loan amounts included in item 1:								4.
a. 30-89 days past due.....	RCFDB733 0	RCFDB734 0	RCFDB735 0	RCFDB736 0	RCFDB737 0	RCFDB738 0	RCFDB739 0	4.a.
b. 90 days or more past due.....	RCFDB740 0	RCFDB741 0	RCFDB742 0	RCFDB743 0	RCFDB744 0	RCFDB745 0	RCFDB746 0	4.b.
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):								5.
a. Charge-offs.....	RIADB747 0	RIADB748 0	RIADB749 0	RIADB750 0	RIADB751 0	RIADB752 0	RIADB753 0	5.a.
b. Recoveries.....	RIADB754 0	RIADB755 0	RIADB756 0	RIADB757 0	RIADB758 0	RIADB759 0	RIADB760 0	5.b.
<i>Item 6 is to be completed by banks with \$10 billion or more in total assets.</i>								
6. Total amount of ownership (or seller's) interest carried as securities or loans <sup>1</sup> .....		RCFDHU16 0	RCFDHU17 0			RCFDHU18 0		6.
7. Not applicable								7.
8. Not applicable								8.
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements.....	RCFDB776 0			RCFDB779 0	RCFDB780 0	RCFDB781 0	RCFDB782 0	9.
<i>Item 10 is to be completed by banks with \$10 billion or more in total assets.</i>								
10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures <sup>1</sup> .....	RCFDB783 0			RCFDB786 0	RCFDB787 0	RCFDB788 0	RCFDB789 0	10.
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank.....	RCFDB790 0						RCFDB796 0	11.
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11....	RCFDB797 0						RCFDB803 0	12.

1. The \$100 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.  
 1. The \$10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.  
 1. The \$10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Dollar amounts in thousands

1. Not applicable			M.1.
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			M.2.
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements.....	RCFDB804	0	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements.....	RCFDB805	0	M.2.b.
c. Other financial assets (includes home equity lines) <sup>1</sup> .....	RCFDA591	0	M.2.c.
d. 1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans).....	RCFDF699	0	M.2.d.
<i>Memorandum item 3 is to be completed by banks with \$10 billion or more in total assets.</i>			
3. Asset-backed commercial paper conduits: <sup>2</sup>			M.3.
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:			M.3.a.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company.....	RCFDB806	0	M.3.a.1.
2. Conduits sponsored by other unrelated institutions.....	RCFDB807	0	M.3.a.2.
b. Unused commitments to provide liquidity to conduit structures:			M.3.b.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company.....	RCFDB808	0	M.3.b.1.
2. Conduits sponsored by other unrelated institutions.....	RCFDB809	0	M.3.b.2.
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column C <sup>2</sup> .....	RCFDC407	0	M.4.

## Schedule RC-T - Fiduciary and Related Services(Form Type - 031)

Dollar amounts in thousands

1. Does the institution have fiduciary powers? (If "NO," do not complete Schedule RC-T.).....	RCFDA345	No	1.
2. Does the institution exercise the fiduciary powers it has been granted?.....	RCFDA346	No	2.
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T.).....	RCFDB867	No	3.

Dollar amounts in thousands	(Column A) Managed Assets		(Column B) Non-Managed Assets		(Column C) Number of Managed Accounts		(Column D) Number of Non-Managed Accounts		
4. Personal trust and agency accounts.....	RCFDB868	NR	RCFDB869	NR	RCFDB870	NR	RCFDB871	NR	4.
5. Employee benefit and retirement-related trust and agency accounts:									5.
a. Employee benefit - defined contribution.....	RCFDB872	NR	RCFDB873	NR	RCFDB874	NR	RCFDB875	NR	5.a.
b. Employee benefit - defined benefit.....	RCFDB876	NR	RCFDB877	NR	RCFDB878	NR	RCFDB879	NR	5.b.
c. Other employee benefit and retirement-related accounts.....	RCFDB880	NR	RCFDB881	NR	RCFDB882	NR	RCFDB883	NR	5.c.
6. Corporate trust and agency accounts.....	RCFDB884	NR	RCFDB885	NR	RCFDC001	NR	RCFDC002	NR	6.
7. Investment management and investment advisory agency accounts.....	RCFDB886	NR	RCFDJ253	NR	RCFDB888	NR	RCFDJ254	NR	7.
8. Foundation and endowment trust and agency accounts.....	RCFDJ255	NR	RCFDJ256	NR	RCFDJ257	NR	RCFDJ258	NR	8.
9. Other fiduciary accounts.....	RCFDB890	NR	RCFDB891	NR	RCFDB892	NR	RCFDB893	NR	9.
10. Total fiduciary accounts (sum of items 4 through 9).....	RCFDB894	NR	RCFDB895	NR	RCFDB896	NR	RCFDB897	NR	10.
11. Custody and safekeeping accounts.....			RCFDB898	NR			RCFDB899	NR	11.
12. Fiduciary accounts held in foreign offices (included in items 10 and 11).....	RCFNB900	NR	RCFNB901	NR	RCFNB902	NR	RCFNB903	NR	12.
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11).....	RCFDJ259	NR	RCFDJ260	NR	RCFDJ261	NR	RCFDJ262	NR	13.

1. Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than \$10 million.  
 2. The \$10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.  
 2. Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

Dollar amounts in thousands

14. Personal trust and agency accounts.....	RIADB904	NR	14.
15. Employee benefit and retirement-related trust and agency accounts:			15.
a. Employee benefit - defined contribution.....	RIADB905	NR	15.a.
b. Employee benefit - defined benefit.....	RIADB906	NR	15.b.
c. Other employee benefit and retirement-related accounts.....	RIADB907	NR	15.c.
16. Corporate trust and agency accounts.....	RIADA479	NR	16.
17. Investment management and investment advisory agency accounts.....	RIADJ315	NR	17.
18. Foundation and endowment trust and agency accounts.....	RIADJ316	NR	18.
19. Other fiduciary accounts.....	RIADA480	NR	19.
20. Custody and safekeeping accounts.....	RIADB909	NR	20.
21. Other fiduciary and related services income.....	RIADB910	NR	21.
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a).....	RIAD4070	0	22.
a. Fiduciary and related services income - foreign offices (included in item 22).....	RIADB912	NR	22.a.
23. Less: Expenses.....	RIADC058	NR	23.
24. Less: Net losses from fiduciary and related services.....	RIADA488	NR	24.
25. Plus: Intracompany income credits for fiduciary and related services.....	RIADB911	NR	25.
26. Net fiduciary and related services income.....	RIADA491	NR	26.

Dollar amounts in thousands

	(Column A) Personal Trust and Agency and Investment Management Agency Accounts		(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts		(Column C) All Other Accounts		
1. Managed assets held in fiduciary accounts:							M.1.
a. Noninterest-bearing deposits.....	RCFDJ263	NR	RCFDJ264	NR	RCFDJ265	NR	M.1.a.
b. Interest-bearing deposits.....	RCFDJ266	NR	RCFDJ267	NR	RCFDJ268	NR	M.1.b.
c. U.S. Treasury and U.S. Government agency obligations.....	RCFDJ269	NR	RCFDJ270	NR	RCFDJ271	NR	M.1.c.
d. State, county, and municipal obligations.....	RCFDJ272	NR	RCFDJ273	NR	RCFDJ274	NR	M.1.d.
e. Money market mutual funds.....	RCFDJ275	NR	RCFDJ276	NR	RCFDJ277	NR	M.1.e.
f. Equity mutual funds.....	RCFDJ278	NR	RCFDJ279	NR	RCFDJ280	NR	M.1.f.
g. Other mutual funds.....	RCFDJ281	NR	RCFDJ282	NR	RCFDJ283	NR	M.1.g.
h. Common trust funds and collective investment funds.....	RCFDJ284	NR	RCFDJ285	NR	RCFDJ286	NR	M.1.h.
i. Other short-term obligations.....	RCFDJ287	NR	RCFDJ288	NR	RCFDJ289	NR	M.1.i.
j. Other notes and bonds.....	RCFDJ290	NR	RCFDJ291	NR	RCFDJ292	NR	M.1.j.
k. Investments in unregistered funds and private equity investments.....	RCFDJ293	NR	RCFDJ294	NR	RCFDJ295	NR	M.1.k.
l. Other common and preferred stocks.....	RCFDJ296	NR	RCFDJ297	NR	RCFDJ298	NR	M.1.l.
m. Real estate mortgages.....	RCFDJ299	NR	RCFDJ300	NR	RCFDJ301	NR	M.1.m.
n. Real estate.....	RCFDJ302	NR	RCFDJ303	NR	RCFDJ304	NR	M.1.n.
o. Miscellaneous assets.....	RCFDJ305	NR	RCFDJ306	NR	RCFDJ307	NR	M.1.o.
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o).....	RCFDJ308	NR	RCFDJ309	NR	RCFDJ310	NR	M.1.p.

Dollar amounts in thousands

	(Column A) Managed Assets		(Column B) Number of Managed Accounts		
q. Investments of managed fiduciary accounts in advised or sponsored mutual funds.....	RCFDJ311	NR	RCFDJ312	NR	M.1.q.

Dollar amounts in thousands		(Column A) Number of Issues	(Column B) Principal Amount Outstanding	
2. Corporate trust and agency accounts:				
a. Corporate and municipal trusteeships.....	RCFDB927	NR	RCFDB928	NR
1. Issues reported in Memorandum item 2.a that are in default.....	RCFDJ313	NR	RCFDJ314	NR
b. Transfer agent, registrar, paying agent, and other corporate agency.....	RCFDB929	NR		

Dollar amounts in thousands		(Column A) Number of Funds	(Column B) Market Value of Fund Assets	
<i>Memoranda items 3.a through 3.g are to be completed by banks with collective investment funds and common trust funds with a total market value of \$1 billion or more as of the preceding December 31.</i>				
3. Collective investment funds and common trust funds:				
a. Domestic equity.....	RCFDB931	NR	RCFDB932	NR
b. International/Global equity.....	RCFDB933	NR	RCFDB934	NR
c. Stock/Bond blend.....	RCFDB935	NR	RCFDB936	NR
d. Taxable bond.....	RCFDB937	NR	RCFDB938	NR
e. Municipal bond.....	RCFDB939	NR	RCFDB940	NR
f. Short term investments/Money market.....	RCFDB941	NR	RCFDB942	NR
g. Specialty/Other.....	RCFDB943	NR	RCFDB944	NR
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g).....	RCFDB945	NR	RCFDB946	NR

Dollar amounts in thousands		(Column A) Gross Losses Managed Accounts	(Column B) Gross Losses Non-Managed Accounts	(Column C) Recoveries		
4. Fiduciary settlements, surcharges, and other losses:						
a. Personal trust and agency accounts.....	RIADB947	NR	RIADB948	NR	RIADB949	NR
b. Employee benefit and retirement-related trust and agency accounts.....	RIADB950	NR	RIADB951	NR	RIADB952	NR
c. Investment management agency accounts.....	RIADB953	NR	RIADB954	NR	RIADB955	NR
d. Other fiduciary accounts and related services.....	RIADB956	NR	RIADB957	NR	RIADB958	NR
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 24).....	RIADB959	NR	RIADB960	NR	RIADB961	NR

### Schedule RC-V - Variable Interest Entities(Form Type - 031)

Dollar amounts in thousands		(Column A) Securitization Vehicles	(Column B) Other VIEs	
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs:				
a. Cash and balances due from depository institutions.....	RCFDJ981	0	RCFDJF84	0
b. Securities not held for trading.....	RCFDHU20	43,241	RCFDHU21	0
c. Loans and leases held for investment, net of allowance, and held for sale.....	RCFDHU22	29,242,746	RCFDHU23	0
d. Other real estate owned.....	RCFDK009	0	RCFDJF89	0
e. Other assets.....	RCFDJF91	1,110	RCFDJF90	0
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank:				
a. Other borrowed money.....	RCFDJF92	11,790,435	RCFDJF85	0
b. Other liabilities.....	RCFDJF93	19,279	RCFDJF86	0
3. All other assets of consolidated VIEs (not included in items 1.a. through 1.e. above).....	RCFDK030	1,444	RCFDJF87	0
4. All other liabilities of consolidated VIEs (not included in items 2.a through 2.b. above).....	RCFDK033	-47,240	RCFDJF88	0

Dollar amounts in thousands				
5. Total assets of asset-backed commercial paper (ABCP) conduit VIEs.....	RCFDJF77		0	5.
6. Total liabilities of ABCP conduit VIEs.....	RCFDJF78		0	6.

## Optional Narrative Statement Concerning the Amounts Reported in the Consolidated Reports of Condition and Income(Form Type - 031)

Dollar amounts in thousands

1. Comments?.....	RCON6979	<b>No</b>	1.
2. Bank Management Statement.....	TEXT6980	<b>NR</b>	2.

**AGREEMENT AND PLAN OF MERGER**

**Discover Bank  
with and into  
Capital One, National Association  
under the charter of  
Capital One, National Association  
under the title of  
“Capital One, National Association”**

THIS AGREEMENT AND PLAN OF MERGER (this “*Agreement*”) is made on this 19<sup>th</sup> day of February, 2024, between Capital One, National Association (“*Capital One Bank*” or the “*Resulting Bank*”), a national banking association, with its main office located at 1680 Capital One Drive, McLean, Virginia 22102, and Discover Bank (“*Discover Bank*”), a Delaware-chartered bank, with its main office located at 502 East Market Street, Greenwood, DE 19950. Collectively, Capital One Bank and Discover Bank are referred to as the “*Banks*.”

**WHEREAS**, the Board of Directors of Capital One Bank has unanimously approved this Agreement and authorized its execution pursuant to the authority given by and in accordance with the provisions of the National Bank Act (the “*Act*”);

**WHEREAS**, the Board of Directors of Discover Bank has unanimously approved this Agreement and authorized its execution pursuant to the authority given by and in accordance with the laws of the State of Delaware;

**WHEREAS**, Capital One Financial Corporation (“*Capital One*”), which owns all of the outstanding shares of Capital One Bank, Vega Merger Sub, Inc. (“*Merger Sub*”), a Delaware corporation and a direct, wholly owned subsidiary of Capital One, and Discover Financial Services (“*Discover*”), which owns all of the outstanding shares of Discover Bank, have entered into an Agreement and Plan of Merger (the “*Holding Company Agreement*”), which, among other things, provides for (i) the merger of Merger Sub with and into Discover (“*First Merger*”), with Discover continuing as the surviving corporation (the “*Surviving Company*”), and (ii) immediately after the First Merger and as part of a single, integrated transaction, Capital One shall cause the Surviving Company to be merged with and into Capital One (the “*Second Step Merger*”), all subject to the terms and conditions of such Holding Company Agreement;

**WHEREAS**, Capital One, as the sole shareholder of Capital One Bank, and Discover, as the sole stockholder of Discover Bank, have approved this Agreement; and

**WHEREAS**, each of the Banks is entering into this Agreement to provide for the merger of Discover Bank with and into Capital One Bank, with Capital One Bank being the surviving bank of such merger transaction (the “*Bank Merger*”) under the name of Capital One Bank, National Association, pursuant to the provisions of, and with the effect provided in, 12 U.S.C. § 215a, 12 U.S.C. § 1828(c), the regulations of the Office of the Comptroller of the Currency (the “*OCC*”) and, to the extent applicable, the relevant banking statutes of the State of Delaware and the regulations of the Office of the State Bank Commissioner of the State of Delaware and subject to, and immediately following, the closing of the Second Step Merger.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual promises and agreements herein contained, the parties hereto agree as follows:

## SECTION 1

Subject to the terms and conditions of this Agreement and those set forth in the Holding Company Agreement, at the Effective Time (as defined below) and pursuant to the Act, Discover Bank shall be merged with and into Capital One Bank in the Bank Merger. Capital One Bank shall continue its existence as the Resulting Bank under the charter of Capital One Bank, and the separate corporate existence of Discover Bank shall cease. The closing of the Bank Merger shall become effective following the satisfaction or effective waiver of all of the conditions precedent to the consummation of the Bank Merger specified in this Agreement and at the time specified in the letter issued by the OCC in connection with the Bank Merger (such time when the Bank Merger becomes effective, the “*Effective Time*”).

It is intended that the Bank Merger shall qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “*Code*”), and that this Agreement is intended to be and is adopted as a plan of reorganization for the purposes of Sections 354 and 361 of the Code.

## SECTION 2

The name of the Resulting Bank at the Effective Time shall be “Capital One, National Association” The Resulting Bank will exercise trust powers.

## SECTION 3

The business of the Resulting Bank from and after the Effective Time shall be that of a national banking association. This business of the Resulting Bank shall be conducted at its main office, which shall be located at 1680 Capital One Drive, McLean, Virginia 22102, as well as at its legally established branches and at the banking offices of Discover Bank, all of which shall be acquired in the Bank Merger, in each case without limiting the authority under applicable law of the Resulting Bank to close, relocate, or otherwise make any changes regarding any such branch. The deposit accounts of the Resulting Bank will be insured by the Federal Deposit Insurance Corporation in accordance with the Federal Deposit Insurance Act.

## SECTION 4

At the Effective Time, the amount of issued and outstanding capital stock of the Resulting Bank shall be the amount of capital stock of Capital One Bank issued and outstanding immediately before the Effective Time.

## SECTION 5

All assets of Discover Bank and Capital One Bank, as they exist at the Effective Time, shall pass to and vest in the Resulting Bank without any conveyance or other transfer; the Resulting Bank shall be considered the same business and corporate entity as each constituent bank with all the rights, powers and duties of each constituent bank; and the Resulting Bank shall be responsible for all of the liabilities of every kind and description, of Discover Bank and Capital One Bank existing as of the Effective Time, all in accordance with the provisions of the Act.

## SECTION 6

At the Effective Time, each outstanding share of common stock of Discover Bank shall be canceled with no cash, shares of common stock or other property being paid therefor.

Outstanding certificates representing shares of the common stock of Discover Bank shall, at the Effective Time, be canceled.

#### SECTION 7

Upon the Effective Time, the then-outstanding shares of Capital One Bank's common stock shall continue to remain outstanding shares of Capital One Bank's common stock, all of which shall continue to be owned by Capital One.

#### SECTION 8

Effective as of the Effective Time: (i) the directors of the Resulting Bank shall be the persons serving as directors of Capital One Bank immediately before the Effective Time as well as any persons duly appointed as directors by Capital One as set forth in Section 6.12 of the Holding Company Agreement; and (ii) the officers of the Resulting Bank shall be the persons serving as officers of Capital One Bank immediately before the Effective Time as well as any persons duly appointed as officers by Capital One Bank.

#### SECTION 9

This Agreement has been approved by Capital One, which owns all of the outstanding shares of Capital One Bank, and by Discover, which owns all of the outstanding shares of Discover Bank.

#### SECTION 10

The Bank Merger and the respective obligations of each party hereto to consummate the Bank Merger are subject to the fulfillment or effective waiver of each of the following conditions:

- (a) Each of the First Merger and the Second Step Merger shall have become effective.
- (b) The OCC shall have approved the Bank Merger and shall have issued all other necessary authorizations and approvals for the Bank Merger, and any statutory waiting period shall have expired or been terminated.

This Agreement may be amended or terminated, and the Bank Merger may be abandoned, only by the mutual written agreement of Capital One Bank and Discover Bank at any time, whether before or after filings are made for regulatory approval of the Bank Merger and notwithstanding the prior approval of this Agreement and the Bank Merger by the sole shareholder of Capital One Bank or Discover Bank.

#### SECTION 11

Effective as of the Effective Time, the Articles of Association and Bylaws of the Resulting Bank shall consist of the Articles of Association and Bylaws of Capital One Bank as in effect immediately before the Effective Time.

#### SECTION 12

This Agreement shall automatically terminate in the event and at the time of any termination of the Holding Company Agreement.



### SECTION 13

Each of the parties hereto represents and warrants that this Agreement has been duly authorized, executed and delivered by such party and (assuming due authorization, execution and delivery by the other party) constitutes a valid and binding obligation of such party, enforceable against it in accordance with the terms hereof (except in all cases as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or similar laws of general applicability affecting the rights of creditors generally and the availability of equitable remedies).

Subject in all respects to Section 6.1 of the Holding Company Agreement, each of the parties shall use its reasonable best efforts to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal requirements that may be imposed on such party or its Subsidiaries with respect to the Bank Merger and, subject to the conditions set forth in Section 10 hereof, to consummate the transactions contemplated by this Agreement.

None of the representations, warranties or agreements in this Agreement, or in any instrument delivered pursuant to this Agreement, shall survive the Effective Time or valid termination of this Agreement.

This Agreement embodies the entire agreement and understanding of the Banks with respect to the transactions contemplated hereby, and supersedes all other prior commitments, arrangements or understandings, both oral and written, among the Banks with respect to the subject matter hereof, other than the Holding Company Agreement.

The provisions of this Agreement are intended to be interpreted and construed in a manner so as to make such provisions valid, binding and enforceable. If any provision of this Agreement is determined to be partially or wholly invalid, illegal or unenforceable, then such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, binding and enforceable; or, if such provision cannot be modified or restricted in a manner so as to make such provision valid, binding and enforceable, then such provision shall be deemed to be excised from this Agreement and the validity, binding effect and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner.

No waiver, amendment, modification or change of any provision of this Agreement shall be effective unless and until made in writing and signed by the Banks. No waiver, forbearance or failure by any Bank of its rights to enforce any provision of this Agreement shall constitute a waiver or estoppel of such Bank's right to enforce any other provision of this Agreement or a continuing waiver by such Bank of compliance with any provision hereof.

All notices and other communications hereunder shall be in writing and shall be deemed given (a) on the date of delivery if delivered personally, or if by e-mail transmission (with confirmation of receipt requested), (b) on the earlier of confirmed receipt or the fifth (5th) business day following the date of mailing if mailed by registered or certified mail (return receipt requested) or (c) on the first (1st) business day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier (with confirmation) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Discover Bank, to:

Discover Bank  
2500 Lake Cook Road  
Riverwoods, Illinois 60015

Attention: Chief Executive Officer and President  
Executive Vice President, Chief Legal Officer, General  
Counsel and Secretary

*With a copy (which shall not constitute notice) to:*

Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004

Attention: H. Rodgin Cohen  
Mitchell S. Eitel  
Jared M. Fishman  
Email: cohenhr@sullcrom.com  
eitelm@sullcrom.com  
fishmanj@sullcrom.com

and

(b) if to Capital One Bank, to:

Capital One, National Association  
1680 Capital One Drive  
McLean, VA 22102

Attention: Executive Vice President, Corporate Development  
Chief Counsel, Corporate and Strategic Transactions

*With a copy (which shall not constitute notice) to:*

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, NY 10019

Attention: Edward D. Herlihy  
Matthew M. Guest  
Brandon C. Price  
E-mail: EDHerlihy@wlrk.com  
MGuest@wlrk.com  
BCPrice@wlrk.com

Each Bank agrees that it will bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal or state court of competent

jurisdiction located in the State of Delaware (the “*Chosen Courts*”), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such action or proceeding will be effective if notice is given in accordance with this Section 13.

Except to the extent federal law is applicable, this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflicts of laws principles. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.

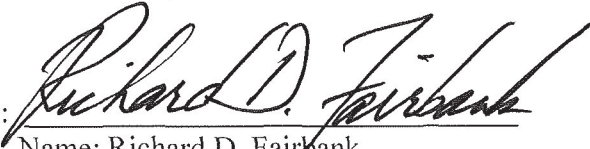
Neither this Agreement nor any of the rights, interests or obligations may be assigned by any of the parties hereto (whether by operation of law or otherwise) and any attempted assignment in contravention hereof shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Banks’ respective successors and permitted assigns. Unless otherwise expressly stated herein, this Agreement shall not benefit or create any right of action in or on behalf of any person or entity other than the Banks.

This Agreement may be executed in counterparts (including by facsimile or optically scanned electronic mail attachment), each of which shall be deemed to be original, but all of which together shall constitute one and the same instrument.

*[Signature page follows]*

**IN WITNESS WHEREOF**, Capital One, National Association and Discover Bank have entered into this Agreement as of the date and year first set forth above

CAPITAL ONE, NATIONAL ASSOCIATION

By: 

Name: Richard D. Fairbank  
Title: Chief Executive Officer

DISCOVER BANK

By: \_\_\_\_\_

Name: Michael G. Rhodes  
Title: President

**IN WITNESS WHEREOF**, Capital One, National Association and Discover Bank have entered into this Agreement as of the date and year first set forth above.

**CAPITAL ONE, NATIONAL ASSOCIATION**

By: \_\_\_\_\_

Name: Richard D. Fairbank

Title: Chief Executive Officer

**DISCOVER BANK**

By:  \_\_\_\_\_

Name: Michael G. Rhodes

Title: Chief Executive Officer and President

## Summary of the Agreement and Plan of Merger

*February 18, 2024*

<b>Structure</b>	<p>Capital One Financial Corporation (“<u>Capital One</u>”) will acquire Discover Financial Services (“<u>Discover</u>”) through a merger of a newly formed merger subsidiary with and into Discover, with Discover continuing as the surviving corporation and a subsidiary of Capital One (the “<u>Merger</u>”). Immediately following the Merger and as part of a single, integrated transaction, Discover will merge with and into Capital One, with Capital One continuing as the surviving corporation (the “<u>Second-Step Merger</u>” and, together with the Merger, the “<u>Mergers</u>”).</p> <p>Immediately following the Second-Step Merger, Discover’s wholly-owned bank subsidiary, Discover Bank, will merge with and into Capital One’s wholly-owned bank subsidiary, Capital One, National Association (“<u>CONA</u>”), with CONA continuing as the surviving bank.</p>
<b>Consideration</b>	<p>At the closing, each outstanding share of Discover’s common stock will be converted into the right to receive 1.0192 shares of Capital One common stock (the “<u>Exchange Ratio</u>”).</p>
<b>Treatment of Discover Preferred Stock</b>	<p>At the closing, each outstanding share of Discover preferred stock will be converted into the right to receive one share of a newly created series of Capital One preferred stock having materially the same terms as the applicable series of Discover preferred stock.</p>
<b>Treatment of Discover Equity Awards and the Discover Employee Stock Purchase Plan</b>	<p>At the closing, each outstanding Discover restricted stock unit award will be converted into a corresponding restricted stock unit award with respect to Capital One common stock, with the number of shares adjusted based on the Exchange Ratio.</p> <p>At the closing, each outstanding Discover performance stock unit award will be converted into a cash-based award based upon the average value of Capital One common stock for the five trading days prior to the closing, with the number of shares underlying the Discover performance stock unit awards to be determined at the closing based on (1) the greater of target and actual performance through the last quarter ending prior to the closing, if more than one year of the performance period has elapsed as of the closing, and (2) target performance, if one year or less of the performance period has elapsed as of the closing.</p> <p>The converted awards will generally have the same terms and conditions (including vesting) as applied to the corresponding Discover performance stock unit awards, with the converted cash-based performance stock unit awards to vest solely based on continued service following the closing.</p> <p>Discover will continue to operate the Discover Employee Stock Purchase Plan (the “<u>ESPP</u>”), with the final purchase under the ESPP to occur no later than five business days prior to the closing.</p>
<b>No Appraisal Rights</b>	<p>Holders of Discover common stock and holders of Discover preferred stock will not be entitled to appraisal rights in the Mergers.</p>
<b>Governance</b>	<p>At the closing, the size of the Capital One board will be increased to accommodate the appointment of 3 current Discover directors, determined by mutual agreement of Discover and Capital One, to the Capital One board.</p>
<b>Conditions to</b>	<p>Each party’s obligation to close will be subject to the following conditions:</p>

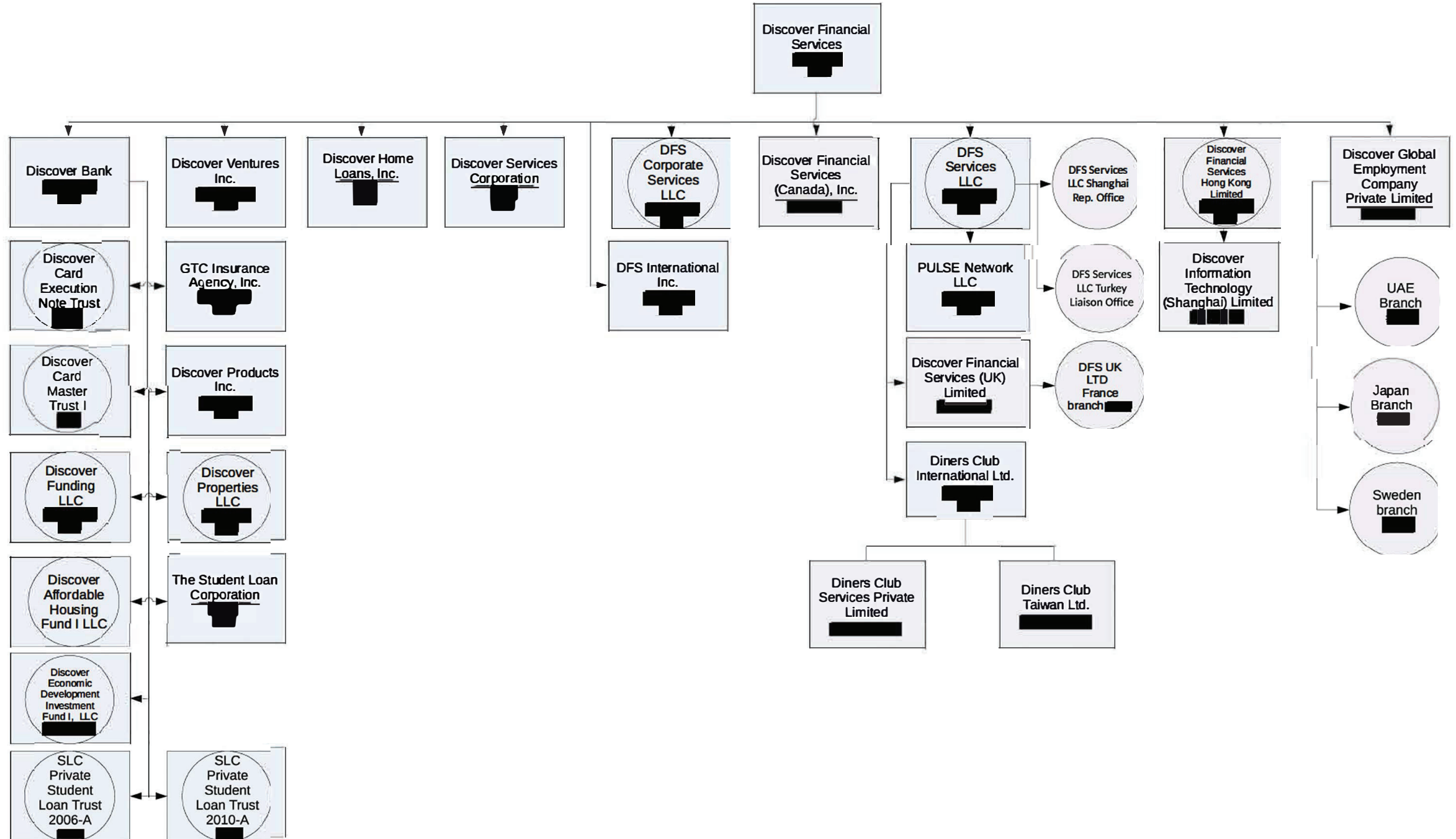
<p><b>Closing</b></p>	<ul style="list-style-type: none"> <li>• <i>Discover stockholder approval.</i> Approval by Discover’s stockholders of the Merger Agreement;</li> <li>• <i>Capital One stockholder approval.</i> Approval by Capital One’s stockholders of the issuance of Capital One common stock to Discover stockholders;</li> <li>• <i>Required regulatory approvals.</i> Receipt of required regulatory approvals, without any approval resulting in a condition that would reasonably be expected to have a Material Adverse Effect (as defined below) on the surviving corporation and its subsidiaries, taken as a whole, after giving effect to the Mergers (a “<u>Materially Burdensome Regulatory Condition</u>”);</li> <li>• <i>No injunction.</i> Absence of any law or injunction prohibiting the completion of the Mergers;</li> <li>• <i>Registration statement.</i> Effectiveness of the S-4 registration statement for the shares of Capital One stock to be issued in the Mergers;</li> <li>• <i>Exchange listing.</i> Authorization for listing on the NYSE of the shares of Capital One common stock to be issued in the Merger;</li> <li>• <i>Tax opinion.</i> Receipt of a tax opinion from the party’s counsel to the effect that the Mergers, taken together, qualify as a “reorganization” for tax purposes;</li> <li>• <i>Accuracy of representations.</i> The accuracy of the other party’s representations and warranties as of the date of the Merger Agreement and as of the closing date, generally subject to a “Material Adverse Effect” standard (described below); and</li> <li>• <i>Compliance with covenants.</i> Material performance of the other party’s obligations, covenants and agreements under the Merger Agreement.</li> </ul>
<p><b>MAE Standard</b></p>	<p>For purposes of the conditions to closing, breaches of each party’s representations and warranties will, with certain exceptions, be deemed not to have occurred unless such breaches, individually or in the aggregate, have had, or would reasonably be expected to have, a Material Adverse Effect on that party.</p> <p>“<u>Material Adverse Effect</u>” with respect to Discover or Capital One is defined as any effect, change, event, circumstance, condition, occurrence or development that, either individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on (i) the business, properties, assets, results of operations or financial condition of such party and its subsidiaries taken as a whole or (ii) the ability of such party to timely consummate the Mergers.</p> <p>However, in the case of clause (i), a “Material Adverse Effect” excludes:</p> <ul style="list-style-type: none"> <li>• the following changes if they occur after the date of the Merger Agreement, except to the extent that they affect the party materially disproportionately, in the case of both parties, compared to banking organizations substantially engaged in the credit card lending business or, in the case of Discover, also as compared to banking organizations engaged in the funds transfer network or transaction processing network businesses: <ul style="list-style-type: none"> <li>• changes in GAAP or applicable regulatory accounting requirements;</li> <li>• changes in laws, rules or regulations generally applicable to companies in the industry in which the party operates;</li> <li>• changes in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market (including equity, credit and debt markets and interest rate changes) conditions affecting the financial services industry generally; and</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• changes resulting from hurricanes, earthquakes, tornados, floods or other natural disasters or from any outbreak of any disease or other public health events;</li> <li>• the public disclosure of the Mergers or actions required by the Merger Agreement or taken with the prior written consent of the other party;</li> <li>• any stockholder litigation arising out of the Merger Agreement or the Mergers that is brought or threatened against a party or any party's Board of Directors between signing and closing; and</li> <li>• declines in the trading price of the party's common stock or the failure, in and of itself, to meet earnings projections or internal financial forecasts (excluding the underlying causes).</li> </ul>
<b>Regulatory Efforts</b>	Each of Discover and Capital One agrees to use reasonable best efforts to promptly make all necessary filings and to obtain all required regulatory approvals, provided that no party will be required to, and no party may, commit to any Materially Burdensome Regulatory Condition or be required to contest any action or proceeding by a bank regulatory agency.
<b>No Shop; Stockholder Recommendation</b>	<p>Each of Discover and Capital One agrees to non-solicitation covenants restricting each from soliciting or negotiating competing business combination proposals or changing its recommendation that its stockholders approve the transaction.</p> <p>Each party's non-solicitation commitments are subject to a customary fiduciary duty exception permitting its board of directors to engage in discussions regarding an unsolicited proposal prior to the receipt of approval by such party's stockholders of the transaction to the extent that the board determines in good faith that failure to do so would more likely than not result in a violation of its fiduciary duties.</p> <p>Each party's board of directors is required to recommend approval of the transaction to its stockholders and is not permitted to change its recommendation unless it determines that failure to do so would more likely than not result in a violation of its fiduciary duties.</p> <p>Neither party may terminate the Merger Agreement on account of a competing business combination proposal, and each party is required to submit the transaction to a vote at its stockholder meeting, even if its board of directors changes its recommendation to stockholders.</p>
<b>Termination Rights</b>	<p>The Merger Agreement will be terminable at any time prior to the closing by mutual consent, and in the following limited circumstances:</p> <ul style="list-style-type: none"> <li>• <i>Permanent injunction.</i> By Discover or Capital One if there is a final injunction prohibiting the closing or if a required regulatory approval has been finally denied (unless the failure to obtain a regulatory approval is due to the terminating party's breach of its covenants in the Merger Agreement);</li> <li>• <i>Outside date.</i> By Discover or Capital One if the Merger has not been consummated by the date that is 12 months after the date of the Merger Agreement, to be automatically extended to 15 months after the date of the Merger Agreement if the regulatory conditions have not been satisfied but all other conditions have been satisfied as of such date (the "<u>Outside Date</u>") (so long as the terminating party's breach of its covenants in the Merger Agreement is not the cause of the delay);</li> <li>• <i>Breach.</i> By Discover or Capital One if there is an uncured or incurable breach by the other party of any of its covenants or representations that would result in the failure of a closing condition; or</li> </ul>

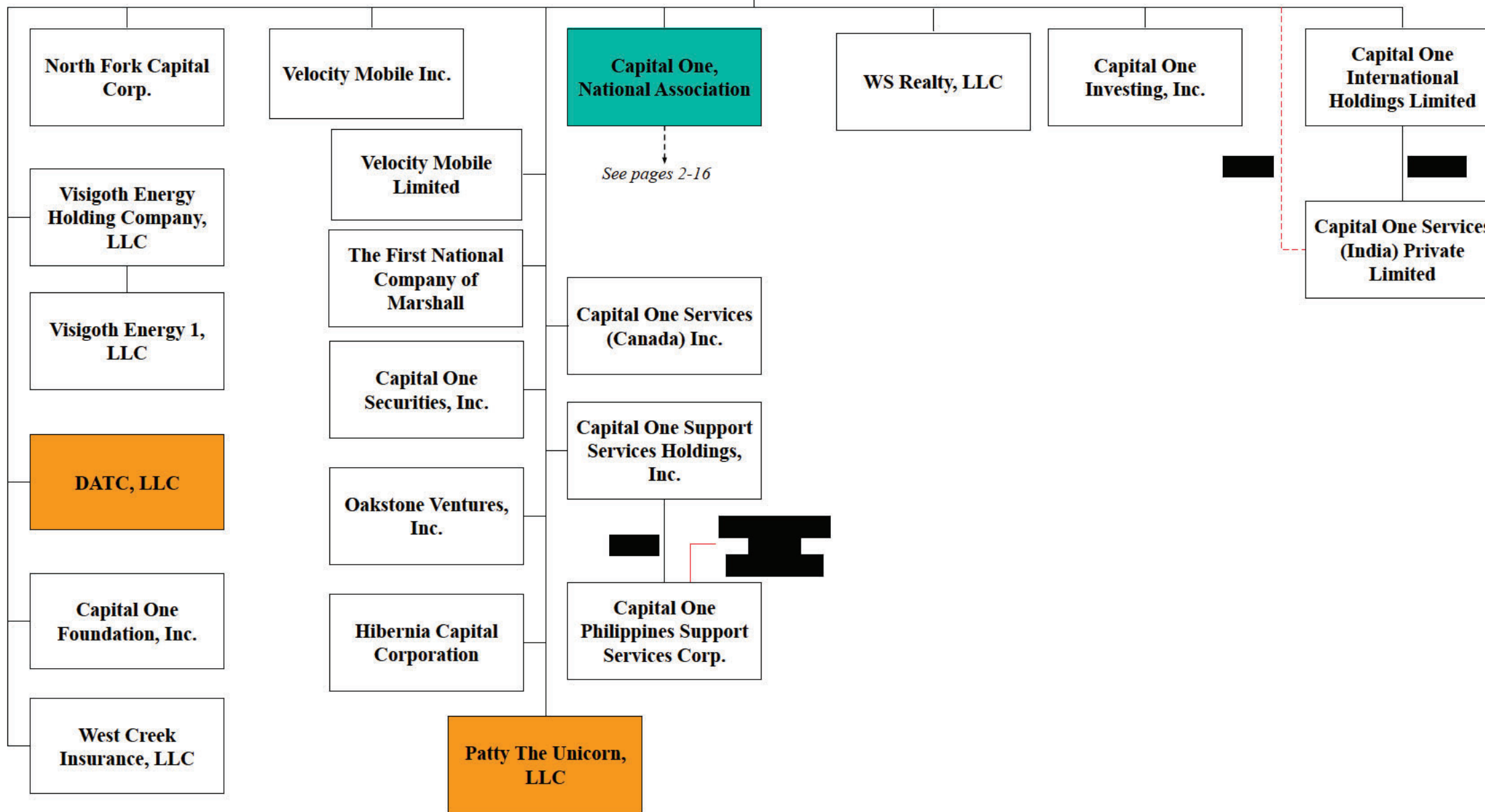


	<ul style="list-style-type: none"> <li>• <i>Recommendation change.</i> By Discover or Capital One if the other party or its board of directors has withdrawn its recommendation that its stockholders approve the Merger Agreement, failed to make such recommendation in the joint proxy statement, recommended a competing business combination, or failed to recommend against a competing business combination or reaffirm its recommendation of the Merger Agreement upon the other party’s request (any of the foregoing, a “<u>Recommendation Change</u>”) or materially breached its no-shop or other related covenants.</li> </ul>
<b>Restructuring Efforts</b>	Discover and Capital One agree, in the event that either party fails to obtain the requisite vote of its stockholders at its stockholder meeting, to in good faith use its reasonable best efforts to negotiate a restructuring of the transaction (other than any material terms, including the amount or kind of merger consideration) and/or resubmit the transaction to its stockholders for approval. This covenant means that each party is required to continue to seek stockholder approvals (if not obtained the first time) for the full term of the Merger Agreement.
<b>Termination Fee</b>	<p>A cash termination fee of \$1.38 billion will be payable by either Discover or Capital One (the “<u>first party</u>”) to the other party in the following situations:</p> <ul style="list-style-type: none"> <li>• <i>Entry into an alternative transaction after a termination that followed a competing proposal.</i> If (1) the first party receives (or there is publicly announced and not withdrawn at least 2 business days before the first party’s stockholders meeting) a competing business combination proposal, (2) the Merger Agreement is then terminated (A) because the closing has not occurred by the Outside Date (and the first party’s stockholders have not approved the Merger Agreement but all other conditions to the first party’s obligation to close were satisfied or capable of being satisfied) or (B) because the first party willfully breached its covenants or representations, and (3) the first party consummates or enters into an agreement with respect to any competing business combination proposal within 12 months of the termination of the Merger Agreement, then the termination fee is payable upon the earlier of entering into the agreement or consummating the competing proposal; or</li> <li>• <i>Recommendation change or breach of no-shop.</i> If the Merger Agreement is terminated by the other party because the first party or its board of directors has (1) made a Recommendation Change or (2) breached its no-shop or other related covenants in any material respect, then the termination fee is payable within 2 business days of termination.</li> </ul> <p>The Merger Agreement does not require payment of any “reverse termination fee” for a failure to obtain a regulatory approval.</p>
<b>Employee Matters</b>	<p>For one year following the closing, Capital One will provide to each continuing Discover employee: (1) base salary or wages that are no less favorable than that provided to such Discover employee immediately prior to closing, (2) target annual cash incentive compensation and target long-term incentive compensation opportunities, that are, in the aggregate, no less favorable than those provided to such Discover employee immediately prior to the closing, (3) employee benefits that are substantially comparable in the aggregate to those provided to such Discover employee immediately prior to the closing, and (4) severance benefits that are no less favorable than the benefits provided under the Discover severance plans.</p> <p>Effective as of the closing, Capital One will assume and honor the Discover benefit and compensation plans in accordance with their terms.</p>

	<p>In connection with the transaction, a retention program, in an amount still being negotiated, will be established, allocable by Discover subject to certain parameters.</p> <p>Capital One has offered to enter into a letter agreement with Michael Rhodes that will provide for his continued employment for one year following the closing as a Special Advisor to the Chief Executive Officer, with a salary of \$1 million and the opportunity to earn a \$4 million retention bonus at the end of the term (or an earlier qualifying termination). Pursuant to the letter, at closing, Mr. Rhodes would receive the cash severance payment that he would be entitled to under his existing Discover employment letter.</p>
<b>Other Agreements</b>	<p>The Merger Agreement also contains customary covenants of the parties with respect to access to information, SEC filings (including the filing of a joint proxy statement for the meetings of Capital One and Discover stockholders and a registration statement for the Capital One shares to be issued in connection with the Mergers), Capital One's commitment to provide customary D&amp;O insurance and indemnity to Discover directors and officers, public announcements, stockholder litigation, coordination as to declaration of dividends, and assumption of Discover's outstanding indebtedness.</p>
<b>Conduct of Business Covenants</b>	<p>Until the closing, Discover and Capital One will each be subject to customary covenants and restrictions requiring them to conduct their business in the ordinary course and to refrain from certain specified actions. The restrictions applicable to specific actions of Capital One are more limited than those applicable to Discover.</p>
<b>Representations and Warranties; No Indemnification</b>	<p>Each of Discover and Capital One will make customary public company representations and warranties with respect to its and its subsidiaries' business. As is customary in public company transactions, there is no post-closing survival of representations and warranties and no post-closing indemnification provision (as there is no surviving seller entity against which to seek recourse).</p>



# Capital One Financial Corporation

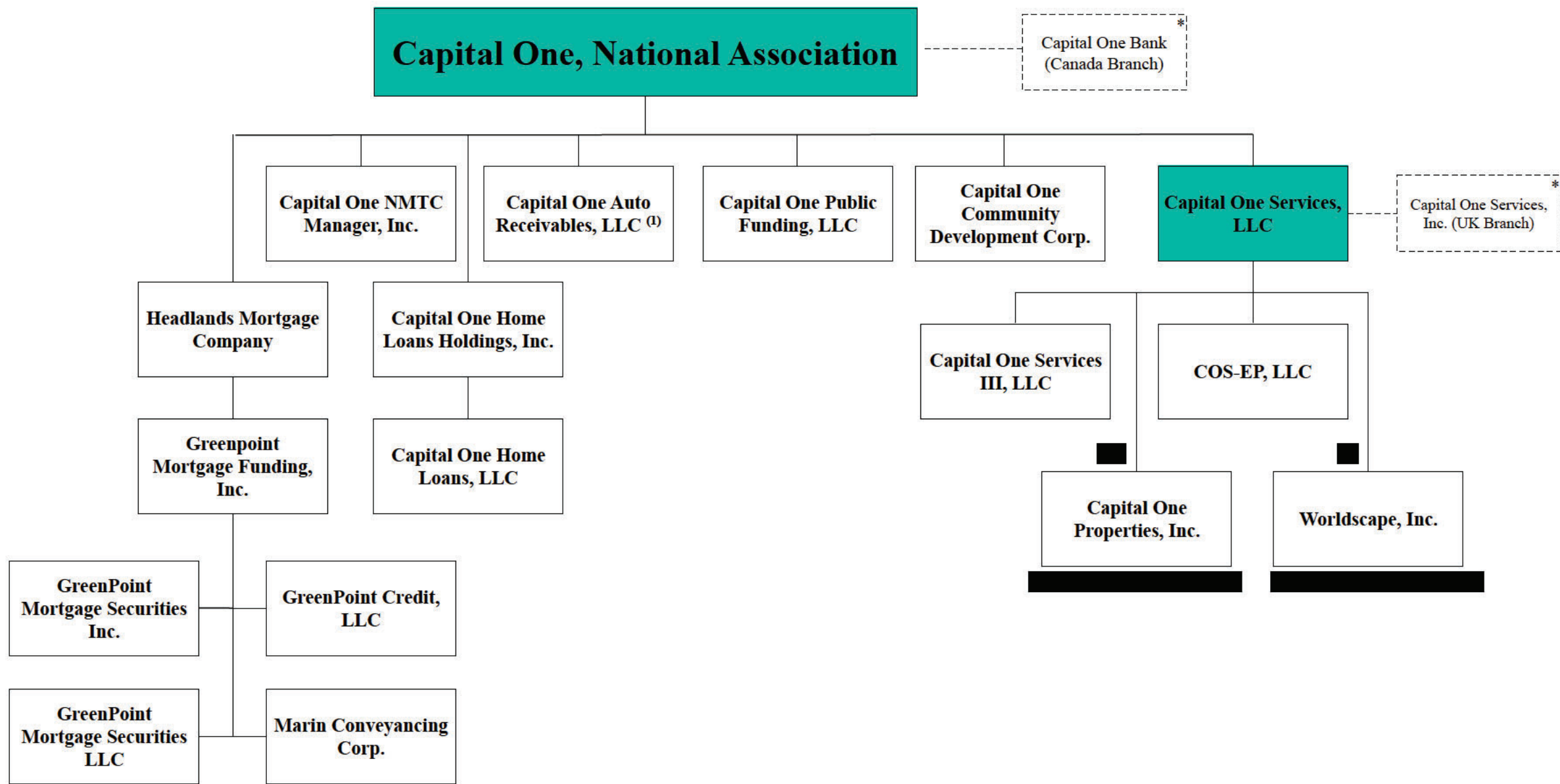


= material entity  
 = dissolution in progress

This legal entity organizational chart may contain confidential information regarding Capital One and/or its subsidiaries. It is intended for use only by the individual(s) to whom it is addressed.

**INFORMATIONAL PURPOSES ONLY – DO NOT CIRCULATE**





\* Foreign branch; not a legal entity.

(1) Securitization Trusts Consolidated for Accounting Purposes for Capital One Auto Receivables, LLC: Capital One Prime Auto Receivables Trust 2021-1; Capital One Prime Auto Receivables Trust 2022-1; Capital One Prime Auto Receivables Trust 2022-2; Capital One Prime Auto Receivables Trust 2023-1; Capital One Prime Auto Receivables Trust 2023-2



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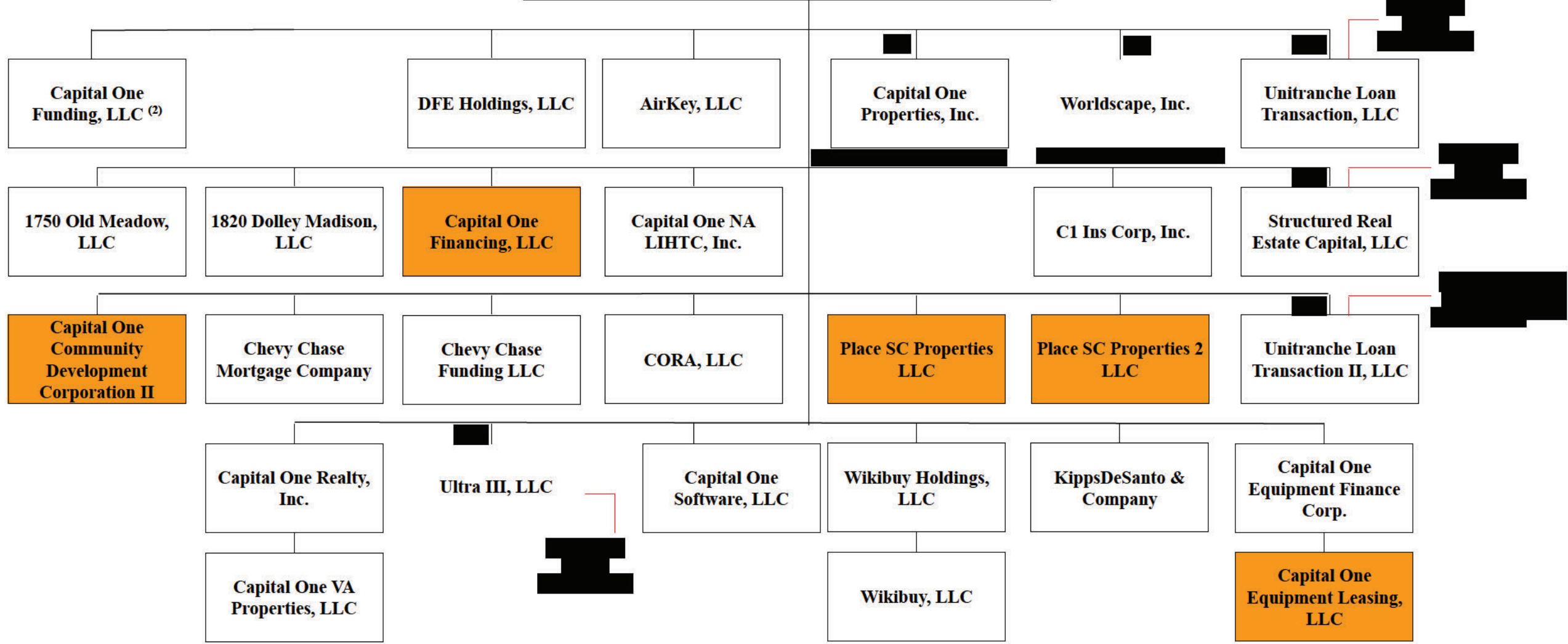
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# Capital One, National Association

(continued)



\* Denotes percentage ownership of a class of voting securities.

<sup>(2)</sup> Securitization Trusts Consolidated for Accounting Purposes for Capital One Funding, LLC: Capital One Master Trust (NY common law trust) & Capital One Multi-asset Execution Trust (DE statutory trust)

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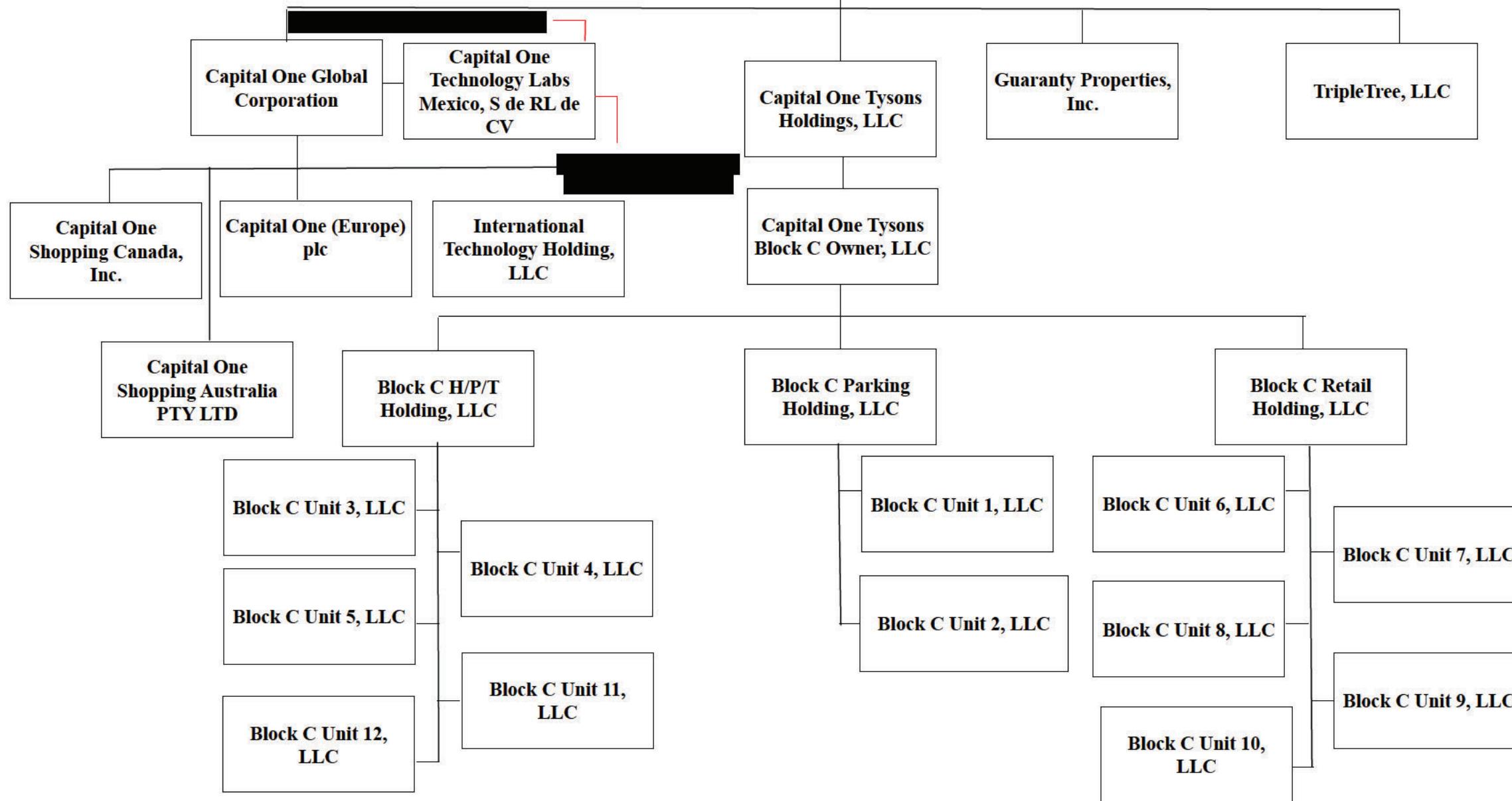
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# Capital One, National Association

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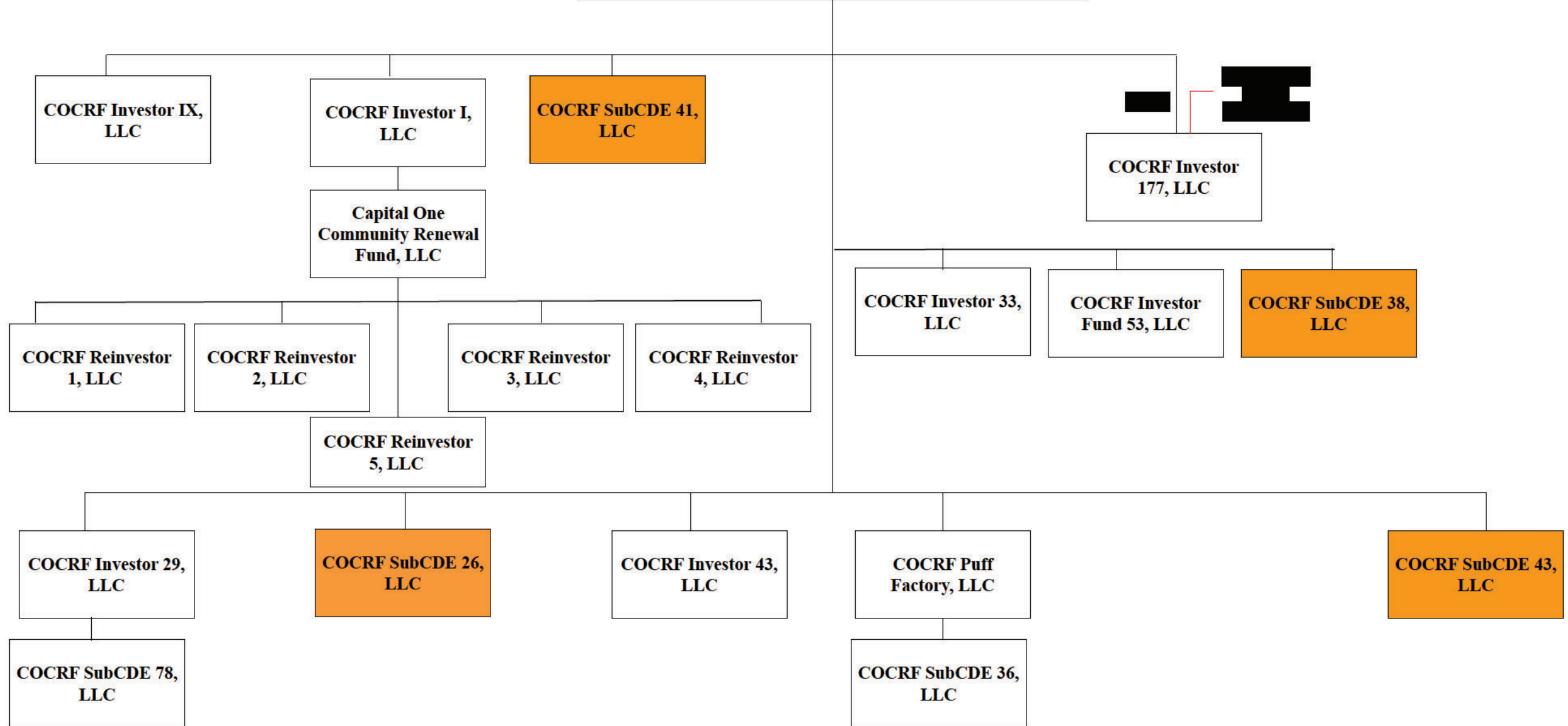
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# Capital One, National Association

(continued)



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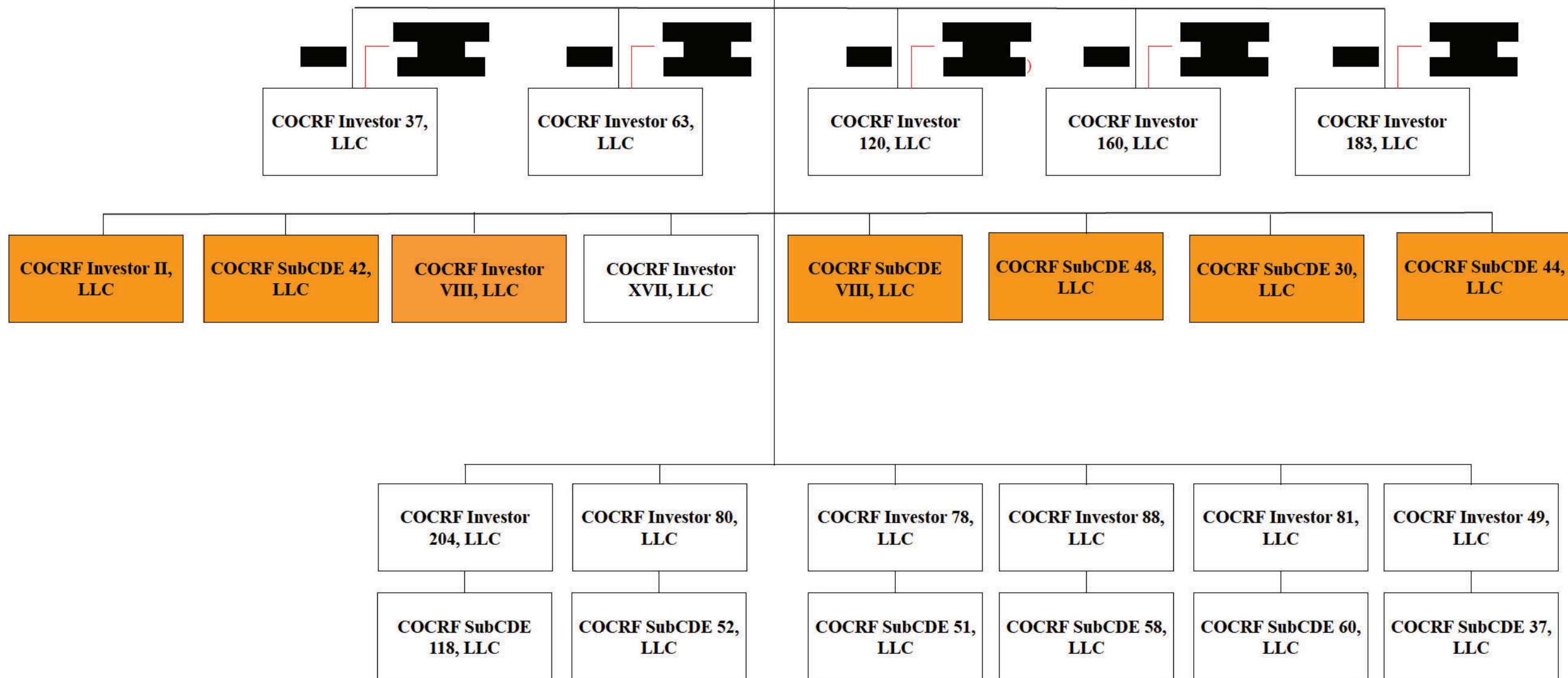
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# Capital One, National Association

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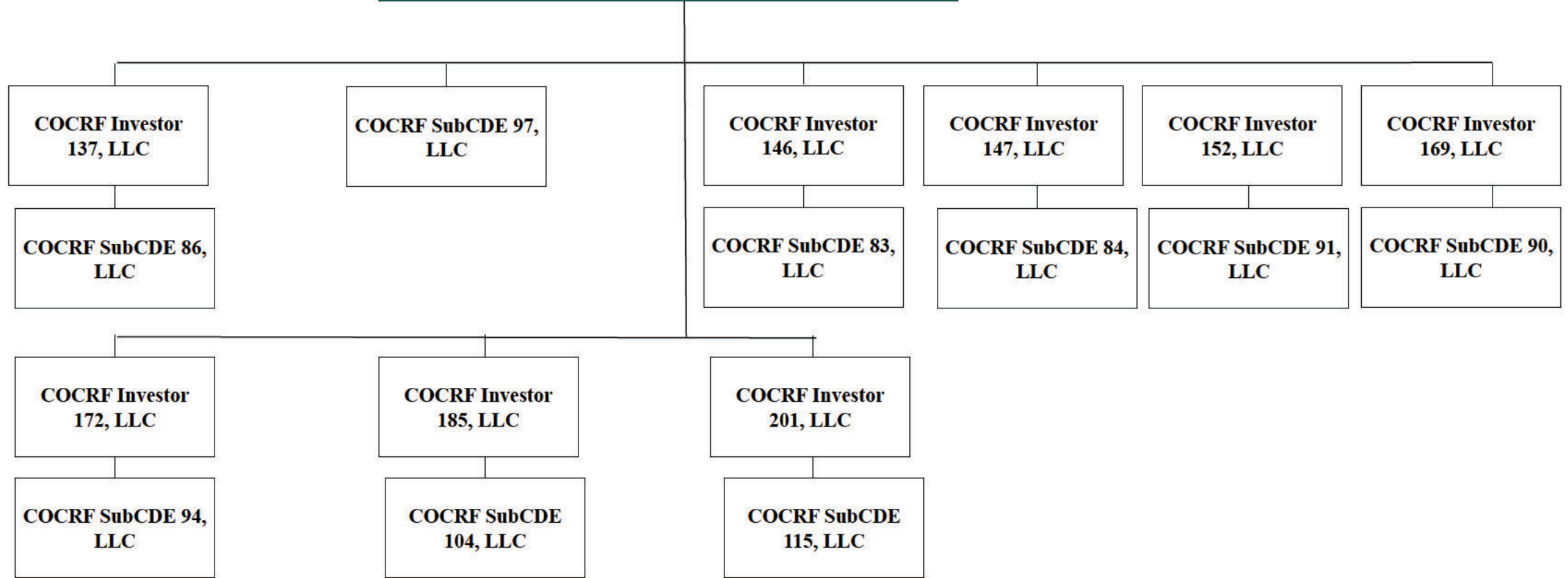


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**Capital One, National Association**  
(continued)



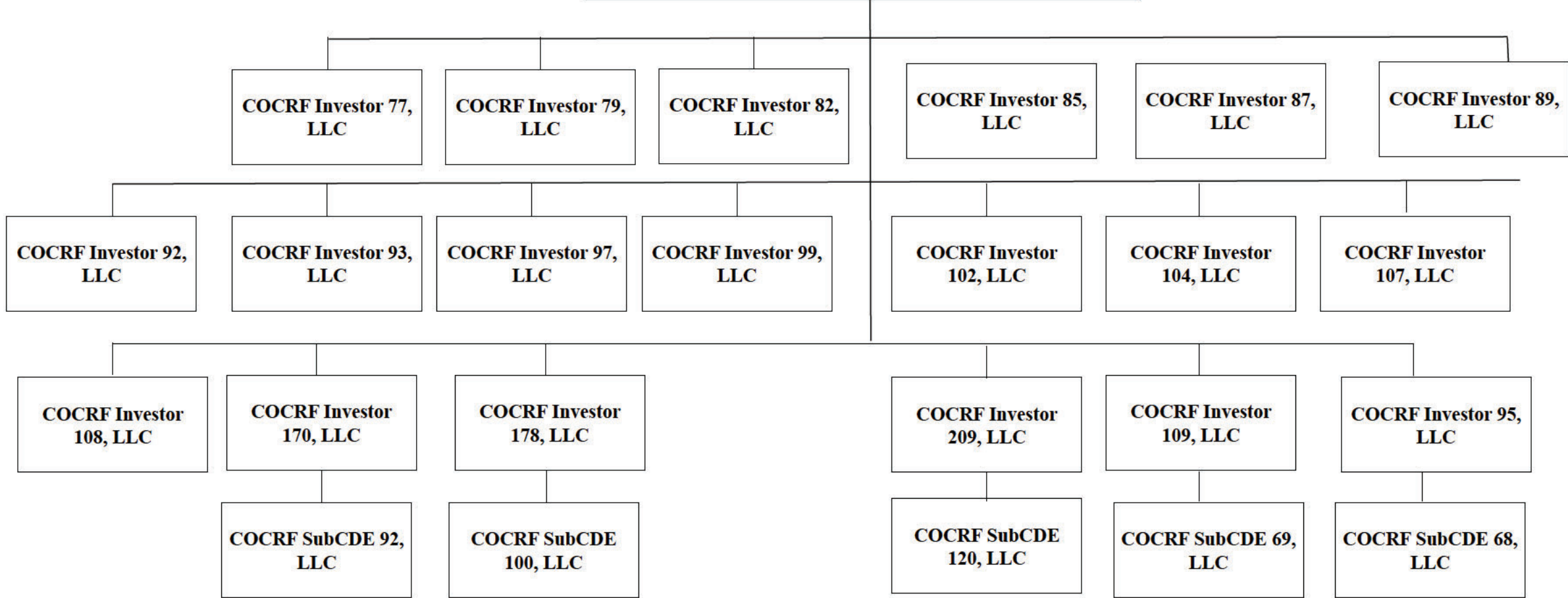
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(continued)



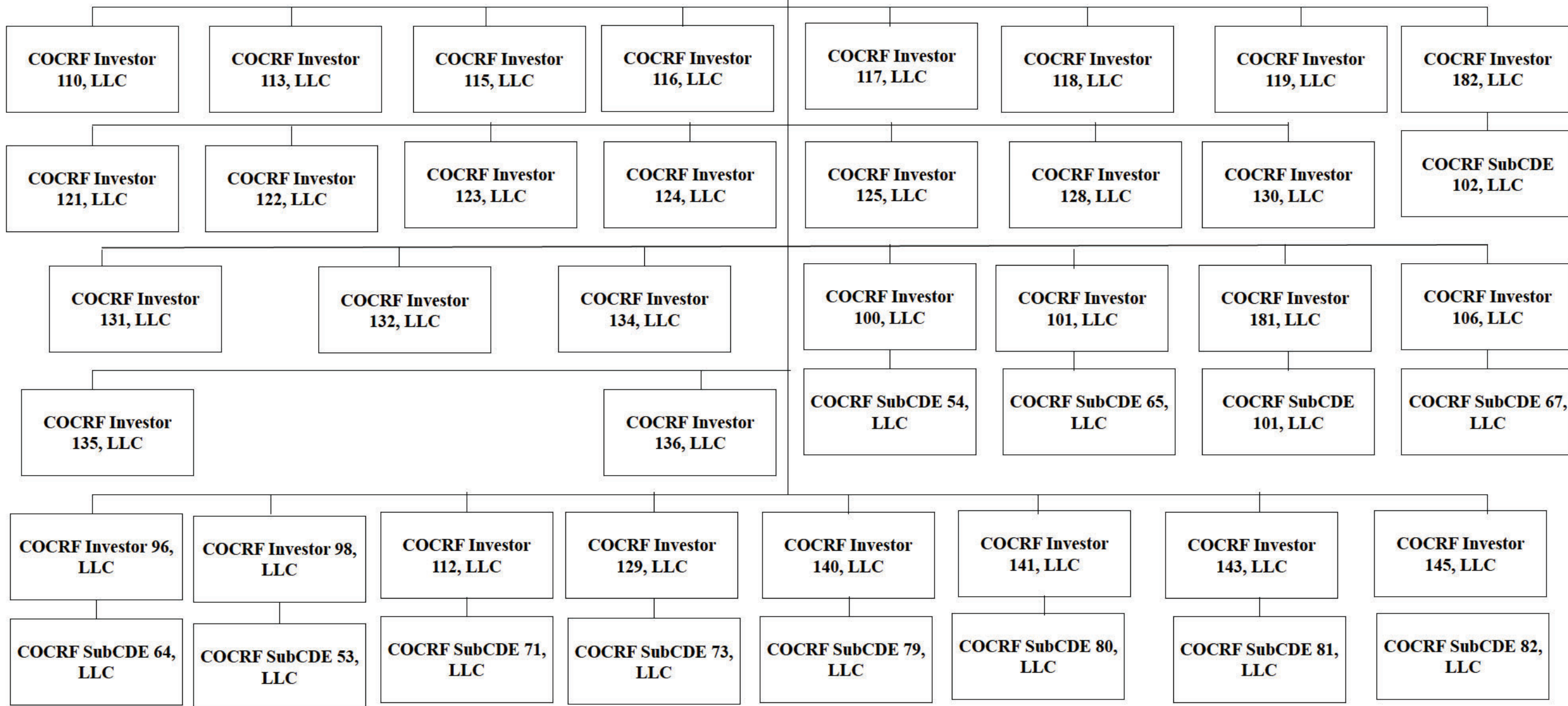
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# Capital One, National Association

(continued)



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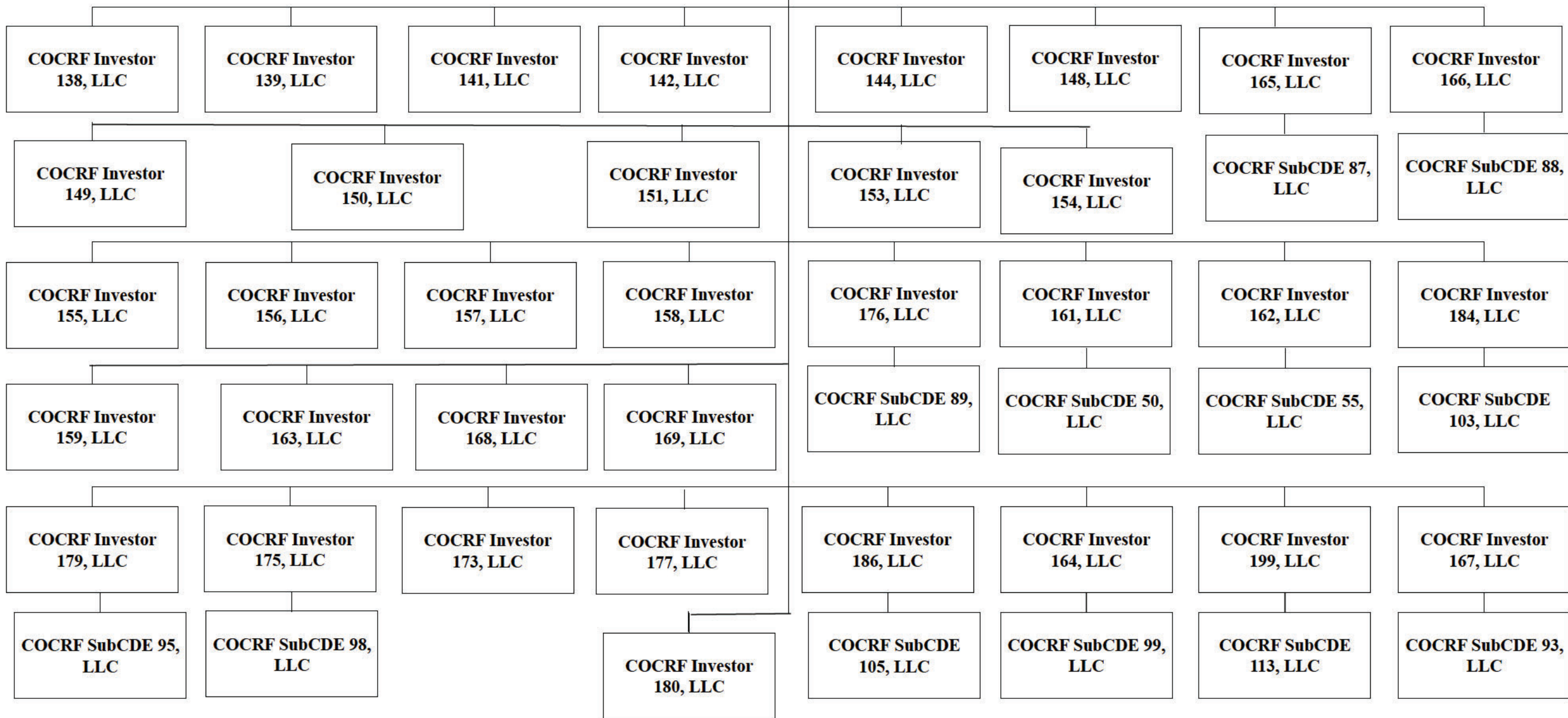
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# Capital One, National Association

(continued)



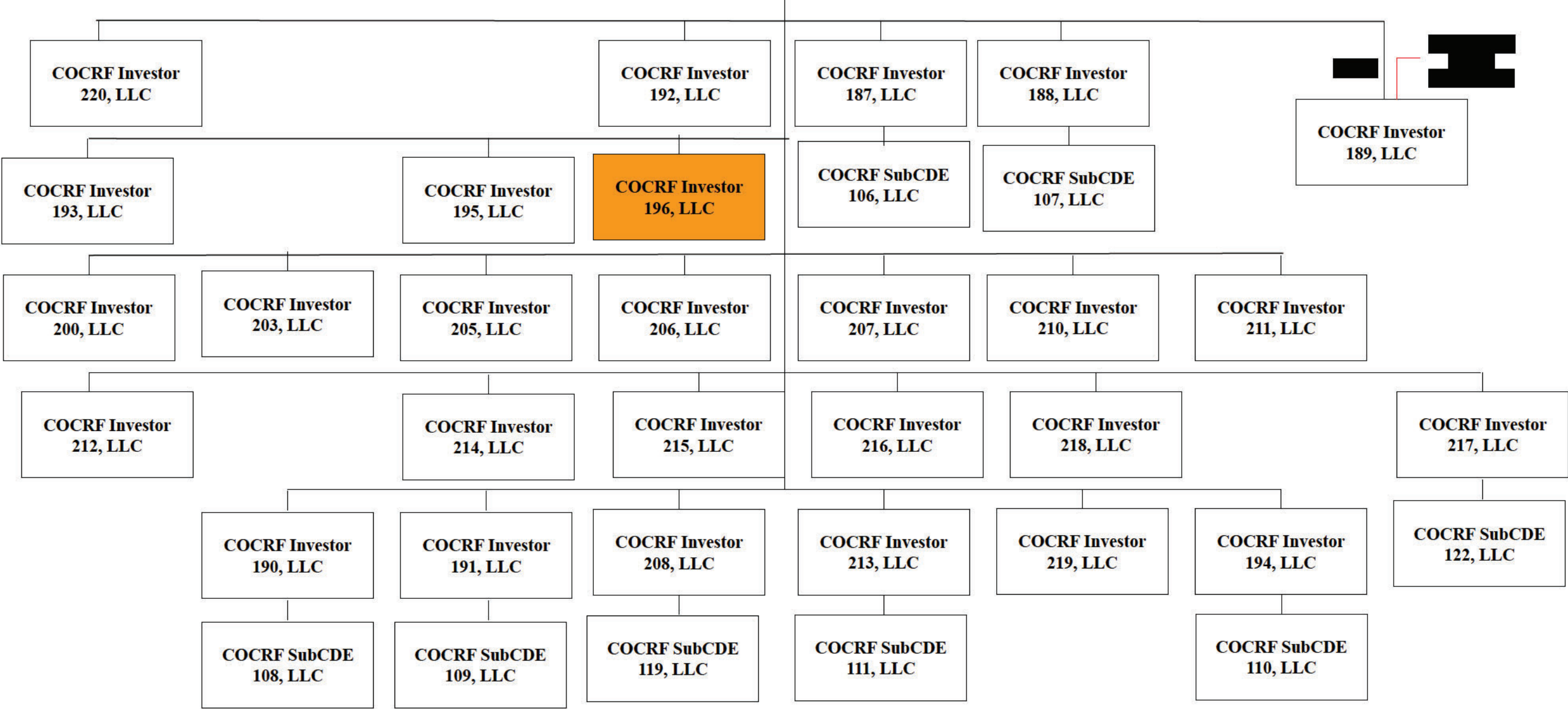
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# Capital One, National Association

(continued)



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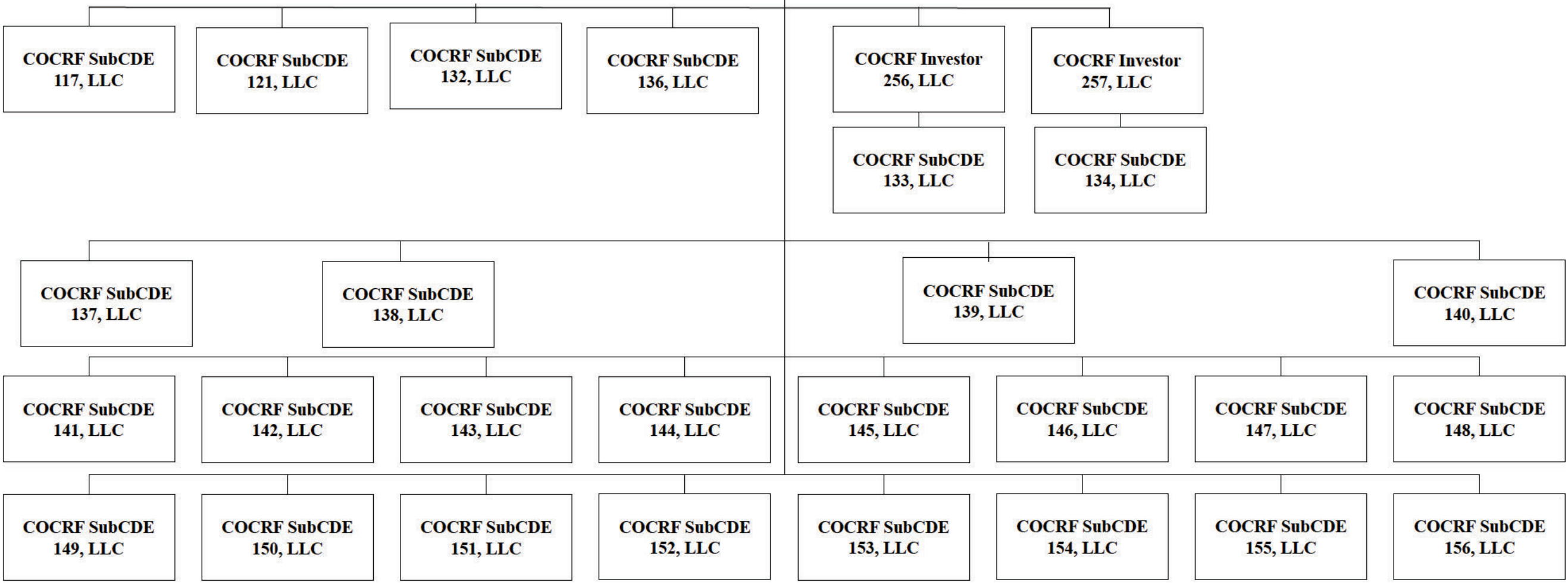
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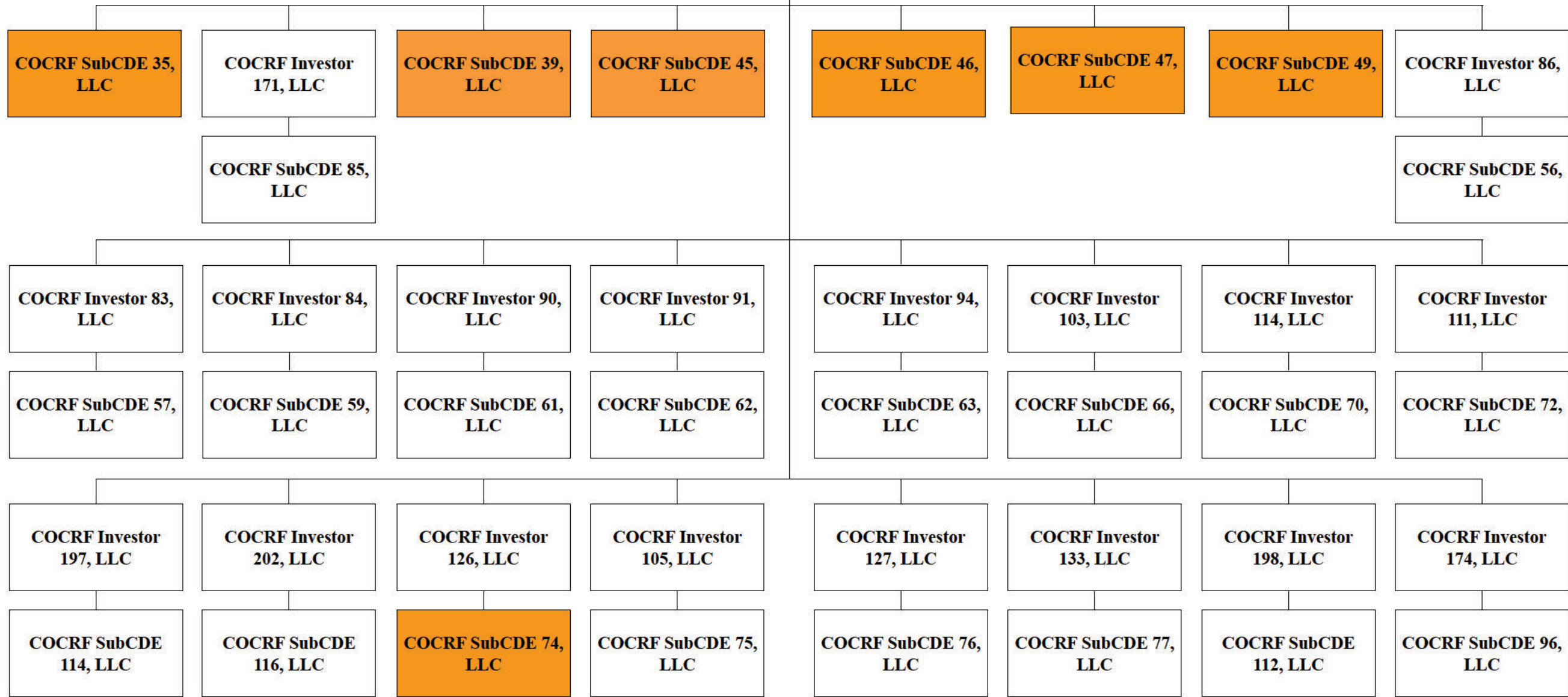
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# Capital One, National Association

(continued)



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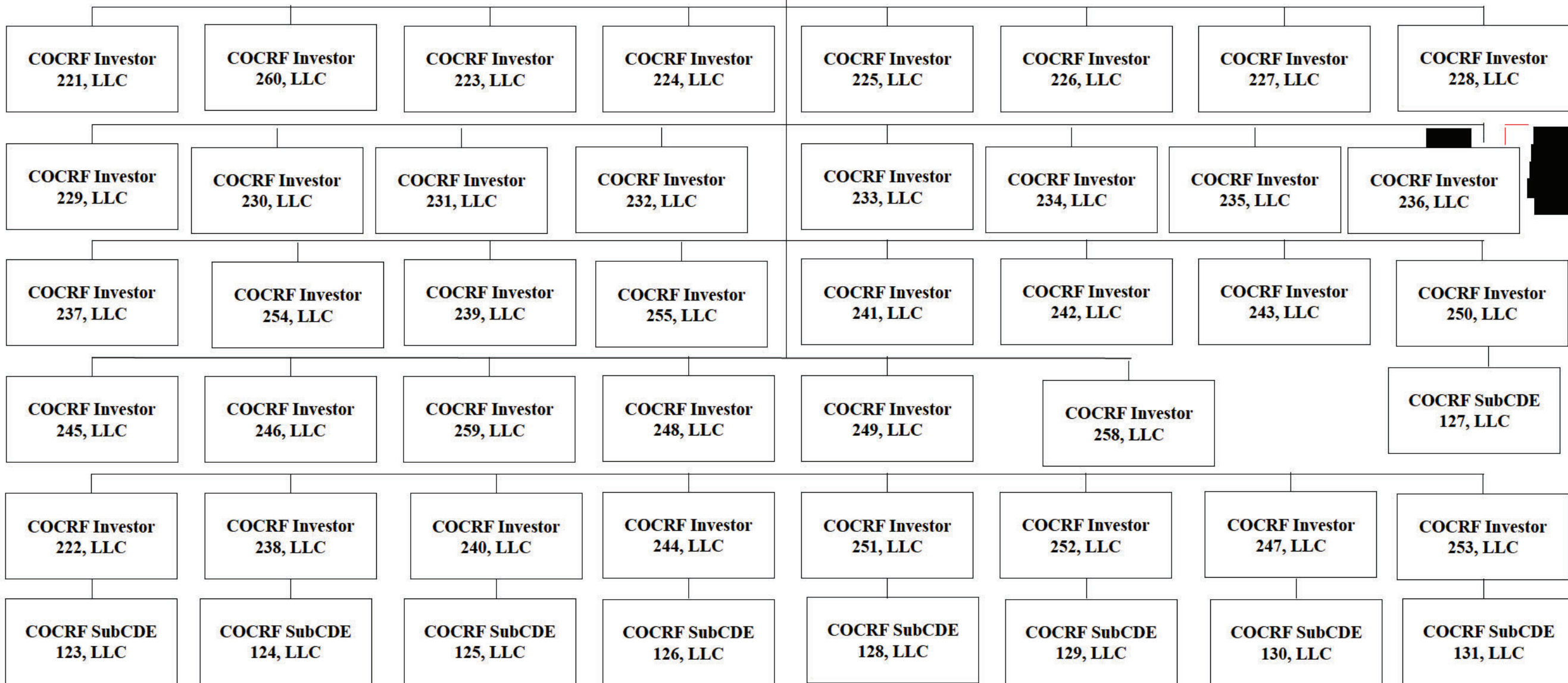
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# Capital One, National Association

(continued)



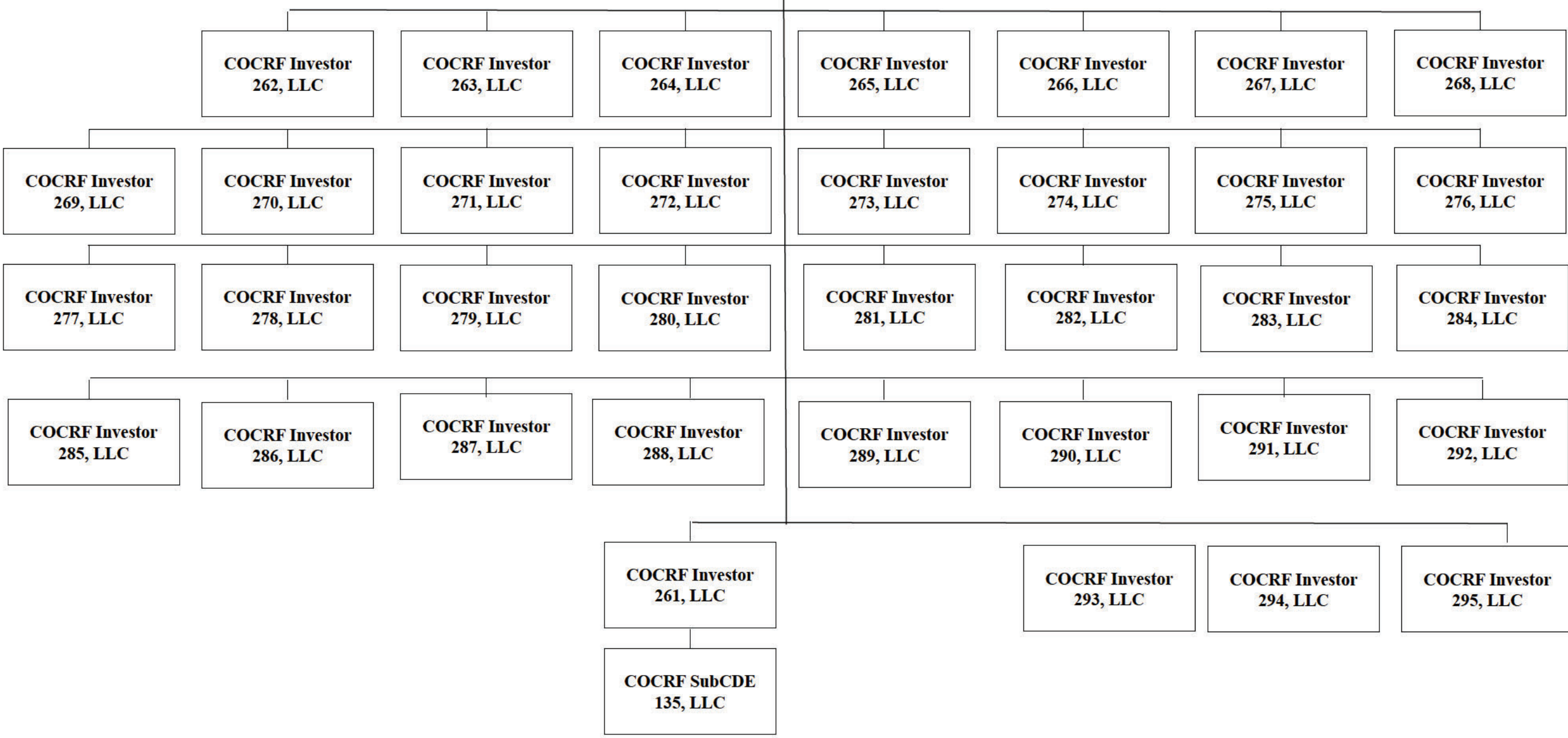
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(continued)



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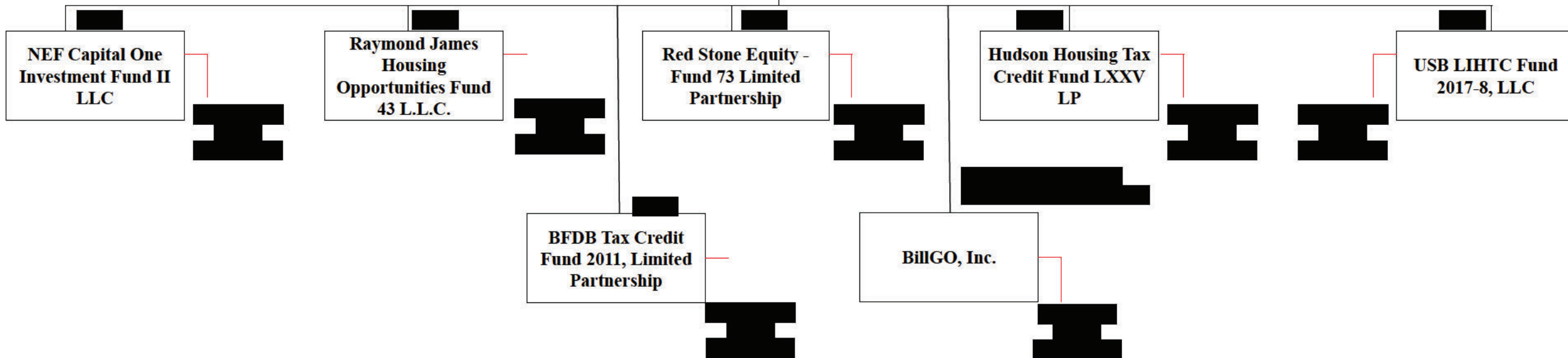
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

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# Capital One, National Association

(continued)



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INFORMATIONAL PURPOSES ONLY – DO NOT CIRCULATE

**Index to:**  
**Certain Resolutions**  
**Presented to**  
**the Board of Directors of**  
**Capital One Financial Corporation**  
**on February 18, 2024**

**RESOLUTIONS RELATED TO TOPIC 6: EXECUTIVE SESSION**

1. [Approval of the Merger Agreement, the Mergers, and the Stock Issuance](#)
2. [Approval of Submission to Stockholders](#)
3. [Approval of Regulatory Filings](#)
4. [Approval of Listing Matters](#)
5. [Approval of Employee Matters and Section 16 Exemption](#)
6. [Approval of Joint Proxy Statement, Prospectus and Other Securities Law Filings](#)
7. [Approval of Agent for Service](#)
8. [Approval of Blue Sky Procedures](#)
9. [Approval of Ancillary Agreements](#)
10. [Approval of Supplemental Indentures](#)
11. [Appointment of Agents and Advisors](#)
12. [Approval of All Appropriate Actions](#)



**Certain Resolutions  
of the  
Board of Directors of  
Capital One Financial Corporation  
February 18, 2024**

**1. Approval of the Merger Agreement, the Mergers, and the Stock Issuance**

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WHEREAS, Capital One Financial Corporation, a Delaware corporation (the “Corporation”), proposes to enter into an Agreement and Plan of Merger (the “Merger Agreement”), by and among the Corporation, Vega Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of the Corporation (“Merger Sub”), and Discover Financial Services, a Delaware corporation (“Discover”) (capitalized terms used in these resolutions and not otherwise defined herein shall have the meaning ascribed thereto in the Merger Agreement);

WHEREAS, the Merger Agreement provides for, among other things, subject to the conditions and limitations set forth therein and on the terms thereof, (a) the merger of Merger Sub with and into Discover (the “Merger”), with Discover continuing as the surviving corporation (the “Surviving Company”), (b) immediately following the Merger and as part of a single, integrated transaction, the merger of the Surviving Company with and into the Corporation (the “Second Step Merger”), with the Corporation continuing as the surviving corporation, (c) the conversion at the effective time of the Merger (the “Effective Time”) of each outstanding share of common stock, par value \$0.01 per share, of Discover (such shares, collectively, the “Discover Common Stock”) (other than certain specified shares as set forth in the Merger Agreement) into the right to receive 1.0192 shares (the “Exchange Ratio,” and such shares, collectively, the “Merger Consideration”) of common stock, par value \$0.01 per share, of the Corporation (such shares, collectively, the “Corporation Common Stock”) and (d) the conversion at the effective time of the Second Step Merger (the “Second Effective Time”) of each outstanding share of (i) Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series C, par value \$0.01 per share, of Discover (such shares, collectively, the “Discover Series C Preferred Stock”) and (ii) 6.125% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series D, par value \$0.01 per share, of Discover (such shares together with the Discover Series C Preferred Stock, the “Discover Preferred Stock”) into the right to receive, without interest, a share of a newly created series of preferred stock of the Corporation, on the terms set forth in the Merger Agreement (such shares of the newly created series of preferred stock of the Corporation collectively, the “New Corporation Preferred Stock”);

WHEREAS, the Merger Agreement provides for the treatment of (a) each restricted stock unit award in respect of Discover Common Stock that is outstanding immediately prior to the Effective Time, (b) each performance stock unit award in respect of shares of Discover Common Stock that is outstanding immediately prior to the Effective Time (collectively, the “Discover Equity Awards”), and (c) the Discover Employee Stock Purchase Plan, in each case as set forth in Section 1.9 of the Merger Agreement (collectively, the “Discover Equity Award Treatment”);

WHEREAS, the Merger Agreement also contemplates the merger of Discover Bank, a Delaware-chartered bank and wholly-owned subsidiary of Discover (“Discover Bank”), with and into Capital One, National Association, a national banking association and wholly owned subsidiary of the Corporation (“CONA”), with CONA continuing as the surviving entity (the aforementioned merger transaction, the “Bank Merger”) and, together with the Merger and Second Step Merger, the “Mergers”), following the Second Step Merger, which Bank Merger shall be effectuated pursuant to the terms of an agreement and plan of merger to be

entered into by Discover Bank and CONA (the “Bank Merger Agreement”) in substantially the form attached to the Merger Agreement;

WHEREAS, it is intended that the Merger and the Second Step Merger, taken together, shall qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the Board of Directors of the Corporation (the “Board of Directors”) has received an opinion from Centerview Partners LLC to the effect that as of the date thereof and based upon and subject to the matters set forth therein, the Exchange Ratio pursuant to the Merger Agreement is fair from a financial point of view to the Corporation;

WHEREAS, at this meeting and prior meetings, the Board of Directors has reviewed and discussed with the Corporation’s and CONA’s management and with their financial and legal advisors the terms of the Merger Agreement, the terms of the Bank Merger Agreement and the transactions contemplated thereby, including, without limitation, the Mergers, the issuance of shares of Corporation Common Stock (including, without limitation, authorized and unissued shares or treasury shares of Corporation Common Stock) (the “Common Stock Issuance”) and New Corporation Preferred Stock in the Mergers on the terms and conditions set forth in the Merger Agreement and the authorization, creation and designation of such New Corporation Preferred Stock (including depository shares in respect thereof) (collectively, together with the Common Stock Issuance, the “Stock Issuance”) and the assumption by the Corporation or CONA or their respective subsidiaries, as applicable, of the outstanding debt, guarantees and other agreements of Discover, Discover Bank or its subsidiaries to the extent required by the terms of such debt, guarantees and other agreements (the “Debt Assumption”), and considering such terms and such other factors as the Board of Directors considers pertinent, the Board of Directors has determined that the Merger Agreement, the Mergers and the other transactions contemplated thereby are advisable and in the best interests of the Corporation and its stockholders; and

WHEREAS, at this meeting and prior meetings, the Board of Directors has reviewed and discussed with the Corporation’s management and with the Corporation’s advisors the compensation and benefits matters set forth in (or related to) the Merger Agreement, including, without limitation, the Discover Equity Award Treatment.

NOW, THEREFORE, BE IT:

RESOLVED, that based upon the presentations made to and discussions held by the Board of Directors at this meeting and documents provided, the Board of Directors (a) determines that the Merger Agreement and the transactions contemplated thereby (including, without limitation, the Mergers, the Stock Issuance, the Debt Assumption and the Discover Equity Award Treatment) are advisable and fair to and in the best interests of the Corporation and its stockholders and declares it advisable to enter into the Merger Agreement, and (b) adopts and approves the Merger Agreement and the other transactions contemplated thereby (including, without limitation, the Mergers, the Stock Issuance, the Debt Assumption and the Discover Equity Award Treatment) with the foregoing approval to be deemed to constitute, without limitation, the requisite approval of the Board of Directors for purposes of the applicable provisions of the Restated Certificate of Incorporation of the Corporation (the “Charter”), the Amended and Restated Bylaws of the Corporation (the “Bylaws”) and the Delaware General Corporation Law (the “DGCL”);

FURTHER RESOLVED, that the President and Chief Executive Officer, Chief Financial Officer and General Counsel and Corporate Secretary of the Corporation (the “Authorized Executives”) be, and each of them hereby is, authorized and empowered for and on behalf of the Corporation and/or its subsidiaries (with all such references to subsidiaries to include, without limitation, CONA) to negotiate, execute, deliver and cause to be performed the Merger Agreement in substantially the form presented to the Board of

Directors at this meeting, with such changes as such Authorized Executive executing the same may approve, the execution and delivery of the Merger Agreement by any such Authorized Executive to be deemed conclusive evidence that each of the Board of Directors and the Corporation has adopted and approved such agreement as executed;

FURTHER RESOLVED, that the Authorized Executives, or any of them acting alone, be, and each of them hereby is, authorized to sign, execute and deliver, for and on behalf of the Corporation, consents evidencing the approval of the Corporation, as the sole stockholder of CONA, of the Bank Merger and the other transactions contemplated by the Bank Merger Agreement, and the approval of the Corporation, as the sole stockholder of the Merger Sub, of the Merger and the other transactions contemplated by the Merger Agreement, in each case, the execution and delivery of such consent by such Authorized Executive to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

FURTHER RESOLVED, that the Proper Officers (as defined below), or any of them acting alone, be, and each of them hereby is, authorized to file, execute, attest, verify, acknowledge and deliver, for and on behalf of the Corporation, any and all articles, notices, certificates, agreements, amendments, instruments and other documents and to perform and do or cause to be performed or done any and all such acts or things and to pay or cause to be paid all necessary consideration, fees and expenses, in each case in the name and on behalf of the Corporation, as they or any of them may deem necessary or advisable to effectuate or carry out the provisions of the Merger Agreement, the Bank Merger Agreement, and the transactions contemplated thereby (including, without limitation, the Mergers, the Stock Issuance, the Debt Assumption, the Discover Equity Award Treatment, and including a customary depositary agreement related to depositary shares to be issued in connection with the New Corporation Preferred Stock and the Stock Issuance) or the intent and purposes of these resolutions in connection with such agreements or the transactions contemplated thereby, the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

FURTHER RESOLVED, that the Board of Directors hereby classifies (i) 5,700 shares of New Corporation Preferred Stock as a new series of fixed-to-floating rate non-cumulative perpetual preferred stock, par value \$0.01 per share, of the Corporation, and (ii) 5,000 shares of New Corporation Preferred Stock as a new series of 6.125% fixed-rate reset non-cumulative perpetual preferred stock, par value \$0.01 per share, of the Corporation, and in connection therewith, hereby constitutes a committee of the Board of Directors consisting of the Chairman and Chief Executive Officer of the Corporation, and that such committee be, and hereby is, authorized and directed, subject to the terms of the Merger Agreement, to determine the preferences, designations, rights and other terms of such New Corporation Preferred Stock and to take any other actions in connection therewith that such committee considers necessary or advisable in connection with the issuance of such New Corporation Preferred Stock, the determination of any such terms and the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has approved such terms and authorized such action, with the issuance of such New Corporation Preferred Stock to be subject to the occurrence of the Second Effective Time;

FURTHER RESOLVED, that each of the Proper Officers shall take any and all actions necessary to reserve for issuance, or cause to be reserved for issuance, such number of shares of Corporation Common Stock and of New Corporation Preferred Stock as is necessary to effectuate the Stock Issuance (including any shares of Corporation Common Stock issuable in respect of Discover Equity Awards in accordance with the Discover Equity Award Treatment), which shares, when issued and delivered in accordance with the Merger Agreement, shall be duly authorized and issued, fully paid and nonassessable and free of any stockholder preemptive or similar rights;



FURTHER RESOLVED, that the Board of Directors hereby approves and adopts the Merger Agreement and the transactions contemplated thereby, including the Mergers, for the express purpose of exempting the execution, delivery and performance of the Merger Agreement and the transactions contemplated thereby, including the Mergers, from the operation of Section 203 of the DGCL and any other applicable “moratorium,” “control share acquisition,” “fair price,” “supermajority,” “affiliate transactions” or “business combination statute or regulation” or other similar state anti-takeover laws or regulations, or any similar provisions of the Charter and the Bylaws, and hereby takes all action necessary to exempt such agreement and transactions therefrom;

## **2. Approval of Submission to Stockholders**

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FURTHER RESOLVED, that the Board of Directors directs that the Common Stock Issuance be submitted to a vote of the holders of shares of Corporation Common Stock entitled to vote thereon at a meeting of such stockholders (the “Meeting”) along with the Board of Directors’ recommendation that such stockholders approve the Common Stock Issuance and any related proposals described in the Joint Proxy Statement (as defined below) and that the Proper Officers, or any of them acting alone, be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to communicate such recommendation to, and to solicit proxies on behalf of the Board of Directors from, such stockholders entitled to vote at the Meeting in favor of such approvals;

FURTHER RESOLVED, that in connection with the Meeting, the Board of Directors hereby constitutes a committee of the Board of Directors (the “Meeting Committee”) consisting of the Chairman and Chief Executive Officer of the Corporation, and that such Meeting Committee be, and hereby is, authorized and directed, subject to the terms of the Merger Agreement, to fix hereafter the date, time and place (if any) of the Meeting and the record date for determining the stockholders entitled to notice of and to vote at the Meeting (the “Record Date”), to appoint proxies as appropriate and to select the inspector of election for the Meeting, and to take any other actions in connection therewith that such Meeting Committee considers desirable or appropriate, in its discretion, the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

FURTHER RESOLVED, that the Proper Officers, or any of them acting alone, be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to mail to the stockholders of record as of the close of business on the Record Date a notice of the Meeting, accompanied by the Joint Proxy Statement and a form of proxy card, and any subsequent soliciting materials as may be necessary or advisable;

## **3. Approval of Regulatory Filings**

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FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized and directed, on behalf of and in the name of the Corporation and/or its subsidiaries, to prepare, sign and file, or cause to be filed, with any applicable federal, state, local or foreign country regulatory or supervisory body, including, without limitation, the Federal Reserve Board, the Office of the Comptroller of the Currency, the Office of the State Bank Commissioner of the State of Delaware, the Federal Deposit Insurance Corporation, the Securities and Exchange Commission (the “Commission”), the Department of Justice and all appropriate state, local, federal or foreign banking, financial, trade, insurance, consumer lending, securities or other regulatory authorities and appropriate stock exchanges, stock markets and self-regulatory

organizations, including, without limitation, The New York Stock Exchange (the “NYSE”), as applicable, all applications, filings, requests for approval, consents, interpretations, or other determinations, notices and other information and documents, and any modifications or supplements thereto, as may be necessary or appropriate in connection with the Merger Agreement, the Bank Merger Agreement, any ancillary agreement and the transactions contemplated thereby (including, without limitation, the Mergers, the Stock Issuance, the Debt Assumption and the Discover Equity Award Treatment), together with all agreements and other information and documents required or appropriate, and any publications required, in connection therewith, the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

FURTHER RESOLVED, that, without limiting the foregoing, the Proper Officers be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation and/or its subsidiaries, to prepare all documentation, to effect all filings and to obtain all permits, consents, approvals and authorizations of all third parties, regulatory and self-regulatory authorities and other governmental authorities necessary to consummate the transactions contemplated by the Merger Agreement, the Bank Merger Agreement and any ancillary agreement (including, without limitation, the Mergers, the Stock Issuance, the Debt Assumption and the Discover Equity Award Treatment), to execute personally or by attorney-in-fact any such required filings or amendments or supplements to any of the foregoing, and to cause any such required filings and any amendments thereto to become effective or otherwise approved, the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

#### **4. Approval of Listing Matters**

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FURTHER RESOLVED, that the Proper Officers of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to prepare, execute, and cause to be filed with the NYSE any and all applications, agreements, forms or other papers as may be necessary or advisable with respect to the listing on the NYSE of the shares of Corporation Common Stock and, as applicable, New Corporation Preferred Stock (or depositary shares in respect thereof) to be issued in connection with the Mergers and the delisting of the Discover Common Stock and the Discover Preferred Stock (including depositary shares in respect thereof) from the NYSE, such applications, agreements, forms or other papers to be in such form as may be approved by the Proper Officer executing the same, the execution thereof by such Proper Officer to be conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

#### **5. Approval of Employee Matters and Section 16 Exemption**

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FURTHER RESOLVED, that based upon the presentations made to the Board of Directors and upon such other matters as were deemed relevant by the Board of Directors, the Board of Directors hereby authorizes and approves the Discover Equity Award Treatment;

FURTHER RESOLVED, that any acquisitions of Corporation Common Stock, New Corporation Preferred Stock (including depositary shares in respect thereof), Corporation equity awards (including any such awards issued pursuant to the Discover Equity Award Treatment) or other equity securities (including derivative securities) of the Corporation in each case pursuant to the transactions contemplated by the Merger Agreement and by an individual who is a “director” or “officer” of Discover or of Discover Bank subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the “Exchange Act”), and, immediately following the Mergers,

will be a “director” or “officer” of the Corporation subject to the reporting requirements of Section 16(a) of the Exchange Act, are hereby approved for all purposes of Rule 16b-3 of the Commission, it being the intent of the Board of Directors to exempt such acquisitions or deemed acquisitions from any liability under Section 16 of the Exchange Act and to adopt any further specific enabling resolutions required by Rule 16b-3;

## **6. Approval of Joint Proxy Statement, Prospectus and Other Securities Law Filings**

FURTHER RESOLVED, that the Proper Officers of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to prepare, sign and file, or cause to be filed, with the Commission any and all statements, reports or other information concerning the Merger Agreement, the Bank Merger Agreement, any ancillary agreement and the transactions contemplated thereby (including, without limitation, the Mergers, the Stock Issuance, the Debt Assumption and the Discover Equity Award Treatment), that may be deemed advisable or may be required under the Exchange Act or the Securities Act of 1933, as amended, and the rules and regulations thereunder (the “Securities Act”), including (a) a joint proxy statement/prospectus relating to the meetings of the Corporation’s and Discover’s stockholders to be held in connection with the Merger Agreement and the transactions contemplated thereby (including any amendments or supplements thereto, the “Joint Proxy Statement”) and (b) a registration statement on Form S-4, which shall include such Joint Proxy Statement as a prospectus, and any amendments, including post-effective amendments or supplements, relating to the shares of Corporation Common Stock or New Corporation Preferred Stock (or depositary shares in respect thereof) issuable in connection with the Mergers (the “S-4”), together with any other documents required or appropriate in connection therewith;

FURTHER RESOLVED, that the Proper Officers of the Corporation be, and each of them hereby is, authorized and directed in the name and on behalf of the Corporation, to take all such other actions and to execute all such documents as such officer may deem necessary or appropriate for compliance with the Securities Act, the Exchange Act or any applicable state securities or similar laws, in connection with the Merger Agreement, the Bank Merger Agreement, any ancillary agreement and the transactions contemplated thereby (including, without limitation, the Mergers, the Stock Issuance, the Debt Assumption and the Discover Equity Award Treatment), the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized and directed in the name and on behalf of the Corporation, to prepare all documentation and to effect all filings (and requests for no-action letters) as may be necessary or advisable under the various securities laws, regulations and rules of the United States or any state or foreign jurisdiction in connection with the Merger Agreement and the transactions contemplated thereby, to execute personally or by attorney-in-fact such documentation and filings or amendments or supplements to any of the foregoing, and to cause such documentation and filings and any amendments and supplements thereto to become effective or otherwise approved, the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

FURTHER RESOLVED, that each officer or director of the Corporation who may be required to sign the S-4 or any amendment, exhibit or other document related thereto, whether on behalf of the Corporation, as an officer or director of the Corporation, or in any other capacity, be, and each hereby is, authorized to execute a power of attorney appointing Richard D. Fairbank and Matthew W. Cooper, and each of them, severally, and their duly elected or appointed successors in office, as his or her attorney and agent, with full

power of substitution and resubstitution, on his or her behalf in any such capacity to sign and file the S-4 and any and all amendments, exhibits and other documents related thereto that any such attorney or substitute may deem necessary or advisable to be filed with the Commission, with full power and authority to perform and do any and all acts and things whatsoever that any such attorney or substitute may deem necessary or advisable to be performed or done in connection with any or all of the matters described in these resolutions, as fully as such officer or director might or could do if personally present and acting and as fully as the Corporation might or could do by a properly authorized agent;

#### **7. Approval of Agent for Service**

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FURTHER RESOLVED, that the Chief Executive Officer or the General Counsel and Corporate Secretary of the Corporation, or such Proper Officer as either of them may designate be, and hereby is, appointed as “Agent for Service” of the Corporation to receive notices, orders, communications and other documents from the Commission in connection with the S-4 and any and all amendments and supplements thereto, with all the powers incident to such appointment;

#### **8. Approval of Blue Sky Procedures**

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FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take any and all actions that such Proper Officer may deem necessary or advisable in order to obtain a permit for, or register or qualify, the Corporation Common Stock or the New Corporation Preferred Stock (or depositary shares in respect thereof) that may be issued in connection with the Mergers, for the Stock Issuance or to request an exemption from registration of the Corporation Common Stock or the New Corporation Preferred Stock (or depositary shares in respect thereof), or to register or obtain a license for the Corporation as a dealer or broker under the securities laws of such states of the United States of America and of such foreign jurisdictions as such officers or any of them may deem advisable, and in connection with such registrations, permits, licenses, qualifications and exemptions, to execute, acknowledge, verify, deliver, file and publish or cause to be published all such applications, reports, resolutions, surety bonds, consents to service of process, appointments of attorneys to receive service of process, powers of attorney and other papers and instruments and to take any and all further action that they or any of them may deem necessary or advisable in order to maintain such registrations, permits, licenses, qualifications and exemptions in effect for as long as they may deem to be in the best interests of the Corporation, the execution by any such officer of any such document or the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and file irrevocable written consents on the part of the Corporation to be used in such states of the United States of America wherein such consents to service of process may be requisite under the securities laws thereof in connection with said registrations, permits, licenses, qualifications or exemptions, and to appoint the appropriate state official agent of the Corporation for the purpose of receiving and accepting process;

#### **9. Approval of Ancillary Agreements**

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FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized to approve such ancillary agreements related to the Merger Agreement, the Bank Merger Agreement and the transactions contemplated thereby (including, without limitation, the Mergers, the Stock Issuance, the Debt Assumption and the Discover Equity Award Treatment) as are in the judgment of the Proper Officers necessary or appropriate to effect any of the Mergers, and the Proper Officers are hereby authorized and directed to execute and deliver any such ancillary agreements in the name and on behalf of the Corporation and its subsidiaries as any such Proper Officer deems necessary or appropriate to effect any of the Mergers or the other transactions contemplated by the Merger Agreement, and the Corporation is authorized to pay any and all expenses and fees arising in connection therewith, the execution and delivery of any such ancillary agreements by such Proper Officer to be deemed conclusive evidence that the same has been authorized and approved by each of the Board of Directors and the Corporation;

#### **10. Approval of Supplemental Indentures**

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FURTHER RESOLVED, that the Proper Officers, or any of them acting alone, be, and each of them hereby is, authorized, for and on behalf of the Corporation, to execute and deliver such supplemental indentures, certificates, opinions of counsel, guarantees and other instruments as are determined by such Proper Officer to be necessary or appropriate for the Debt Assumption, the execution and delivery of any such supplemental indentures, certificates, opinions of counsel, guarantees and other instruments by such Proper Officer to be deemed conclusive evidence that the same has been authorized and approved by each of the Board of Directors and the Corporation;

#### **11. Appointment of Agents and Advisors**

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FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation and/or its subsidiaries, to appoint an exchange agent as contemplated in the Merger Agreement (the “Exchange Agent”), and to execute and deliver such agreements, documents, certificates and instruments as may be reasonably requested by the Exchange Agent in connection with its appointment or in connection with the delivery of the Merger Consideration or the New Corporation Preferred Stock (or depository shares in respect thereof), the execution thereof by any such Proper Officer to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation and/or its subsidiaries, to retain such legal, financial, accounting and other advisors, proxy solicitors agents with respect to the Merger Agreement, the Bank Merger Agreement and the transactions contemplated thereby, including the Mergers, the Stock Issuance, the Debt Assumption and the Discover Equity Award Treatment, as such Proper Officers shall deem necessary or advisable, and the Corporation and/or its subsidiaries is hereby authorized to execute and deliver such agreements or other documents with such agents and advisors on such terms as such Proper Officers may deem necessary or appropriate, and that the Corporation and/or its subsidiaries is hereby authorized to pay any and all expenses and fees arising in connection therewith, the execution by any such Proper Officer of any such document or the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action, and without limiting the foregoing, the retention of Centerview Partners LLC, be, and hereby is, ratified, confirmed and approved;



## 12. Approval of All Appropriate Actions

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FURTHER RESOLVED, that the Proper Officers or any of them acting alone be, and each of them hereby is, authorized and directed, for and on behalf of the Corporation, to take or cause to be taken any and all action that they may deem necessary or appropriate to communicate the position of the Board of Directors, as set forth in these resolutions, to the Corporation's stockholders, including, without limitation, the dissemination of such position by means of press releases and letters to stockholders of the Corporation, the taking of any such action conclusively to evidence the due authorization and approval thereof by the Board of Directors;

FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized, in the name and on behalf of the Corporation and/or its subsidiaries, to prepare, execute, deliver and file, or cause to be prepared, executed, delivered and filed, such agreements, amendments, certificates, reports, applications, notices, letters, opinions, documents, instruments or other papers and to do or cause to be done all such acts and things as the Proper Officers, or each of them, may deem necessary or appropriate to effect fully the intent and purposes of these resolutions;

FURTHER RESOLVED, that the Authorized Executives be, and each of them hereby is, authorized, directed and empowered to authorize the execution by the Proper Officers of the Corporation of any and all agreements, instruments and other documents necessary or desirable to effect the transactions contemplated by the Merger Agreement or any ancillary agreement, in the name and on behalf of the Corporation and/or its subsidiaries, as such Proper Officer may deem appropriate to effectuate or carry out the purpose and intent of the foregoing resolutions and to perform the obligations of the Corporation and/or its subsidiaries in connection with the foregoing resolutions;

FURTHER RESOLVED, that the signature of any Proper Officer on any document requiring the signature of a Proper Officer shall conclusively evidence his or her approval of such document;

FURTHER RESOLVED, that any and all actions heretofore or hereafter taken by any of the directors, officers, representatives or agents of the Corporation or any of its subsidiaries in connection with the Merger Agreement or the Bank Merger Agreement or otherwise referred to in these resolutions, be, and each of the same hereby is, ratified, confirmed and approved as the act and deed of the Corporation and/or such subsidiary, as applicable;

FURTHER RESOLVED, that the "Proper Officers" for purposes of the foregoing resolutions, be, and they hereby are, as follows: each Authorized Executive; the President, U.S. Card; the Executive Vice President, Corporate Development; the Treasurer; their respective assistant officers; and any other executives of the Corporation designated by any Authorized Executive for the purpose of carrying out the foregoing resolutions;

FURTHER RESOLVED, that the Board of Directors hereby adopts and incorporates by reference any form of specific resolution to carry into effect the purpose and intent of the foregoing resolutions, or covering authority included in matters authorized in the foregoing resolutions, including, without limitation, forms of resolutions in connection therewith that may be required by any authority or third party to be adopted or filed in connection with any application, consent to service or other reports, documents or filings relating to these resolutions, if, in the opinion of any Proper Officer, the adoption of such resolution is necessary or advisable, and the Secretary of the Corporation hereby is directed to insert a copy thereof in the minute books of the Corporation following any such action and to certify the same as having been duly adopted thereby; and

FURTHER RESOLVED, that any resolutions inconsistent with the foregoing or with any action of any Proper Officer pursuant to the foregoing are hereby modified or rescinded so as to be consistent herewith and therewith.



**Index to:**  
**Certain Resolutions**  
**Presented to**  
**the Board of Directors of**  
**Capital One, National Association**  
**on February 18, 2024**

**RESOLUTIONS RELATED TO TOPIC 6: EXECUTIVE SESSION**

1. [Approval of Bank Merger Agreement and the Bank Merger](#)
2. [Approval of Regulatory Filings](#)
3. [Approval of Ancillary Agreements](#)
4. [Approval of Supplemental Indentures](#)
5. [Appointment of Agents and Advisors](#)
6. [Approval of All Appropriate Actions](#)

**Certain Resolutions  
of the  
Board of Directors of  
Capital One, National Association  
February 18, 2024**

**1. Approval of the Bank Merger Agreement and the Bank Merger**

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WHEREAS, Capital One Financial Corporation, a Delaware corporation (the “Corporation”) proposes to enter into an Agreement and Plan of Merger (the “Merger Agreement”), by and among the Corporation, Vega Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of the Corporation (“Merger Sub”), and Discover Financial Services, a Delaware corporation (“Discover”) (capitalized terms used in these resolutions and not otherwise defined herein shall have the meaning ascribed thereto in the Merger Agreement);

WHEREAS, the Merger Agreement provides for, among other things, subject to the conditions and limitations set forth therein and on the terms thereof, (a) the merger of Merger Sub with and into Discover (the “Merger”), with Discover continuing as the surviving corporation (the “Surviving Company”) and (b) immediately following the Merger and as part of a single, integrated transaction, the merger of the Surviving Company with and into the Corporation (the “Second Step Merger”), with the Corporation continuing as the surviving corporation;

WHEREAS, the Merger Agreement also contemplates the merger of Discover Bank , a Delaware-chartered bank and wholly-owned subsidiary of Discover (“Discover Bank”), with and into Capital One, National Association, a national banking association and wholly-owned subsidiary of the Corporation (“CONA”) (the aforementioned merger transaction, the “Bank Merger” and, together with the Merger and Second Step Merger, the “Mergers”), following the Second Step Merger, which Bank Merger shall be effectuated pursuant to the terms of an agreement and plan of merger to be entered into by Discover Bank and CONA (the “Bank Merger Agreement”) in substantially the form attached to the Merger Agreement; and

WHEREAS, at this meeting and prior meetings, the Board of Directors of CONA (the “Board of Directors”) has reviewed and discussed with the Corporation’s and CONA’s management and with their financial and legal advisors the terms of the Merger Agreement, the terms of the Bank Merger Agreement and the transactions contemplated thereby, including, without limitation, the Bank Merger and the assumption by CONA of Discover Bank’s outstanding debt, guarantees and other agreements to the extent required by the terms of such debt, guarantees and other agreements (the “Debt Assumption”), and considering such terms and such other factors as the Board of Directors considers pertinent, the Board of Directors has determined that the Bank Merger Agreement, the Bank Merger and the other transactions contemplated thereby are advisable and in the best interests of CONA and its sole stockholder.

NOW, THEREFORE, BE IT:

RESOLVED, that based upon the presentations made to and upon such other matters as were deemed relevant by the Board of Directors at this meeting and documents provided, the Board of Directors (a) determines that the Bank Merger Agreement and the transactions contemplated thereby (including, without limitation, the Bank Merger and the Debt Assumption) are advisable and fair to and in the best interests of CONA and its sole stockholder and declares it advisable to enter into the Bank Merger Agreement, and (b) adopts and approves the Bank Merger Agreement and the transactions contemplated thereby (including,

without limitation, the Bank Merger and the Debt Assumption) with the foregoing approval to be deemed to constitute, without limitation, the requisite approval of the Board of Directors for purposes of the applicable provisions of the Amended and Restated Articles of Association of CONA, the Amended and Restated Bylaws of CONA, and the laws, regulations, and rules of the United States of America (including, without limitation, Chapter 2 of Title 12 of the United States Code and the rules and regulations promulgated thereunder);

FURTHER RESOLVED, that the President and Chief Executive Officer, the Chief Financial Officer, and the General Counsel and Corporate Secretary of CONA (the “Authorized Executives”) be, and each of them hereby is, authorized and empowered, for and on behalf of CONA and/or its subsidiaries to negotiate, execute, deliver and cause to be performed the Bank Merger Agreement in substantially the form presented to the Board of Directors at this meeting, with such changes as such Authorized Executive executing the same may approve, the execution and delivery of the Bank Merger Agreement by any such Authorized Executive to be deemed conclusive evidence that each of the Board of Directors and CONA has adopted and approved such agreement as executed;

FURTHER RESOLVED, that the Proper Officers (as defined below), or any of them acting alone, be, and each of them hereby is, authorized to file, execute, attest, verify, acknowledge and deliver, for and on behalf of CONA, any and all articles, notices, certificates, agreements, amendments, instruments and other documents and to perform and do or cause to be performed or done any and all such acts or things and to pay or cause to be paid all necessary consideration, fees and expenses, in each case in the name and on behalf of CONA, as they or any of them may deem necessary or advisable to effectuate or carry out the provisions of the Bank Merger Agreement and the transactions contemplated thereby (including, without limitation, the Bank Merger and the Debt Assumption) or the intent and purposes of these resolutions in connection with such agreements or the transactions contemplated thereby, the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and CONA has authorized such action;

FURTHER RESOLVED, that the Board of Directors hereby recommends that the Bank Merger Agreement be approved by the Corporation in its capacity as the sole stockholder of CONA;

## **2. Approval of Regulatory Filings**

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FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized and directed, on behalf of and in the name of CONA, to prepare, sign and file, or cause to be filed, with any applicable federal, state, local or foreign country regulatory or supervisory body, including, without limitation, the Federal Reserve Board, the Office of the Comptroller of the Currency, the Office of the State Bank Commissioner of the State of Delaware, the Federal Deposit Insurance Corporation, the Department of Justice and all appropriate state, local, federal or foreign banking, financial, trade, insurance, consumer lending, securities or other regulatory authorities and appropriate stock exchanges, stock markets and self-regulatory organizations, as applicable, all applications, filings, requests for approval, consents, interpretations, or other determinations, notices and other information and documents, and any modifications or supplements thereto, as may be necessary or appropriate in connection with the Bank Merger Agreement, any ancillary agreement and the transactions contemplated thereby (including, without limitation, the Bank Merger and the Debt Assumption), together with all agreements and other information and documents required or appropriate, and any publications required, in connection therewith, the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and CONA has authorized such action;

FURTHER RESOLVED, that, without limiting the foregoing, the Proper Officers be, and each of them hereby is, authorized and directed, in the name and on behalf of CONA and/or its subsidiaries, to prepare all documentation, to effect all filings and to obtain all permits, consents, approvals and authorizations of all third parties, regulatory and self-regulatory authorities and other governmental authorities necessary to consummate the transactions contemplated by the Bank Merger Agreement and any ancillary agreement (including, without limitation, the Bank Merger and the Debt Assumption), to execute personally or by attorney-in-fact any such required filings or amendments or supplements to any of the foregoing, and to cause any such required filings and any amendments thereto to become effective or otherwise approved, the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and CONA has authorized such action;

### **3. Approval of Ancillary Agreements**

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FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized to approve such ancillary agreements related to the Bank Merger Agreement and the transactions contemplated thereby (including, without limitation, the Bank Merger and the Debt Assumption) as are in the judgment of the Proper Officers necessary or appropriate, and the Proper Officers are hereby authorized and directed to execute and deliver any such ancillary agreements in the name and on behalf of CONA and its subsidiaries as any such Proper Officer deems necessary or appropriate to effect the Bank Merger, the Debt Assumption or the other transactions contemplated by the Bank Merger Agreement and CONA is authorized to pay any and all expenses and fees arising in connection therewith, the execution and delivery of any such ancillary agreements by such Proper Officer to be deemed conclusive evidence that the same have been authorized and approved by each of the Board of Directors and CONA;

### **4. Approval of Supplemental Indentures**

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FURTHER RESOLVED, that the Proper Officers, or any of them acting alone, be, and each of them hereby is, authorized, for and on behalf of CONA, to execute and deliver such supplemental indentures, certificates, opinions of counsel guarantees and other instruments as are determined by such Proper Officer to be necessary or appropriate for the Debt Assumption, the execution and delivery of any such supplemental indentures, certificates, opinions of counsel, guarantees and other instruments by such Proper Officer to be deemed conclusive evidence that the same have been authorized and approved by each of the Board of Directors and CONA;

### **5. Appointment of Agents and Advisors**

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FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized and directed, in the name and on behalf of CONA and/or its subsidiaries, to retain such legal, financial, accounting and other advisors, proxy solicitors and agents with respect to the Bank Merger Agreement and the transactions contemplated thereby, including the Bank Merger and the Debt Assumption, as such Proper Officers shall deem necessary or advisable, and CONA and/or its subsidiaries is hereby authorized to execute and deliver such agreements or other documents with such agents and advisors on such terms as such Proper Officers may deem necessary or appropriate, and that CONA and/or its subsidiaries is hereby authorized to pay any and all expenses and fees arising in connection therewith, the execution by any such Proper Officer of any such document or the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and CONA has authorized such action;

## **6. Approval of All Appropriate Actions**

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FURTHER RESOLVED, that the Proper Officers be, and each of them hereby is, authorized, in the name and on behalf of CONA and/or its subsidiaries, to prepare, execute, deliver and file, or cause to be prepared, executed, delivered and filed, such agreements, amendments, certificates, reports, applications, notices, letters, opinions, documents, instruments or other papers and to do or cause to be done all such acts and things as the Proper Officers, or each of them, may deem necessary or appropriate to effect fully the intent and purposes of these resolutions;

FURTHER RESOLVED, that the Authorized Executives be, and each of them hereby is, authorized, directed and empowered to authorize the execution by the Proper Officers of CONA of any and all agreements, instruments and other documents necessary or desirable to effect the transactions contemplated by the Bank Merger Agreement or any ancillary agreement, in the name and on behalf of CONA and/or its subsidiaries, as such Proper Officer may deem appropriate to effectuate or carry out the purpose and intent of the foregoing resolutions and to perform the obligations of CONA and/or its subsidiaries in connection with the foregoing resolutions;

FURTHER RESOLVED, that the signature of any Proper Officer on any document requiring the signature of a Proper Officer shall conclusively evidence his or her approval of such document;

FURTHER RESOLVED, that any and all actions heretofore or hereafter taken by any of the directors, officers, representatives or agents of CONA or any of its subsidiaries, in connection with the Bank Merger Agreement or otherwise referred to in these resolutions, be, and each of the same hereby is, ratified, confirmed and approved as the act and deed of CONA and/or such subsidiary, as applicable;

FURTHER RESOLVED, that the “Proper Officers” for purposes of the foregoing resolutions, be, and they hereby are, as follows: each Authorized Executive; the President, U.S. Card; the Executive Vice President, Corporate Development; the Treasurer; their respective assistant officers, if applicable; and any other executives of CONA designated by any Authorized Executive for the purpose of carrying out the foregoing resolutions;

FURTHER RESOLVED, that the Board of Directors hereby adopts and incorporates by reference any form of specific resolution to carry into effect the purpose and intent of the foregoing resolutions, or covering authority included in matters authorized in the foregoing resolutions, including, without limitation, forms of resolutions in connection therewith that may be required by any authority or third party to be adopted or filed in connection with any application, consent to service or other reports, documents or filings relating to these resolutions, if, in the opinion of any Proper Officer, the adoption of such resolution is necessary or advisable, and the Secretary of CONA hereby is directed to insert a copy thereof in the minute books of CONA following any such action and to certify the same as having been duly adopted thereby; and

FURTHER RESOLVED, that any resolutions inconsistent with the foregoing or with any action of any Proper Officer pursuant to the foregoing are hereby modified or rescinded so as to be consistent herewith and therewith.

## EXECUTION VERSION

**WRITTEN CONSENT OF THE SOLE STOCKHOLDER OF  
CAPITAL ONE, NATIONAL ASSOCIATION**

The undersigned, being the sole stockholder (the “Sole Stockholder”) of Capital One, National Association (“Capital One Bank”), a national banking association and a wholly-owned subsidiary of Capital One Financial Corporation, a Delaware corporation (“Capital One”), hereby waives any and all requirements of notice of a meeting of the stockholders of Capital One Bank and any other notices that may be required by law, Capital One Bank’s Amended and Restated Bylaws (the “Bylaws”) or otherwise, and hereby consents to and adopts the following resolutions in lieu of holding a meeting of the stockholders of Capital One Bank pursuant to Section 2.11 of the Bylaws:

**WHEREAS**, Capital One, Vega Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Capital One (“Merger Sub”), and Discover Financial Services, a Delaware corporation (“Discover”), have entered into an Agreement and Plan of Merger, dated as of February 19, 2024 (as amended or supplemented from time to time, the “Holding Company Agreement”);

**WHEREAS**, the Holding Company Agreement provides for, among other things, on the terms and subject to the conditions thereof, (1) the merger of Merger Sub with and into Discover (the “First Merger”), with Discover continuing as the surviving corporation (the “Surviving Company”) in the First Merger, (2) immediately following the First Merger and as part of a single, integrated transaction, the merger of the Surviving Company with and into Capital One (the “Second Step Merger”), with Capital One continuing as the surviving corporation and (3) following the Second Step Merger, the merger of Discover Bank, a Delaware-chartered bank and wholly-owned subsidiary of Discover (“Discover Bank”), with and into Capital One Bank (the “Bank Merger”), with Capital One Bank as the surviving entity in the Bank Merger, pursuant to an Agreement and Plan of Merger (as amended or supplemented from time to time, the “Bank Merger Agreement”) between Capital One Bank and Discover Bank, which is attached hereto as Exhibit A; and

**WHEREAS**, the Board of Directors of Capital One Bank determined that the Bank Merger Agreement and the transactions contemplated thereby (including, without limitation, the Bank Merger) are advisable and fair to and in the best interests of Capital One Bank and its sole stockholder, declared it advisable to enter into the Bank Merger Agreement, and adopted and approved the transactions contemplated thereby (including, without limitation, the Bank Merger).

**NOW, THEREFORE, BE IT RESOLVED**, that the Bank Merger Agreement and the consummation of the transactions contemplated thereby, including, without limitation, the Bank Merger, be, and hereby are, approved.

Executed effective as of February 19, 2024

**CAPITAL ONE FINANCIAL CORPORATION**

By: 

Name: Matthew W. Cooper

Title: General Counsel and Corporate  
Secretary

*[Written Consent of the Sole Stockholder of Capital One, National Association]*



**Exhibit A**

**Bank Merger Agreement**

**VEGA MERGER SUB, INC.**

**WRITTEN CONSENT OF THE SOLE STOCKHOLDER**

February 19, 2024

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The undersigned, Capital One Financial Corporation, a Delaware corporation (“Parent”), being the stockholder of record of all of the issued and outstanding shares of common stock, par value \$0.01 per share, of Vega Merger Sub, Inc., a Delaware corporation (“Merger Sub”), does hereby consent to, approve and adopt, as of the date first written above, the following resolutions, in accordance with Section 228(a) of the General Corporation Law of the State of Delaware and Article II, Section 6 of the Bylaws of Merger Sub:

**WHEREAS**, the Board of Directors of Merger Sub has declared it advisable and in the best interests of Merger Sub and its sole stockholder that (a) Merger Sub merge with and into Discover Financial Services, a Delaware corporation (“Discover,” and such Merger, the “Merger”) with Discover continuing as the surviving corporation (thereinafter, the “Surviving Company”) in the Merger and (b) immediately following the Merger and as part of a single, integrated transaction, Parent will cause the Surviving Company to be merged with and into Parent (the “Second Step Merger”, and together with the Merger, the “Mergers”), with Parent continuing as the surviving corporation in the Second Step Merger, upon the terms and subject to the conditions set forth in the Agreement and Plan of Merger by and among Parent, Merger Sub, and Discover, a form of which is attached hereto as Exhibit A (the “Merger Agreement”);

**WHEREAS**, the Board of Directors of Merger Sub has approved, adopted, and declared advisable the Merger Agreement and the transactions contemplated thereby (including, without limitation, the Mergers), with such amendments and modifications as the officers of Merger Sub may approve from time to time; and

**WHEREAS**, the Board of Directors of Merger Sub has recommended to its sole stockholder the approval and adoption of the Merger Agreement and the transactions contemplated thereby (including, without limitation, the Mergers), with such amendments and modifications as the officers of Merger Sub may approve from time to time.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**


**RESOLVED**, that Parent, in its capacity as the sole stockholder of Merger Sub, hereby approves and adopts the Merger Agreement and the transactions contemplated thereby (including, without limitation, the Mergers) in all respects, with such amendments and modifications as the officers of Merger Sub may approve from time to time, and such approval and adoption shall constitute approval and adoption of the transactions contemplated by the Merger Agreement for purposes of Section 251 of the DGCL; and

**RESOLVED**, further, that the resolutions dated as of February 19, 2024 and unanimously adopted by the Board of Directors of Merger Sub, a true copy of which is attached hereto as Exhibit B, are hereby approved in all respects.

*[Signature page to follow]*

*[Signature Page to Written Consent of the Sole Stockholder of Vega Merger Sub, Inc.]*

**CAPITAL ONE FINANCIAL  
CORPORATION**

By:   
Name: Matthew W. Cooper  
Title: General Counsel and Corporate  
Secretary

*[Signature Page to Written Consent of the Sole Stockholder of Vega Merger Sub, Inc.]*

**EXHIBIT A**

**Form of Merger Agreement**

**Exhibit A**

Form of Bank Merger Agreement

**EXHIBIT B**

Resolutions of Vega Merger Sub, Inc.



**VEGA MERGER SUB, INC.  
UNANIMOUS WRITTEN CONSENT  
OF THE SOLE DIRECTOR**

February 19, 2024

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The undersigned, being the sole director of Vega Merger Sub, Inc., a Delaware corporation (the “Corporation”), acting by written consent and in accordance with the provisions of Section 141(f) of the General Corporation Law of the State of Delaware and Article III, Section 9 of the Bylaws of the Corporation, does hereby adopt the following resolutions:

**WHEREAS**, as a result of the acceptance of the subscription of Capital One Financial Corporation, a Delaware corporation (“Parent”), Parent directly owns all of the outstanding shares of stock of the Corporation;

**WHEREAS**, the Board of Directors of the Corporation (the “Board of Directors”) has determined that it is advisable and in the best interests of the Corporation and Parent, the sole stockholder of the Corporation (the “Sole Stockholder”), that (a) Merger Sub merge with and into Discover Financial Services, a Delaware corporation (“Discover,” and such Merger, the “Merger”) with Discover continuing as the surviving corporation (thereinafter, the “Surviving Company”) in the Merger and (b) immediately following the Merger and as part of a single, integrated transaction, Parent will cause the Surviving Company to be merged with and into Parent (the “Second Step Merger”, and together with the Merger, the “Mergers”), with Parent continuing as the surviving corporation in the Second Step Merger, upon the terms and subject to the conditions set forth in the Agreement and Plan of Merger by and among Parent, the Corporation, and Discover, substantially in the form attached hereto as Exhibit A (the “Merger Agreement”); and

**WHEREAS**, the Board of Directors has reviewed and considered the terms of the Merger Agreement and the transactions contemplated thereby and finds that the Mergers and the other transactions contemplated thereby are advisable and are fair to and in the best interests of the Corporation and the Sole Stockholder.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

Approval of the Mergers

**RESOLVED**, that the Board of Directors determines that the terms of the Merger Agreement and the transactions contemplated thereby (including the Mergers) are fair to and in the best interests of the Corporation and the Sole Stockholder, and declares it advisable to enter into the Merger Agreement in the form attached hereto as Exhibit A, with such amendments and modifications as the officers of the Corporation may approve from time to time;

**RESOLVED**, further, that the Board of Directors hereby approves, adopts, and declares advisable the Merger Agreement and the transactions contemplated thereby (including, without limitation, the Mergers) in all respects;

**RESOLVED**, further, that the Board of Directors hereby recommends to the Sole Stockholder the approval, and adoption of the Merger Agreement and the transactions contemplated thereby (including, without limitation, the Mergers), and directs that the approval and adoption of the Merger Agreement be submitted to the Sole Stockholder;

**RESOLVED**, further, that the officers of the Corporation be, and each hereby is, authorized to execute the Merger Agreement, with such changes thereto or amendments thereof as the officer or officers executing the same shall approve, the execution and delivery thereof to be deemed conclusive evidence of such approval, submit the Merger Agreement to the Sole Stockholder for its approval and adoption, and, subject to the requisite approval and adoption of the Merger Agreement by the Sole Stockholder, to take any and all other actions they may deem necessary or advisable in order to make the Mergers effective, including, but not limited to, filing a Certificate of Merger in the Office of the Secretary of State of the State of Delaware, and to complete the transactions contemplated thereby (including, without limitation, the Mergers);

#### Regulatory Matters

**RESOLVED**, further, that the officers of the Corporation be, and each hereby is, authorized, in the name and on behalf of the Corporation, to prepare, sign and file, or cause to be filed, with any applicable federal, state, local or foreign country executive, legislative, regulatory or supervisory body, including any stock exchanges, all applications, requests for approval, consents, interpretations or other notices, determinations and other information and documents, and any modifications or supplements thereto, as and to the extent required, applicable or advisable in connection with the Merger Agreement (as may be amended from time to time) and the transactions contemplated therein, including the Mergers, the taking of any such action to be deemed conclusive evidence that the Board of Directors and the Corporation have authorized such action;

**RESOLVED**, that, without limiting the foregoing, the officers of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation to prepare all documentation, to effect all filings and to obtain all permits, consents, approvals and authorizations of all third parties, regulatory and self-regulatory authorities and other governmental authorities necessary to consummate the transactions contemplated by the Merger Agreement (including, without limitation, the Mergers), to execute personally or by attorney-in-fact any such required filings or amendments or supplements to any of the foregoing, and to cause any such required filings and any amendments thereto to become effective or otherwise approved, the taking of any such action to be deemed conclusive evidence that each of the Board of Directors and the Corporation has authorized such action;

#### Securities Law Filings

**RESOLVED**, further, that the proper officers of the Corporation be, and each of them hereby is, authorized, in the name and on behalf of the Corporation, to take all such other actions and to execute all such documents as such proper officer(s) may deem necessary or appropriate for compliance with the Securities Act of 1933, the Securities Exchange Act of 1934 or any applicable state securities or similar laws, in each case, as may be amended from time and time and together with any rules or regulations promulgated thereunder, in connection with the

Merger Agreement (as may be amended from time to time) and transactions contemplated thereby, including the Mergers, the taking of any such action to be deemed conclusive evidence that the Board of Directors and the Corporation have authorized such action;

Payment of Fees and Expenses

**RESOLVED**, further, that the proper officers of the Corporation, or any of them acting alone be, and each of them hereby is, authorized, to file, execute, affix the Corporation's seal to, verify, acknowledge and deliver any and all notices, certificates, amendments, agreements, instruments and other documents, and to perform and do or cause to be performed or done any and all such acts or things and to pay or cause to be paid all necessary fees and expenses, in each case in the name and on behalf of the Corporation, as they or any of them may deem necessary or advisable to effectuate or carry out the provisions of the Merger Agreement;

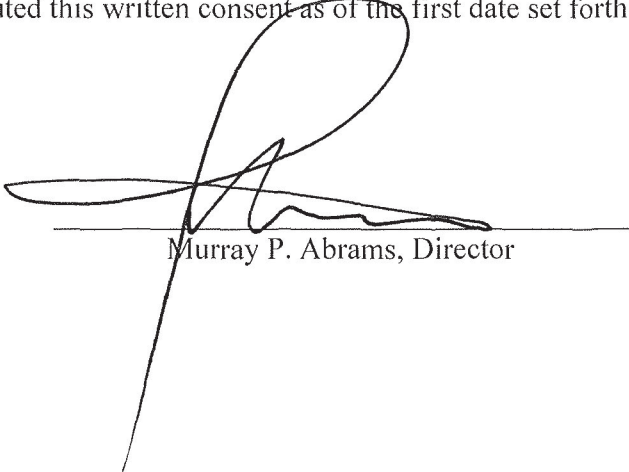
Additional Actions

**RESOLVED**, further, that all actions heretofore taken by any of the directors, officers, representatives or agents of the Corporation or any of its affiliates in connection with the Merger Agreement, the Mergers and any other transactions contemplated in the Merger Agreement, or otherwise referred to in the foregoing resolutions be, and each of the same hereby is, ratified, confirmed and approved in all respects as the act and deed of the Corporation; and

**RESOLVED**, further, that any resolutions inconsistent with the foregoing or with any action of any officer pursuant to the foregoing are hereby modified or rescinded so as to be consistent herewith and therewith.

*[Signature page to follow]*

IN WITNESS WHEREOF, the undersigned, being the sole member of the Board of Directors of Vega Merger Sub, Inc., has executed this written consent as of the first date set forth above.



Murray P. Abrams, Director

**Exhibit A**

**Form of Merger Agreement**

**Exhibit A**

Form of Bank Merger Agreement

**EXHIBIT B**

Resolutions of Vega Merger Sub, Inc.



**RESOLUTIONS OF  
THE BOARDS OF DIRECTORS OF  
DISCOVER FINANCIAL SERVICES AND DISCOVER BANK**

**February 19, 2024**

**WHEREAS**, a transaction has been proposed for consideration by the Board of Directors (the "Board") of Discover Financial Services, a Delaware corporation (the "Company"), and the Board of Directors (the "Bank Board") of Discover Bank, a Delaware-chartered bank and wholly-owned subsidiary of the Company (the "Bank"), in which (i) Vega Merger Sub, Inc., a Delaware corporation ("Merger Sub") and wholly-owned subsidiary of Capital One Financial Corporation ("Capital One"), would merge with and into the Company (the "Merger"), with the Company surviving the Merger (the "Surviving Entity"), (ii) immediately following the Merger, the Surviving Entity would merge with and into Capital One, a Delaware corporation ("Capital One"), with Capital One surviving the Merger (the "Second Step Merger" and, together with the Merger, the "Mergers"), and (iii) promptly following the Second Step Merger, the Bank would merge with and into Capital One, National Association, a national banking association and wholly-owned subsidiary of Capital One ("Capital One Bank"), with Capital One Bank as the surviving bank (the "Bank Merger" and, together with the Mergers, the "Proposed Mergers");

**WHEREAS**, pursuant to the terms of the proposed agreement and plan of merger, substantially in the form set forth as Exhibit A hereto (the "Merger Agreement"), by and among the Company, Capital One and Merger Sub, the Mergers, taken together, shall qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended;

**WHEREAS**, pursuant to the terms of the proposed agreement and plan of merger, substantially in the form set forth as Exhibit B hereto (the "Bank Merger Agreement"), by and between the Bank and Capital One Bank, promptly following the Mergers, the Bank and Capital One Bank will effect the Bank Merger;

**WHEREAS**, at the effective time of the Merger (the "Effective Time"), each issued and outstanding share of common stock, par value \$0.01 per share, of the Company ("Company Common Stock"), except for shares of Company Common Stock owned by the Company or Capital One (in each case other than shares of Company Common Stock (i) held in trust accounts, managed accounts, mutual funds and the like, or otherwise held in a fiduciary or agency capacity that are beneficially owned by third parties or (ii) held, directly or indirectly, by the Company or Capital One in respect of debts previously contracted) (sub-clauses (i) and (ii) being "Excluded Shares"), shall be converted into the right to receive 1.0192 shares (the "Exchange Ratio") of common stock, par value \$0.01 of Capital One ("Capital One Common Stock") (the "Merger Consideration") in accordance with the terms and subject to the conditions contemplated by the Merger Agreement;

**WHEREAS**, all shares of Company Common Stock that are owned by the Company, Capital One or Merger Sub (in each case other than Excluded Shares) shall be cancelled and shall cease to exist and no Capital One Common Stock or other consideration shall be delivered in exchange therefor;

**WHEREAS**, at the effective time of the Second Step Merger (the "Second Effective Time"), each share of Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series C, par value \$0.01 per share of the Company ("Company Series C Preferred Stock") issued and outstanding immediately prior to the Second Effective Time shall be converted into the right to receive one share of a newly created series of preferred stock of Capital One having terms that are not materially less favorable to the holders of

Company Series C Preferred Stock immediately prior to the Second Effective Time (the “New Capital One Series C Preferred Stock”);

**WHEREAS**, at the Second Effective Time, each share of 6.125% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series D, par value \$0.01 per share, of the Company (“Company Series D Preferred Stock”, and together with the Company Series C Preferred Stock, the “Company Preferred Stock”) issued and outstanding immediately prior to the Second Effective Time shall be converted into the right to receive one share of a newly created series of preferred stock of Capital One having terms that are not materially less favorable to the holders of Company Series D Preferred Stock immediately prior to the Second Effective Time (the “New Capital One Series D Preferred Stock”, and together with the New Capital One Series C Preferred Stock, the “New Capital One Preferred Stock”);

**WHEREAS**, at the Effective Time, each restricted stock unit award in respect of a share of Company Common Stock that is outstanding immediately prior to the Effective Time (a “Company RSU Award”) shall, automatically and without any required action on the part of the holder thereof, be converted into a Capital One restricted stock unit award in respect of that number of shares of Capital One Common Stock (rounded to the nearest whole share) equal to the product of (i) the total number of shares of Company Common Stock subject to the Company RSU Award immediately prior to the Effective Time multiplied by (ii) the Exchange Ratio (as it may be adjusted if necessary pursuant to the last sentence of Section **Error! Reference source not found.** of the Merger Agreement), and shall otherwise be subject to the same terms and conditions as applied to the corresponding Company RSU Award immediately prior to the Effective Time;

**WHEREAS**, at the Effective Time, each performance-based restricted share unit award in respect of shares of Company Common Stock (a “Company PSU Award”) that is outstanding immediately prior to the Effective Time shall, automatically and without any required action on the part of the holder thereof, be converted into a Capital One cash-based award in respect of an amount in cash equal to the product of (i) the total number of shares of Company Common Stock subject to the Company PSU Award immediately prior to the Effective Time, with the number of shares of Company Common Stock determined based on (A) the greater of target and actual performance through the last quarter ending simultaneously with or prior to the Effective Time for the Company PSU Awards for which as of the Effective Time more than one year of the performance period has elapsed, with such performance level to be determined consistent with past practice by the compensation committee of the Board (the “Company Compensation Committee”) based on information available through the last quarter ending simultaneously with or prior to the Effective Time, and (B) target performance for the Company PSU Awards for which as of the Effective Time one year or less of the performance period has elapsed, multiplied by (ii) the product of (1) the Exchange Ratio (as it may be adjusted if necessary pursuant to the last sentence of Section **Error! Reference source not found.** of the Merger Agreement), multiplied by (2) the average of the closing sale prices of Capital One Common Stock for the five full trading days ending on the day preceding the Closing Date, shall be settleable in cash, and shall otherwise be subject to the same terms and conditions (including service-based vesting terms) as applied to the corresponding Company PSU Award immediately prior to the Effective Time;

**WHEREAS**, the Merger Agreement provides that, prior to the Effective Time, the Board will take action with respect to the Company Employee Stock Purchase Plan (the “Company ESPP”) (i) to provide that the final exercise date (including for purposes of determining the Purchase Price (as defined in the Company ESPP)) for the Purchase Period (as defined in the Company ESPP) that would otherwise be in

effect on the Closing will be no later than five (5) Business Days prior to the Effective Time and (ii) to terminate the Company ESPP as of no later than immediately prior to the Effective Time;

**WHEREAS**, the Merger Agreement provides that, at or prior to the Effective Time, the Board will adopt resolutions to approve the treatment of the Company RSU Awards and Company PSU Awards (collectively, the “Company Equity Awards”)

**WHEREAS**, the Board wishes to provide for the grant of cash retention awards to employees of the Company for the purpose of retaining and incentivizing such employees;

**WHEREAS**, the Board has been presented, in writing and orally, with financial and other information with respect to the Proposed Mergers, and has reviewed such information, including the principal terms of the Merger Agreement and management’s recommendation that in its opinion the Proposed Mergers would be in the best interests of the Company and its stockholders;

**WHEREAS**, the Company’s financial advisor, PJT Partners LP (the “Financial Advisor”), has made a separate presentation to the Board concerning the financial implications of the Proposed Mergers, including its opinion that, as of the date of such opinion and based upon and subject to the factors, assumptions, limitations and other matters set forth therein, the Exchange Ratio in the Merger is fair to holders of Company Common Stock from a financial point of view;

**WHEREAS**, the Company’s outside counsel, Sullivan & Cromwell LLP (the “Outside Counsel”), has discussed the fiduciary duties of the Board generally as well as with respect to mergers and acquisitions specifically and has discussed with the Board the material provisions of the Merger Agreement;

**WHEREAS**, after due consideration and discussion of, among other things, the advice of the Financial Advisor, the advice of Outside Counsel, the presentations and other information provided by management of the Company and such other factors as the Board has deemed relevant, the Board has determined that the Merger Agreement and the transactions contemplated thereby are advisable and in the best interests of the Company and its stockholders;

**WHEREAS**, the Bank Board has been presented, in writing and orally, with information with respect to the Bank Merger, and has reviewed such information, including the principal terms of the Bank Merger Agreement; and

**WHEREAS**, after due consideration and discussion of the factors the Bank Board has deemed relevant, the Bank Board has determined that the Bank Merger Agreement and the transactions contemplated thereby are advisable and in the best interests of the Bank and its sole shareholder.

**Authorization of Merger Agreement and the Proposed Mergers**

**NOW, THEREFORE, BE IT RESOLVED**, that the Board, after full discussion and deliberation and after review of the terms and conditions of the Proposed Mergers, (a) has determined that the Merger Agreement and the transactions contemplated thereby are advisable and in the best interests of the Company and its stockholders and (b) hereby approves and adopts the Merger Agreement, and the transactions contemplated thereby, with the foregoing approval to be deemed to constitute, without

limitation, the requisite approval of the Board for purposes of the Delaware General Corporate Law (the “DGCL”);

**BE IT FURTHER RESOLVED**, that the Merger Agreement and the transactions and other matters contemplated thereby, each be, and the same hereby are, authorized and approved substantially on the terms and conditions presented to the Board, including, without limitation, (a) the Proposed Mergers, (b) the conversion of each issued and outstanding share of Company Common Stock into the right to receive the Merger Consideration in accordance with the terms and conditions contemplated by the Merger Agreement, (c) the conversion of each issued and outstanding share of the applicable series of Company Preferred Stock into the right to receive one share of the applicable series of New Capital One Preferred Stock and (d) the cancellation of all shares of Company Common Stock that are owned by the Company, Capital One or Merger Sub (other than Excluded Shares);

**BE IT FURTHER RESOLVED**, that (a) the Chief Executive Officer and President, the Chief Financial Officer, and the Chief Legal Officer, General Counsel and Corporate Secretary of the Company or any designee of any of them (collectively, the “Authorized Officers”), be, and each of them hereby is, in the name and on behalf of the Company (including on behalf of the Company as the sole shareholder of the Bank), authorized to execute and deliver the Merger Agreement substantially in the form presented to the Board, subject to such modifications or amendments (other than any amendment to the Exchange Ratio, which amendment shall be approved by the Board) thereto as the Authorized Officer executing the same shall approve as being necessary, advisable or appropriate, such approval to be conclusively evidenced by such Authorized Officer’s execution thereof, and (b) the Board hereby authorizes the Authorized Officers, and each of them, or any designee of them, to make such amendments (other than any amendment to the Exchange Ratio, which amendment shall be approved by the Board) to the Merger Agreement after its execution as such Authorized Officer shall deem necessary, advisable or appropriate, such execution to be conclusive evidence of such approval and of the authorization thereof by the Board;

**BE IT FURTHER RESOLVED**, that the Board hereby authorizes and approves the performance by the Company of its obligations under the Merger Agreement in all respects, provided that the Proposed Mergers shall be contingent upon and shall not be consummated until the appropriate regulatory approvals are received and all applicable regulatory conditions to consummation of the Proposed Mergers are satisfied or appropriately provided for;

**BE IT FURTHER RESOLVED**, that, upon satisfaction of the conditions to closing of the Proposed Mergers stated in the Merger Agreement (except such as may be waived in the discretion of the Authorized Officers), the Authorized Officers and their designees be, and each of them hereby is, authorized, in the name and on behalf of the Company, to cause the Proposed Mergers to become effective and to take all such other action and execute all such documents as any of them may deem necessary, advisable or appropriate in connection therewith, all without further action by the Board;

**BE IT FURTHER RESOLVED**, that the Authorized Officers and their designees be, and each of them hereby is authorized, in the name and on behalf of the Company, to make any of the filings, to obtain all consents, approvals, authorizations and waivers of, and to give all notices to, any person, and to enter into any contract, agreement or indenture, and to take such other actions as they deem necessary, advisable or appropriate, in each case in furtherance of the Proposed Mergers and the other transactions contemplated by the Merger Agreement; and

**BE IT FURTHER RESOLVED**, that the Board intends that the foregoing approval be deemed to constitute the approval of the Board for purposes of, and hereby exempts to the extent necessary, and directs and empowers the Authorized Officers to take all necessary actions as required to render inapplicable to the Merger Agreement and the transactions contemplated thereby, the provisions of any potentially applicable takeover laws of any state, including any “moratorium,” “control share,” “fair price,” “takeover” or “interested shareholder” law or any similar provisions of the Restated Certificate of Incorporation of the Company (the “Charter”) or the Amended and Restated Bylaws of the Company.

#### **Treatment of Company Equity Awards and Company ESPP; Cash Retention Awards**

**BE IT FURTHER RESOLVED**, that the treatment of the Company Equity Awards and the Company ESPP in connection with the Proposed Mergers, as set forth in the Merger Agreement, is hereby authorized and approved and the Company Compensation Committee is hereby directed to, prior to the Effective Time, take any actions or pass any such resolutions that it deems appropriate to provide for such treatment.

**BE IT FURTHER RESOLVED**, that, the Chief Executive Officer and President may approve cash retention awards to such employees of the Company, the Bank (and their subsidiaries) as the Chief Executive Officer and President identifies, in such amounts and on such terms and conditions as the Chief Executive Officer and President deems appropriate; provided, however, that (i) such awards shall not exceed \$125MM in the aggregate, (ii) the amount of any individual award will not exceed one hundred percent (100%) of the recipient’s annual base salary, (iii) the terms of each award will provide that such award shall vest and become payable in installments on the following schedule: fifty percent (50%) on the Closing Date (as defined in the Merger Agreement) and fifty percent (50%) on the date that is six months after the Closing Date, in each case subject to continued employment through the applicable vesting date, and (iv) such awards will be granted in accordance with the other terms and conditions set forth in Section 5.2(f) of the Disclosure Schedule delivered by the Company in connection with the Merger Agreement.

#### **SEC Filings**

**BE IT FURTHER RESOLVED**, that the Authorized Officers and their designees, with the assistance of the Company’s accountants and counsel, be, and each of them hereby is, authorized, in the name and on behalf of the Company, as appropriate, to prepare, execute, and file with the Securities and Exchange Commission (the “SEC”) a joint proxy statement and prospectus and any other SEC filings necessary, advisable or appropriate in connection with the Proposed Mergers and the other transactions contemplated by the Merger Agreement, in each case, including any and all exhibits, amendments and other documents relating thereto, all in such form as such Authorized Officers and their designees executing the same, on the advice of counsel, may deem necessary, advisable or appropriate;

**BE IT FURTHER RESOLVED**, that each officer and director who executes such SEC filings or any amendments thereto (whether on behalf of the Company or as an officer or director thereof or by attesting to the seal of the Company or otherwise) be, and each of them hereby is, authorized to execute powers of attorney appointing the Chief Executive Officer and President, the Chief Financial Officer, and the Chief Legal Officer, General Counsel and Corporate Secretary and each of them, severally, his or her true and lawful attorney and agent to execute in his or her name, place and stead (in any such capacity) and on behalf of the Company, such SEC filings and any and all amendments thereto, and all instruments

necessary, advisable or appropriate or in connection therewith, and to file the same with the SEC, each such attorney and agent to have the power and authority to do and perform in the name and on behalf of such officers and directors, or both, as the case may be, and on behalf of the Company every act whatsoever necessary, advisable or appropriate to be done in the premises as fully and to all intents and purposes as any such officer or director might or could do in person;

**BE IT FURTHER RESOLVED**, that the Authorized Officers be, and each of them hereby is, authorized in the name and on behalf of the Company, to take all such actions and to execute all such documents as such Authorized Officer may deem necessary or advisable for compliance with the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or the Securities Act of 1933 (the “Securities Act”), as amended, and the rules and regulations thereunder or any applicable state securities or similar laws, in connection with the Merger Agreement and the transactions contemplated thereby, the taking of any such action to be deemed conclusive evidence that the Board has authorized such action; and

### **Regulatory Filings**

**BE IT FURTHER RESOLVED**, that the Authorized Officers, the Bank Authorized Officers (as defined below) and their respective designees be, and each such of them hereby is, authorized (a) to take, or cause the Company or the Bank, as applicable, or any of their respective direct or indirect subsidiaries to take, any actions they deem necessary, advisable or appropriate in order to effect all filings, applications and notices, and to obtain all permits, authorizations, consents, orders, non-objections, interpretations, determinations and approvals of any applicable federal, state or local regulatory or supervisory body, and all appropriate federal, state or local securities, banking, financial, insurance, trade or other regulatory authorities and appropriate stock exchanges, stock markets and self-regulatory organizations, including, without limitation, the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of Chicago, the Office of the Comptroller of the Currency, the Financial Industry Regulatory Authority, the Delaware Office of the State Bank Commissioner, the SEC, the New York Stock Exchange and all other third parties, and (b) to make all other filings with, and seek all exemptive relief from, such third parties or authorities as may be necessary, advisable or appropriate to effectuate or carry out the purpose and intent of these resolutions and to effectuate the Proposed Mergers and the terms and conditions of the Merger Agreement and the Bank Merger Agreement and the other transactions contemplated thereby, including making all filings, providing all notices and obtaining all consents, waivers, licenses, registrations, permits, authorizations, tax rulings, orders and approvals; and

**BE IT FURTHER RESOLVED**, that, in connection with the various filings, applications, and notices in connection with the foregoing, to the extent any federal or state governmental or administrative body, securities exchange or financial institution requires the adoption of form resolutions and authorizations consistent with the authorizations herein granted, such resolutions are hereby adopted as if fully set forth herein, and the Chief Legal Officer, General Counsel and Corporate Secretary of the Company or any Assistant Secretary of the Company or the Bank, as applicable, may so certify if requested.

### **Delisting Matters**

**BE IT FURTHER RESOLVED**, that the Authorized Officers be, and each of them hereby is, authorized and directed to take all such other actions and to execute all such documents as any such Authorized Officer may deem necessary or appropriate to cause the delisting of Company Common Stock from the New York Stock Exchange in connection with the consummation of the Mergers, and to respond to all requests for additional information and to meet and confer or to cause counsel to meet and confer



with officials of the New York Stock Exchange in connection with such delisting of the Company Common Stock from the New York Stock Exchange; and

**BE IT FURTHER RESOLVED**, that the Authorized Officers be, and each of them hereby is, authorized and directed to take all such other actions and to execute all such documents as any such Authorized Officer may deem necessary or appropriate to cause the registration of Company Common Stock under the Exchange Act to be terminated upon the effectiveness of the Mergers.

#### **Legal Proceedings**

**BE IT FURTHER RESOLVED**, that the Authorized Officers be, and each of them hereby is, authorized and directed to take any and all steps in connection with initiating or defending legal proceedings in any court or agency as any such Authorized Officer, after consulting with counsel for the Company, shall deem necessary or appropriate, in connection with the Merger Agreement including the Mergers and the other transactions contemplated thereby.

#### **Agreements with Advisors; Expenses**

**BE IT FURTHER RESOLVED**, that the actions of the directors and officers of the Company with respect to the engagement of the Company's financial, accounting, legal and other advisors, including the engagement of any additional advisors, consultants or experts as deemed necessary or appropriate, in connection with the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are hereby authorized, approved, ratified and confirmed in all respects;

**BE IT FURTHER RESOLVED**, that the engagement of the Financial Advisor as the Company's financial advisor in connection with the Merger is hereby approved in all respects and the Company hereby ratifies the execution of the engagement letter between the Company and the Financial Advisor; and

**BE IT FURTHER RESOLVED**, that the Authorized Officers be, and each of them hereby is, authorized and directed, in the name and on behalf of the Company, to pay all fees and expenses incurred by the Company in connection with Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, including all fees and expenses payable to the financial, accounting, legal and other advisors, consultants or experts engaged by the Company in connection with the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement and all filing fees and printing expenses that may arise or occur in connection with the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement.

#### **Submission of Merger Agreement; Stockholders' Meeting**

**BE IT FURTHER RESOLVED**, that an annual meeting or special meeting of the stockholders of the Company (the "Company Meeting") shall be called for the purpose of obtaining the approval of the Merger Agreement and such other matters that are submitted to the stockholders of the Company in accordance with the Merger Agreement by the Company's stockholders who are entitled to vote thereon;

**BE IT FURTHER RESOLVED**, that the Board hereby (a) directs that the approval of the Merger Agreement and such other matters that are required to be approved by the stockholders of the Company in accordance with the Merger Agreement or required by applicable law or regulation be submitted to a vote of the stockholders of the Company entitled to vote thereon at the Company Meeting, (b) recommends the approval by the stockholders of the Company entitled to vote at the Company Meeting of all such matters



that are submitted for their approval or adoption in accordance with the Merger Agreement (including that the stockholders of the Company approve any proposal to adjourn the Company Meeting if necessary or appropriate to permit further solicitation of proxies if there are not sufficient votes at the time of the Company Meeting to adopt the Merger Agreement or approve the other matters submitted to a vote of the stockholders at the Company Meeting), and (c) authorizes, directs and empowers the Company, acting through the Authorized Officers or their designees, to solicit proxies on behalf of the Board from the stockholders of the Company entitled to vote at the Company Meeting, in favor of such adoption and approval;

#### **Authorization of Bank Merger Agreement**

**BE IT FURTHER RESOLVED**, that the Bank Board, after full discussion and deliberation and after review of the terms and conditions of the Bank Merger, (a) has determined that the Bank Merger Agreement and the transactions contemplated thereby (including the Bank Merger) are advisable and in the best interests of the Bank and its sole stockholder and (b) hereby approves and adopts the Bank Merger Agreement, and the transactions contemplated thereby (including the Bank Merger);

**BE IT FURTHER RESOLVED**, that the Bank Merger Agreement and the transactions and other matters contemplated thereby, each be, and the same hereby are, authorized and approved substantially on the terms and conditions presented to the Bank Board, including, without limitation, the Bank Merger, in accordance with the terms and conditions contemplated by the Bank Merger Agreement;

**BE IT FURTHER RESOLVED**, that the Bank Board hereby recommends the approval by the Company, as the sole stockholder of the Bank, of the principal terms of the Bank Merger, the Bank Merger Agreement and such other matters that are submitted for their approval in accordance with the Bank Merger Agreement, and that the principal terms of the Bank Merger and the Bank Merger Agreement be submitted for approval of the sole shareholder of the Bank;

**BE IT FURTHER RESOLVED**, that (a) the Chief Executive Officer and President, Chief Financial Officer, and Chief Legal Officer, General Counsel and Corporate Secretary of the Bank, or any designee of any of them (collectively, the "Bank Authorized Officers"), be, and each of them hereby is, in the name and on behalf of the Bank, authorized to execute and deliver the Bank Merger Agreement substantially in the form presented to the Bank Board, subject to such modifications or amendments thereto as the Bank Authorized Officer executing the same shall approve as being necessary, advisable or appropriate, such approval to be conclusively evidenced by such Bank Authorized Officer's execution thereof, and (b) the Bank Board hereby authorizes the Bank Authorized Officers, and each of them, or any designee of them, to make such amendments to the Bank Merger Agreement after its execution as such Bank Authorized Officer shall deem necessary, advisable or appropriate, such execution to be conclusive evidence of such approval and of the authorization thereof by the Bank Board;

**BE IT FURTHER RESOLVED**, that the Bank Board hereby authorizes and approves the performance by the Bank of its obligations under the Bank Merger Agreement in all respects, provided that the Bank Merger shall be contingent upon and shall not be consummated until the appropriate regulatory approvals are received and all applicable regulatory conditions to consummation of the Bank Merger are satisfied or appropriately provided for;

**BE IT FURTHER RESOLVED**, that, upon satisfaction of the conditions to closing of the Bank Merger stated in the Bank Merger Agreement (except such as may be waived in their discretion), the Bank

Authorized Officers and their designees be, and each of them hereby is, authorized, in the name and on behalf of the Bank, to cause the Bank Merger to become effective and to take all such other action and execute all such documents as any of them may deem necessary, advisable or appropriate in connection therewith, all without further action by the Bank Board; and

**BE IT FURTHER RESOLVED**, that the Bank Authorized Officers and their designees be, and are hereby authorized, in the name and on behalf of the Bank, to make any of the filings, to obtain all consents, approvals, authorizations and waivers of, and to give all notices to, any person, and to enter into any contract, agreement or indenture, and to take such other actions as they deem necessary, advisable or appropriate, in each case in furtherance of the Bank Merger and the other transactions contemplated by the Bank Merger Agreement.

#### **Other Bank Actions**

**BE IT FURTHER RESOLVED**, that, for the avoidance of doubt, the Bank Board adopts and approves all the actions in these resolutions applicable to the Bank in support of the Merger Agreement and the Bank Merger Agreement and the transactions contemplated thereby.

#### **General Authorizations**

**BE IT FURTHER RESOLVED**, that the Authorized Officers, the Bank Authorized Officers and their respective designees be, and each of them hereby is, authorized to take, or cause to be taken, any and all action, to pay or cause to be paid any and all charges, fees or expenses and to make, execute and deliver, or cause to be made, executed and delivered, all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the Company or the Bank, as applicable, or any of their respective subsidiaries as each of them may deem necessary, advisable or appropriate to carry out the purpose and intent of the foregoing resolutions, any agreements relating to divestitures of assets, liabilities or branches in connection with the consummation of the Proposed Mergers, any agreements, instruments or other documents entered into in connection with or to effect the assumption of any debt obligations in connection with the consummation of the Proposed Mergers, including in respect of the filing of one or more certificates, agreements or articles of merger with the Secretary of State of the State of Delaware in such form as the executing officer may approve, and to perform, or cause to be performed, the obligations of the Company or the Bank, as applicable, or any of their respective subsidiaries under any such agreement, undertaking, document, instrument or certificate referred to herein, and that the execution by any such officer of any such agreement, undertaking, document, instrument or certificate or the doing by any of them of any act in connection with the foregoing matters shall establish conclusively their authority thereof or from the Company or the Bank, as applicable, and the approval and ratification by the Company or the Bank, as applicable, of such agreement, undertaking, document, instrument or certificate and the actions so taken;

**BE IT FURTHER RESOLVED**, that the omission from these resolutions of any agreement or other arrangement contemplated by any of the agreements, instruments, documents, government filings and/or notices described in the foregoing resolutions or any action to be taken in accordance with any requirements of any of the agreements, instruments, documents, government filings and/or notices described in the foregoing resolutions shall in no manner derogate from the authority of the Authorized Officers and the Bank Authorized Officers to take all actions necessary, desirable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolutions;

**BE IT FURTHER RESOLVED**, that the necessity, advisability and appropriateness of any action taken, any approval given or any amendment or change to any document or agreement made by the Authorized Officers and the Bank Authorized Officers pursuant to the authority granted under these resolutions shall be conclusively evidenced by the taking of any such action, or the execution, delivery or filing of any such document or agreement; and

**BE IT FURTHER RESOLVED**, that any and all actions heretofore taken and any and all things heretofore done by any of the Authorized Officers, the Bank Authorized Officers or their respective designees in furtherance of and consistent with the matters authorized by the foregoing resolutions be, and they hereby are, ratified, approved and confirmed as authorized and valid acts taken on behalf of the Company or the Bank, as applicable.

**ACTION BY WRITTEN CONSENT OF  
THE SOLE STOCKHOLDER**

**OF**

**DISCOVER BANK**

February 19, 2024

The undersigned, being the sole stockholder of Discover Bank, a Delaware-chartered bank (the "Bank"), hereby adopts the following resolutions by written consent, in lieu of a meeting, pursuant to Section 228(a) of the General Corporation Law of the State of Delaware, as amended, and directs that this written consent be filed with the minutes of the proceedings of the sole stockholder.

**APPROVAL OF BANK MERGER AGREEMENT AND BANK MERGER**

**WHEREAS**, Discover Financial Services, a Delaware corporation (the "Stockholder"), Capital One Financial Corporation, a Delaware corporation, ("Capital One") and Vega Merger Sub, Inc., a Delaware corporation ("Merger Sub") have entered into an Agreement and Plan of Merger, dated as of February 19, 2024, pursuant to which (i) Merger Sub would merge with and into the Stockholder (the "Merger"), with the Stockholder surviving the Merger (the "Surviving Entity"), (ii) immediately following the Merger, the Surviving Entity would merge with and into Capital One with Capital One surviving the Merger (the "Second Step Merger"), and (iii) promptly following the Second Step Merger, the Bank would merge with and into Capital One, National Association (the "Surviving Bank"), a national banking association and wholly-owned subsidiary of Capital One, with the Surviving Bank as the surviving bank (the "Bank Merger");

**WHEREAS**, the Board of Directors of the Bank has (i) determined that the terms of the Agreement and Plan of Merger by and between the Bank and the Surviving Bank, a form of which was distributed to the Stockholder and is attached hereto as Exhibit A (the "Bank Merger Agreement"), and the Bank Merger and other actions contemplated thereby are advisable and in the best interests of the Bank, (ii) authorized, adopted, and approved the Bank Merger Agreement, substantially in the form of Exhibit A hereto, and the Bank Merger, (iii) directed that the Bank Merger Agreement and the Bank Merger be submitted for consideration by the Stockholder and (iv) recommended that the Stockholder approve the Bank Merger Agreement and consent to and approve the Bank Merger; and

**WHEREAS**, the Stockholder has determined to adopt the Bank Merger Agreement and consent to and approve the Bank Merger.


**NOW, THEREFORE, BE IT RESOLVED**, that the Bank Merger Agreement, substantially in the form of Exhibit A hereto, be, and hereby is, adopted and approved, and the Bank Merger is also approved; and

**RESOLVED FURTHER**, that any and all actions heretofore or hereafter taken by the officers or agents of the Bank, on or prior to the date of the adoption of the foregoing resolutions, within the terms of the foregoing resolutions are hereby consented to, approved, ratified and adopted in all respects as the act and deed of the Bank.

**IN WITNESS WHEREOF**, the undersigned, being the sole stockholder of the Bank, does hereby consent to the foregoing actions as of the date first written above.

**DISCOVER FINANCIAL SERVICES**

By: \_\_\_\_\_

  
Name: Michael G. Rhodes

Title: Chief Executive Officer and President

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of The Securities Exchange Act of 1934**

**February 20, 2024 (February 19, 2024)  
Date of Report (Date of earliest event reported)**

**CAPITAL ONE FINANCIAL CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-13300**  
(Commission  
File Number)

**54-1719854**  
(IRS Employer  
Identification No.)

**1680 Capital One Drive,  
McLean, Virginia**  
(Address of principal executive offices)

**22102**  
(Zip Code)

**Registrant's telephone number, including area code: (703) 720-1000**

(Not applicable)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock (par value \$.01 per share)	COF	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series I	COF PRI	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series J	COF PRJ	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series K	COF PRK	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series L	COF PRL	New York Stock Exchange
Depository Shares, Each Representing a 1/40th Interest in a Share of Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series N	COF PRN	New York Stock Exchange
0.800% Senior Notes Due 2024	COF24	New York Stock Exchange
1.650% Senior Notes Due 2029	COF29	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 8.01 Other Events.**

On February 19, 2024, Capital One Financial Corporation (the “Company”) and Discover Financial Services (“Discover”) issued a joint press release announcing the execution of the Agreement and Plan of Merger, dated as of February 19, 2024, by and among the Company, Discover and Vega Merger Sub, Inc., a wholly-owned subsidiary of the Company, pursuant to which, upon the terms and subject to the conditions set forth therein, the Company has agreed to acquire Discover. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

In addition, the Company provided supplemental information regarding the proposed transaction in connection with presentations to analysts and investors. A copy of the investor presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits**

Exhibit

<u>No.</u>	<u>Description</u>
99.1	<a href="#">Joint press release of Capital One Financial Corporation and Discover Financial Services, dated February 19, 2024</a>
99.2	<a href="#">Investor presentation of Capital One Financial Corporation, dated February 20, 2024</a>
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

**Forward Looking Statements**

Information in this communication, other than statements of historical facts, may constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements about the benefits of the proposed transaction between Capital One Financial Corporation (“Capital One”) and Discover Financial Services (“Discover”), including future financial and operating results (including the anticipated impact of the transaction on Capital One’s and Discover’s respective earnings and tangible book value), statements related to the expected timing of the completion of the transaction, the combined company’s plans, objectives, expectations and intentions, and other statements that are not historical facts. Forward-looking statements may be identified by terminology such as “may,” “will,” “should,” “targets,” “scheduled,” “plans,” “intends,” “goal,” “anticipates,” “expects,” “believes,” “forecasts,” “outlook,” “estimates,” “potential,” or “continue” or negatives of such terms or other comparable terminology.

All forward-looking statements are subject to risks, uncertainties and other factors that may cause the actual results, performance or achievements of Capital One or Discover to differ materially from any results expressed or implied by such forward-looking statements. Such factors include, among others, (1) the risk that the cost savings and any revenue synergies from the transaction may not be fully realized or may take longer than anticipated to be realized, (2) disruption to the parties’ businesses as a result of the announcement and pendency of the transaction, (3) the risk that the integration of Discover’s business and operations into Capital One, including the integration into Capital One’s compliance management program, will be materially delayed or will be more costly or difficult than expected, or that Capital One is otherwise unable to successfully integrate Discover’s businesses into its own, including as a result of unexpected factors or events, (4) the failure to obtain the necessary approvals by the stockholders of Capital One or Discover, (5) the ability by each of Capital One and Discover to obtain required governmental approvals of the transaction on the timeline expected, or at all, and the risk that such approvals may result in the imposition of conditions that could adversely affect Capital One after the closing of the transaction or adversely affect the expected benefits of the transaction, (6) reputational risk and the reaction of each company’s customers, suppliers, employees or other business partners to the transaction, (7) the failure of the closing conditions in the merger agreement to be satisfied, or any unexpected delay in closing the transaction or the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, (8) the dilution caused by the issuance of additional shares of Capital One’s common stock in the transaction, (9) the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events, (10) risks related to management and oversight of the expanded business and operations of Capital One following the transaction due to the increased size and complexity of its business, (11) the possibility of increased

scrutiny by, and/or additional regulatory requirements of, governmental authorities as a result of the transaction or the size, scope and complexity of Capital One's business operations following the transaction, (12) the outcome of any legal or regulatory proceedings that may be currently pending or later instituted against Capital One before or after the transaction, or against Discover, and (13) general competitive, economic, political and market conditions and other factors that may affect future results of Capital One and Discover, including changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; the impact, extent and timing of technological changes; capital management activities; and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms. Additional factors which could affect future results of Capital One and Discover can be found in Capital One's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, and Discover's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, in each case filed with the SEC and available on the SEC's website at <http://www.sec.gov>. Capital One and Discover disclaim any obligation and do not intend to update or revise any forward-looking statements contained in this communication, which speak only as of the date hereof, whether as a result of new information, future events or otherwise, except as required by federal securities laws.

#### **Important Information About the Transaction and Where to Find It**

Capital One intends to file a registration statement on Form S-4 with the SEC to register the shares of Capital One's common stock that will be issued to Discover stockholders in connection with the proposed transaction. The registration statement will include a joint proxy statement of Capital One and Discover that will also constitute a prospectus of Capital One. The definitive joint proxy statement/prospectus will be sent to the stockholders of each of Capital One and Discover in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND JOINT PROXY STATEMENT/PROSPECTUS WHEN THEY BECOME AVAILABLE (AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTION OR INCORPORATED BY REFERENCE INTO THE JOINT PROXY STATEMENT/PROSPECTUS) BECAUSE SUCH DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION REGARDING THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders may obtain free copies of these documents and other documents filed with the SEC by Capital One or Discover through the website maintained by the SEC at <http://www.sec.gov> or by contacting the investor relations department of Capital One or Discover at:

Capital One Financial Corporation  
1680 Capital One Drive  
McLean, VA 22102  
Attention: Investor Relations  
[investorrelations@capitalone.com](mailto:investorrelations@capitalone.com)  
(703) 720-1000

Discover Financial Services  
2500 Lake Cook Road  
Riverwoods, IL 60015  
Attention: Investor Relations  
[investorrelations@discover.com](mailto:investorrelations@discover.com)  
(224) 405-4555

**Before making any voting or investment decision, investors and security holders of Capital One and Discover are urged to read carefully the entire registration statement and joint proxy statement/prospectus when they become available, including any amendments thereto, because they will contain important information about the proposed transaction. Free copies of these documents may be obtained as described above.**

#### **Participants in Solicitation**

Capital One, Discover and certain of their directors and executive officers may be deemed participants in the solicitation of proxies from the stockholders of each of Capital One and Discover in connection with the proposed transaction. Information regarding the directors and executive officers of Capital One and Discover and other persons who may be deemed participants in the solicitation of the stockholders of Capital One or of Discover in connection with the proposed transaction will be included in the joint proxy statement/prospectus related to the proposed transaction, which will be filed by Capital One with the SEC. Information about the directors and executive officers of Capital One and their ownership of Capital One common stock can also be found in Capital One's definitive proxy statement in connection with its 2023 annual meeting of stockholders, as filed with the SEC on March 22, 2023, and other documents subsequently filed by Capital One with the SEC. Information about the directors and executive officers of Discover and their ownership of Discover common stock can also be found in

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Discover's definitive proxy statement in connection with its 2023 annual meeting of stockholders, as filed with the SEC on March 17, 2023, and other documents subsequently filed by Discover with the SEC. Additional information regarding the interests of such participants will be included in the joint proxy statement/prospectus and other relevant documents regarding the proposed transaction filed with the SEC when they become available.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

CAPITAL ONE FINANCIAL CORPORATION

Date: February 20, 2024

By: /s/ Matthew W. Cooper  
General Counsel and Corporate Secretary

Notice of Application for the Merger of

Discover Bank  
into  
Capital One, National Association

Notice is given that application has been made to the Office of the Comptroller of the Currency, Director for Large Bank Licensing, 7 Times Square, 10th Floor Mailroom, New York, New York 10036, on or about March 20, 2024, for consent to merge Discover Bank, main office located at 502 E. Market Street, Greenwood, DE 19950, into Capital One, National Association (“CONA”), main office located at 1680 Capital One Drive, McLean, VA 22102 (the “Bank Merger”), with CONA as the surviving bank.

Discover Bank is a wholly owned subsidiary of Discover Financial Services (“Discover”), headquarters located at 2500 Lake Cook Road, Riverwoods, IL 60015. CONA is a wholly owned subsidiary of Capital One Financial Corporation (“COFC”), headquarters located at 1680 Capital One Drive, McLean, VA 22102. Prior to the Bank Merger, Discover will be merged into COFC, with COFC as the surviving entity. It is contemplated that the main offices and branch offices of CONA and Discover Bank will continue to operate. Specifically, in connection with the Bank Merger, the main office of Discover Bank will be established and operated as a branch of CONA.

This notice is published pursuant to 12 USC § 1828(c) and 12 CFR 5. Anyone may submit written comments on this application by April 20, 2024 to: Director for Large Bank Licensing, Office of the Comptroller of the Currency, 7 Times Square, 10th Floor Mailroom, New York, NY 10036 or by emailing [LicensingPublicComments@OCC.treas.gov](mailto:LicensingPublicComments@OCC.treas.gov).

The public may find information on this application, including the date of the end of the comment period, in the OCC Weekly Bulletin available at [www.occ.gov](http://www.occ.gov). Requests for a copy of the public file on the application should be made to the Director for Large Bank Licensing, Office of the Comptroller of the Currency, 7 Times Square, 10th Floor Mailroom, New York, NY 10036 or by emailing [Licensing@OCC.treas.gov](mailto:Licensing@OCC.treas.gov).

March 21, 2024

Target Bank: Discover Bank, Greenwood, DE

Acquiring Bank: Capital One, National Association, McLean, VA

**Pro Forma and Projected Financials, Capital Ratios and Asset Quality of COFC and CONA**

	Exhibit Page
Capital One Financial Corporation – Pro Forma and Projected Balance Sheet (Consolidated)	2
Capital One, National Association – Pro Forma and Projected Balance Sheet	3
Capital One Financial Corporation – Pro Forma and Projected Balance Sheet (Parent Only)	4
Capital One Financial Corporation – Pro Forma and Projected Income Statements (Consolidated)	5
Capital One, National Association – Pro Forma and Projected Income Statements	6
Capital One Financial Corporation – Regulatory Capital and RWAs	7-8
Capital One, National Association – Regulatory Capital and RWAs	9-10
Liquidity Coverage Ratio and Additional Financial Information	11-13

**Capital One Financial Corporation  
Pro Forma and Projected Balance Sheets**

	December 31, 2023 (Actual)		December 31, 2023 (Pro Forma)
	Capital One Financial Corporation (1)	Discover Financial Services (2)	
<b>Assets:</b>			
Cash and balances due from depository institutions	\$ 43,468	\$ 11,686	\$ 55,004
Securities	79,996	13,698	93,675
Loans and leases held for sale	854	-	854
Loans and leases held for investment, net	305,176	119,131	425,699
Premises and fixed assets	4,126	432	4,558
Goodwill	15,065	255	22,425
Other intangibles	699	-	11,278
Other assets	29,080	6,320	32,496
<b>Total assets</b>	<b>\$ 478,464</b>	<b>\$ 151,522</b>	<b>\$ 645,989</b>
<b>Liabilities:</b>			
Deposits	\$ 348,419	\$ 109,046	\$ 457,558
Federal funds purchased and repurchase agreements	538	-	538
Other borrowed money	49,370	21,331	70,424
Other liabilities	22,047	6,317	28,364
<b>Total liabilities</b>	<b>\$ 420,375</b>	<b>\$ 136,694</b>	<b>\$ 556,885</b>
Total stockholder's equity	58,089	14,828	89,104
Total liabilities, minority interest and stockholders' equity	<b>\$ 478,464</b>	<b>\$ 151,522</b>	<b>\$ 645,989</b>

**Footnotes:**

(1) Balances represented from Capital One Financial Corporation FR Y-9C dated December 31, 2023

(2) Balances represented from Discover Financial Services FR Y-9C dated December 31, 2023

(3) Figures may not total due to rounding



**Capital One, National Association  
Pro Forma and Projected Balance Sheets**

*(Dollar amounts in millions) (3)*

	December 31, 2023 (Actual)		December 31, 2023 (Pro Forma)	
	Capital One, N.A. (1)	Discover Bank (2)	Capital One, N.A. (Consolidated)	
<b>Assets:</b>				
Cash and balances due from depository institutions	\$ 43,244	\$ 11,264	\$ 54,358	
Securities	79,315	13,697	92,993	
Loans and leases held for sale	854	-	854	
Loans and leases held for investment, net	305,176	119,130	425,698	
Premises and fixed assets	4,110	277	4,387	
Goodwill	14,732	-	14,732	
Other intangibles	689	-	689	
Other assets	27,509	4,985	29,590	
<b>Total assets</b>	<b>\$ 475,629</b>	<b>\$ 149,353</b>	<b>\$ 639,768</b>	
<b>Liabilities:</b>				
Deposits	\$ 374,160	\$ 112,625	\$ 486,878	
Federal funds purchased and repurchase agreements	538	-	538	
Other borrowed money	24,553	18,112	42,388	
Other liabilities	23,190	5,825	29,015	
<b>Total liabilities</b>	<b>\$ 422,442</b>	<b>\$ 136,562</b>	<b>\$ 558,819</b>	
Total stockholder's equity	53,187	12,791	80,949	
Total liabilities, minority interest and stockholders' equity	<b>\$ 475,629</b>	<b>\$ 149,353</b>	<b>\$ 639,768</b>	

**Footnotes:**

(1) Balances represented from Capital One, N.A. Call Report dated December 31, 2023

(2) Balances represented from Discover Bank Call Report dated December 31, 2023

(3) Figures may not total due to rounding

**Capital One Financial Corporation (Parent Company Only)**  
**Pro Forma and Projected Balance Sheets**

*(Dollar amounts in millions)* (3)

	December 31, 2023 (Actual)			December 31, 2023 (Pro Forma)
	Capital One Financial Corporation - Parent Only (1)	Discover Financial Services - Parent Only (2)		Capital One Financial Corporation (Parent Only)
<b>Assets:</b>				
Cash and balances due from depository institutions	\$ 25,647	\$ 3,584		\$ 29,231
Securities	380	-		380
Securities purchased under agreement to resell	-	-		-
Loans and lease financing receivables	-	-		-
Investments in and receivables due from subsidiaries and associated companies	60,787	16,343		91,845
Premises and fixed assets	-	-		-
Intangible assets	294	-		1,766
Other assets	2,125	84		2,209
Balances due from related institutions, other than investments	-	-		-
<b>Total assets</b>	<b>\$ 89,233</b>	<b>\$ 20,011</b>		<b>\$ 125,431</b>
<b>Liabilities:</b>				
Deposits	\$ -	\$ -		\$ -
Securities sold under agreement to repurchase	-	-		-
Other borrowed money	27,086	4,468		31,554
Subordinated notes and debentures	3,731	-		3,731
Other liabilities	327	715		1,042
<b>Total liabilities</b>	<b>\$ 31,144</b>	<b>\$ 5,183</b>		<b>\$ 36,327</b>
Total stockholder's equity	58,089	14,828		89,104
Total liabilities, minority interest and stockholders' equity	<b>\$ 89,233</b>	<b>\$ 20,011</b>		<b>\$ 125,431</b>

**Footnotes:**

(1) Balances represented from Capital One Financial Corporation FR Y-9LP dated December 31, 2023

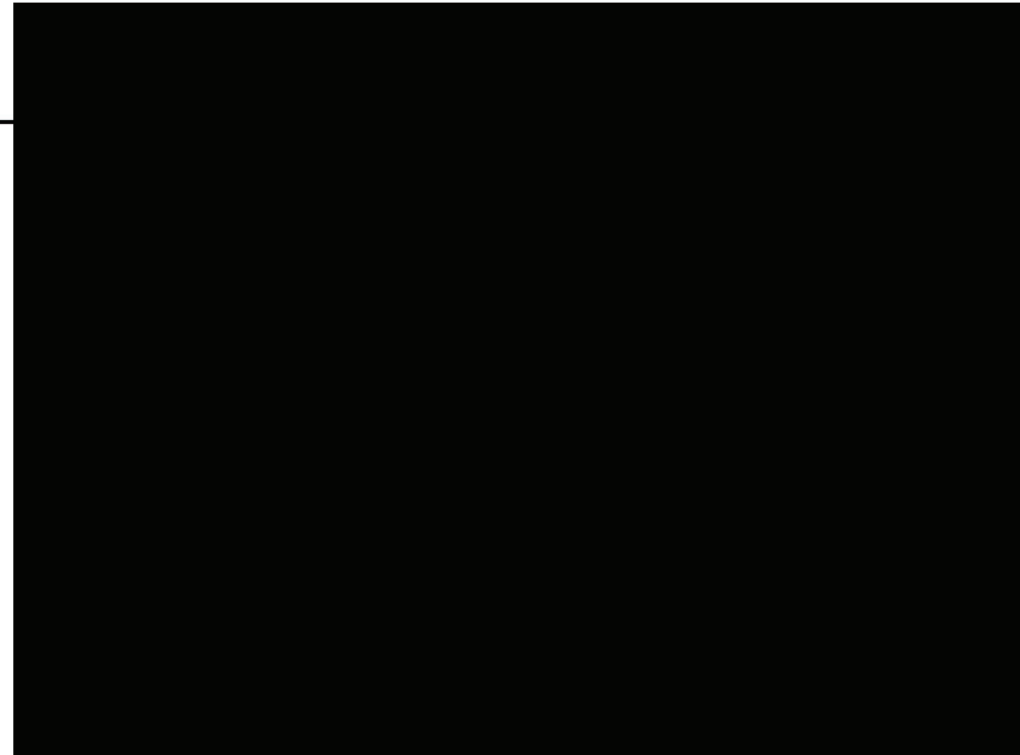
(2) Balances represented from Discover Financial Services FR Y-9LP dated December 31, 2023

(3) Figures may not total due to rounding

Capital One Financial Corporation  
Pro Forma and Projected Income Statements

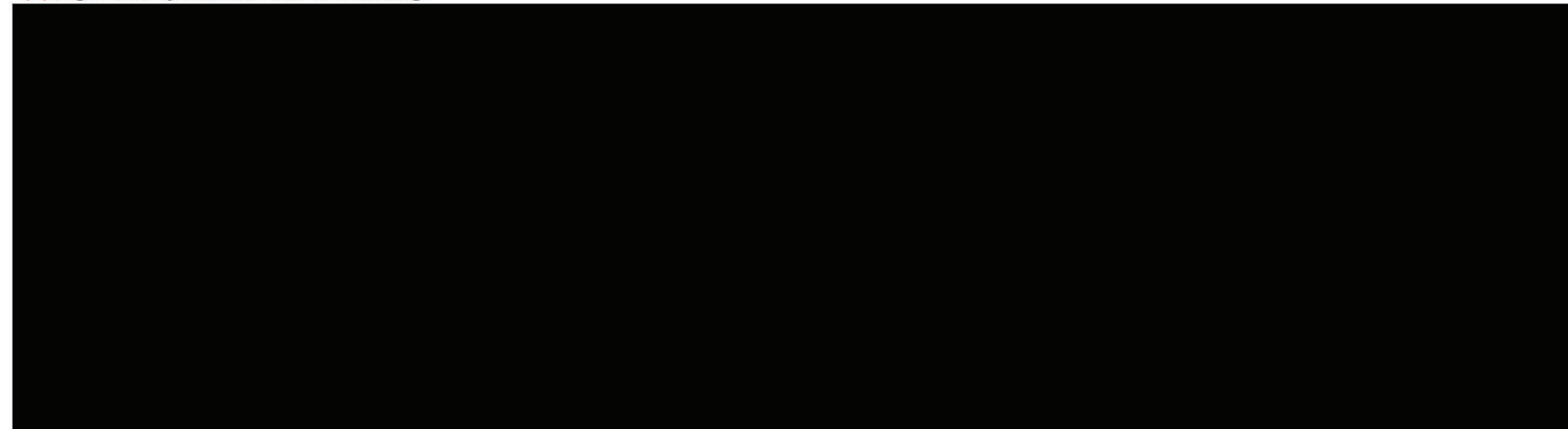
Income Statement (Dollar amounts in millions) (1)

Net interest income (2)  
Non-interest income (3)  
**Total revenue**  
Net adjusted charge-offs  
Provision for loan losses  
**Net provision for losses**  
Total marketing expense (4)  
Total operating expense (5)  
**Non-interest expense**  
Pre-tax income  
Taxes  
**Net income (6)**

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**Footnotes:**

(1) Figures may not total due to rounding

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Capital One, National Association  
Pro Forma and Projected Income Statements

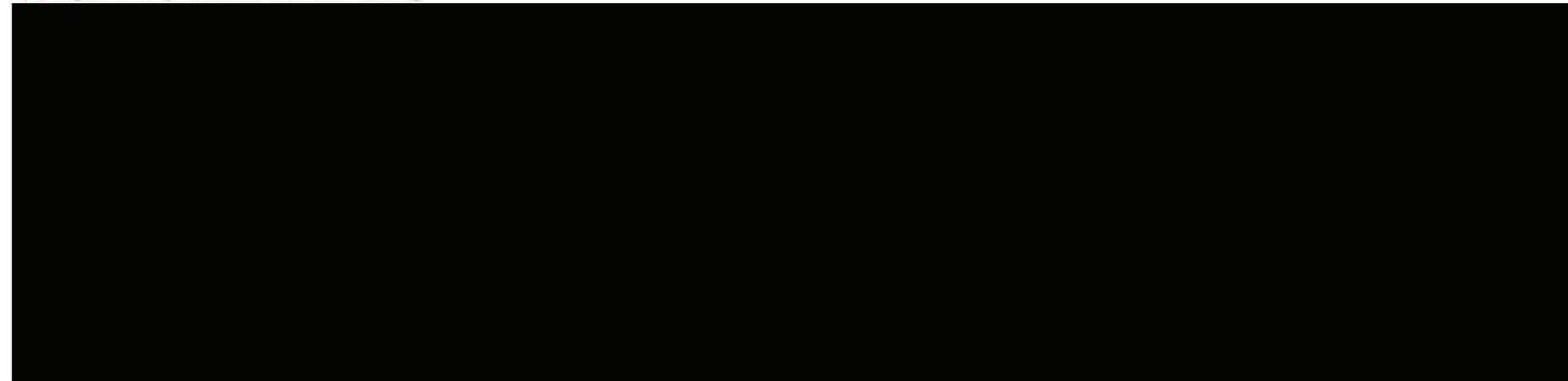
*Income Statement (Dollar amounts in millions) (1)*

Net interest income  
Non-interest income (2)  
**Total revenue**  
Net adjusted charge-offs  
Provision for loan losses  
**Net provision for losses**  
Total marketing expense  
Total operating expense (3)  
**Non-interest expense**  
Pre-tax income  
Taxes  
**Net income (4)**

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**Footnotes:**

(1) Figures may not total due to rounding

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Capital One Financial Corporation  
Regulatory Capital and RWAs

Schedule HC-R — Capital Ratios & RWA  
As of 12/31/2023  
U.S. Dollar Amounts in Thousands  
Source: Q4 2023 COFC and DFS Y-9C Reports

	December 31, 2023 (Actual)			December 31, 2023 (Pro Forma)
	Capital One Financial Corporation (1)	Discover Financial Services (2)		Capital One Financial Corporation (Consolidated)
<i>(Dollar amounts in millions) (3)</i>				
Common equity Tier 1 capital before adjustments and deductions	\$54,442	\$14,846		\$84,401
Deductions:				
Goodwill, net of associated DTLs	\$14,811	\$255		\$22,172
Intangible assets, net of associated DTLs	\$305	\$0		\$8,303
AOCI gains (losses)	-\$8,294	-\$225		-\$8,295
Other deductions	\$5	\$0		\$5
<b>Common equity Tier 1 capital</b>	<b>\$47,615</b>	<b>\$14,816</b>		<b>\$62,216</b>
Additional Tier 1 capital	\$4,845	\$1,056		\$5,901
<b>Tier 1 capital</b>	<b>\$52,461</b>	<b>\$15,872</b>		<b>\$68,117</b>
Tier 2 capital	\$6,664	\$2,114		\$8,751
<b>Total capital</b>	<b>\$59,124</b>	<b>\$17,986</b>		<b>\$76,869</b>
Average total consolidated assets	\$482,631	\$148,139		\$645,700
Less: Deductions from tier 1 capital	\$15,120	\$256		\$30,478
Less: Other deductions for leverage ratio	-\$42	\$0		-\$42
<b>Total assets for the leverage ratio</b>	<b>\$467,553</b>	<b>\$147,884</b>		<b>\$615,263</b>

	December 31, 2023 (Actual)			December 31, 2023 (Pro Forma)
	Capital One Financial Corporation (1)	Discover Financial Services (2)		Capital One Financial Corporation (Consolidated)
<i>(Dollar amounts in millions) (3)</i>				
Total leverage exposure for the supplementary leverage ratio				
Total average consolidated assets	\$482,631	\$148,139		\$645,700
Adjustment for derivative exposures	\$10,472	\$0		\$10,473
Adjustment for repo-style exposures	\$8	\$0		\$8
Adjustment for off-balance sheet exposures	\$68,917	\$23,167		\$92,083
Less: Deductions from tier 1 capital	\$15,120	\$256		\$30,478
<b>Total leverage exposure</b>	<b>\$546,909</b>	<b>\$171,051</b>		<b>\$717,786</b>
<b>Total Risk-Weighted Assets</b>	<b>\$369,206</b>	<b>\$130,883</b>		<b>\$500,028</b>
Risk-based and leverage capital ratios				
Common equity Tier 1 capital ratio	12.90%	11.32%		12.44%
Tier 1 capital ratio	14.21%	12.13%		13.62%
Total capital ratio	16.01%	13.74%		15.37%
Tier 1 leverage ratio	11.22%	10.73%		11.07%
Supplementary leverage ratio	9.59%	9.28%		9.49%

**Capital One Financial Corporation**  
**Regulatory Capital and RWAs**  
(cont.)

<i>(Dollar amounts in millions) (3)</i>	December 31, 2023 (Actual)			December 31, 2023 (Pro Forma)
	Capital One Financial Corporation (1)	Discover Financial Services (2)		Capital One Financial Corporation (Consolidated)
On balance sheet:				
Cash and due from depository institutions	\$1,064	\$640		\$1,704
Securities	\$10,833	\$115		\$10,944
Loans and leases	\$302,702	\$128,865		\$430,098
Other Assets	\$29,992	\$7,350		\$37,286
Securitized assets	\$7,099 (18)	\$0		\$7,099
<b>Total on balance sheet</b>	<b>\$351,689</b>	<b>\$136,970</b>		<b>\$487,130</b>
Off balance sheet:				
Letters of credit	\$1,243	\$0		\$1,243
Unfunded commitments	\$19,425	\$148		\$19,574
Derivatives	\$1,999	\$0		\$1,999
Other	\$3,814	\$0		\$3,814
<b>Total off balance sheet</b>	<b>\$26,482</b>	<b>\$149</b>		<b>\$26,630</b>
Market risk assets	\$216	\$0		\$216
Less: Excess allowance deduction	\$9,181	\$6,235		\$13,949
<b>Total risk-weighted assets</b>	<b>\$369,206</b>	<b>\$130,883</b>		<b>\$500,028</b>

- (1) Balances represented from Capital One Financial Corporation FR Y-9C dated December 31, 2023  
(2) Balances represented from Discover Financial Services FR Y-9C dated December 31, 2023  
(3) Figures may not total due to rounding



Capital One, National Association  
Regulatory Capital and RWAs

Schedule RC-R — Capital Ratios & RWA

As of 12/31/2023

U.S. Dollar Amounts in Thousands

Source: Q4 2023 CONA and Discover Bank Call Reports

	December 31, 2023 (Actual)			December 31, 2023 (Pro Forma)
	Capital One, N.A. (1)	Discover Bank (2)		Capital One, N.A. (Consolidated)
<i>(Dollar amounts in millions) (3)</i>				
Common equity Tier 1 capital before adjustments and deductions	\$54,386	\$13,865		\$82,147
Deductions:				
Goodwill, net of associated DTLs	\$14,478	\$0		\$20,366
Intangible assets, net of associated DTLs	\$297	\$0		\$8,295
AOCI gains (losses)	-\$8,326	-\$45		-\$8,147
Other deductions	\$4	\$0		\$4
<b>Common equity Tier 1 capital</b>	<b>\$47,933</b>	<b>\$13,910</b>		<b>\$61,629</b>
Additional Tier 1 capital	\$0	\$0		\$0
<b>Tier 1 capital</b>	<b>\$47,933</b>	<b>\$13,910</b>		<b>\$61,629</b>
Tier 2 capital	\$4,703	\$2,946		\$7,622
<b>Total capital</b>	<b>\$52,636</b>	<b>\$16,856</b>		<b>\$69,251</b>
Average total consolidated assets	\$479,915	\$145,832		\$639,460
Less: Deductions from tier 1 capital	\$14,777	\$0		\$28,663
Less: Other deductions for leverage ratio	-\$42	\$0		-\$42
<b>Total assets for the leverage ratio</b>	<b>\$465,180</b>	<b>\$145,832</b>		<b>\$610,838</b>

	December 31, 2023 (Actual)			December 31, 2023 (Pro Forma)
	Capital One, N.A. (1)	Discover Bank (2)		Capital One, N.A. (Consolidated)
<i>(Dollar amounts in millions) (3)</i>				
Total leverage exposure for the supplementary leverage ratio				
Total average consolidated assets	\$479,915	\$145,832		\$639,460
Adjustment for derivative exposures	\$10,104	\$0		\$10,104
Adjustment for repo-style exposures	\$8	\$0		\$8
Adjustment for off-balance sheet exposures	\$68,909	\$23,162		\$92,072
Less: Deductions from tier 1 capital	\$14,777	\$0		\$28,663
<b>Total leverage exposure</b>	<b>\$544,160</b>	<b>\$168,995</b>		<b>\$712,981</b>
<b>Total Risk-Weighted Assets</b>	<b>\$367,242</b>	<b>\$129,395</b>		<b>\$496,576</b>
Risk-based and leverage capital ratios				
Common equity Tier 1 capital ratio	13.10%	10.80%		12.40%
Tier 1 capital ratio	13.10%	10.80%		12.40%
Total capital ratio	14.30%	13.00%		13.90%
Tier 1 leverage ratio	10.30%	9.50%		10.10%
Supplementary leverage ratio	8.80%	8.20%		8.60%



**Capital One, National Association  
Regulatory Capital and RWAs  
(cont.)**

<i>(Dollar amounts in millions) (3)</i>	December 31, 2023 (Actual)			December 31, 2023 (Pro Forma)
	Capital One, N.A. (1)	Discover Bank (2)		Capital One, N.A. (Consolidated)
On balance sheet:				
Cash and due from depository institutions	\$1,019	\$556		\$1,575
Securities	\$10,669	\$114		\$10,779
Loans and leases	\$302,702	\$128,864		\$430,097
Other Assets	\$28,720	\$5,967		\$34,631
Securitized assets	\$6,682 (18)	\$0		\$6,682
<b>Total on balance sheet</b>	<b>\$349,792</b>	<b>\$135,500</b>		<b>\$483,763</b>
Off balance sheet:				
Letters of credit	\$1,243	\$0		\$1,243
Unfunded commitments	\$19,425	\$148		\$19,574
Derivatives	\$1,963	\$0		\$1,963
Other	\$3,814	\$0		\$3,814
<b>Total off balance sheet</b>	<b>\$26,445</b>	<b>\$149</b>		<b>\$26,594</b>
Market risk assets	\$210	\$0		\$210
Less: Excess allowance deduction	\$9,205	\$6,254		\$13,992
<b>Total risk-weighted assets</b>	<b>\$367,242</b>	<b>\$129,395</b>		<b>\$496,576</b>

- (1) Balances represented from Capital One, N.A. Call Report dated December 31, 2023  
(2) Balances represented from Discover Bank Call Report dated December 31, 2023  
(3) Figures may not total due to rounding

**Capital One Financial Corporation  
Liquidity Coverage Ratio**

	<b>December 29, 2023</b> <b>(Pro Forma) (1)</b>	
	<b>Capital One Financial Corporation</b> <b>(Consolidated)</b>	
<i>(Dollar amounts in millions)</i>		
<b>LCR</b>	<b>161%</b>	
HQLA (\$M)	65,231	
Adjusted Net Cash Outflows (\$M) (85% outflow rate)	40,607	



**Capital One, National Association  
Liquidity Coverage Ratio**

	<b>December 29, 2023</b> <b>(Pro Forma) (1)</b>	
	<b>Capital One, N.A.</b> <b>(Consolidated)</b>	
<i>(Dollar amounts in millions)</i>		
<b>LCR</b>	<b>189%</b>	
HQLA (\$M)	123,267	
Adjusted Net Cash Outflows (\$M) (85% outflow rate)	65,231	



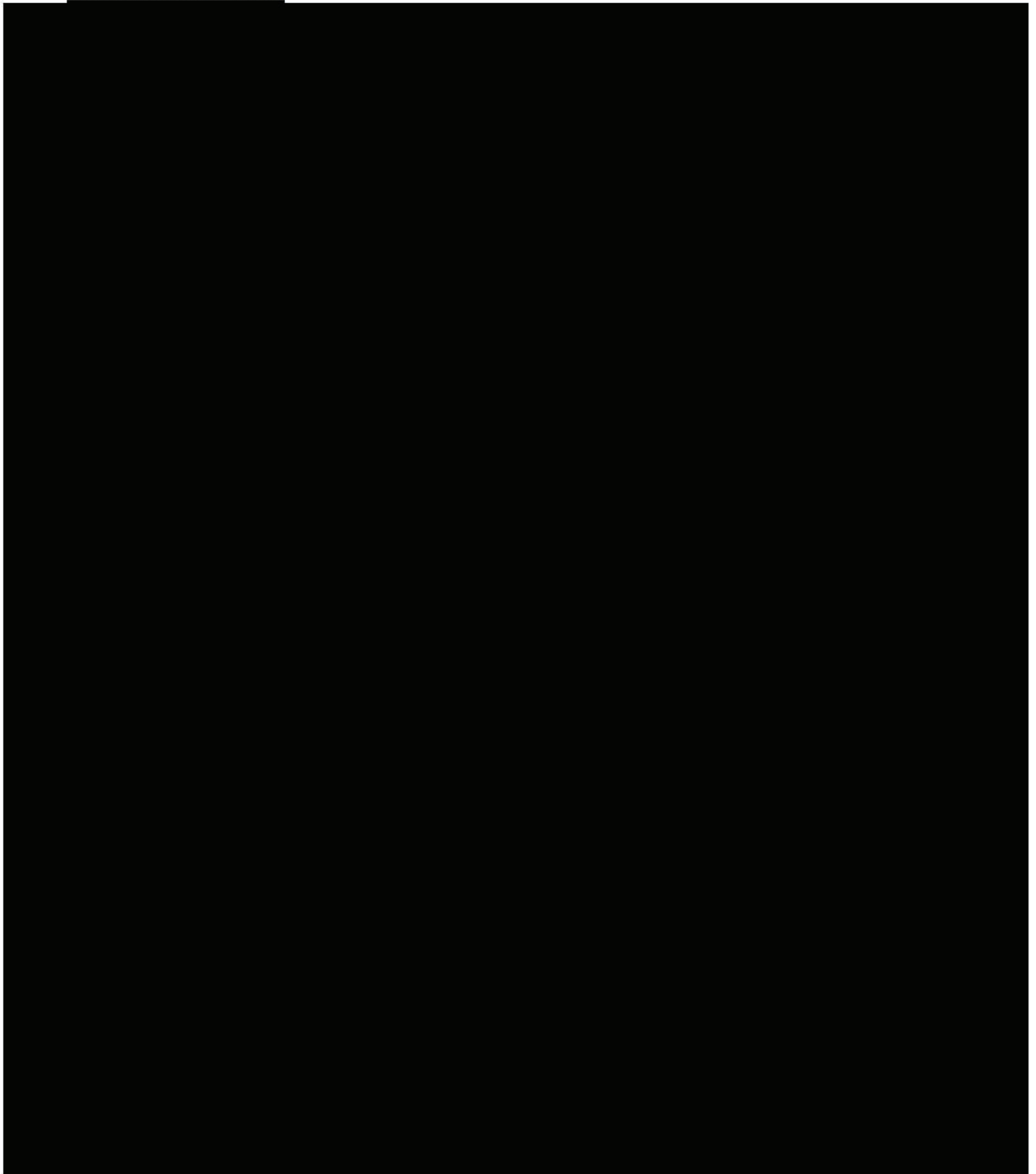
Footnotes:

(1) Balances for Capital One and Discover are from internally reported LCR data as of December 29, 2023. The last business day of 2023 was December 29, 2023.



**Additional Financial Information**

**Valuation of Discover**



**Discover and Discover Bank Goodwill & Intangibles**



**Board of Directors of**  
**Capital One Financial Corporation and Capital One, National Association**

<b>Name</b>	<b>Address</b>	<b>Director of COFC / CONA?</b>	<b>Principal Occupation</b>
Rich Fairbank	1680 Capital One Drive McLean, VA 22102	COFC CONA	Chairman and Chief Executive Officer, Capital One Financial Corporation
Ime Archibong	1680 Capital One Drive McLean, VA 22102	COFC CONA	Vice President, Product Management and Head of Product at Messenger, Meta
Christine Detrick	1680 Capital One Drive McLean, VA 22102	COFC CONA	Former Director, Head of the Americas Financial Services Practice; Former Senior Advisor, Bain & Company
Ann Fritz Hackett	1680 Capital One Drive McLean, VA 22102	COFC CONA	Former Strategy Consulting Partner
Suni Harford (NOTE: to be appointed to the COFC Board on 2/28/2024, effective 4/1/2024)	1680 Capital One Drive McLean, VA 22102	COFC CONA (NOTE: to be appointed to the CONA Board in May 2024)	Former President, UBS Asset Management
Peter Thomas Killalea	1680 Capital One Drive McLean, VA 22102	COFC CONA	Former Vice President of Technology, Amazon.com
Eli Leenaars	1680 Capital One Drive McLean, VA 22102	COFC CONA	Former Group Chief Operating Officer, Quintet Private Bank
François Locoh-Donou	1680 Capital One Drive McLean, VA 22102	COFC CONA	President, Chief Executive Officer, and Director, F5 Networks, Inc.
Peter E. Raskind	1680 Capital One Drive McLean, VA 22102	COFC CONA	Former Chairman, President and Chief Executive Officer, National City Corporation

<b>Name</b>	<b>Address</b>	<b>Director of COFC / CONA?</b>	<b>Principal Occupation</b>
Eileen Serra	1680 Capital One Drive McLean, VA 22102	COFC CONA	Former Senior Advisor, JPMorgan Chase & Co.; Former Chief Executive Officer, Chase Card Services
Mayo A. Shattuck III	1680 Capital One Drive McLean, VA 22102	COFC CONA	Former Chairman, Exelon Corporation; Former Chairman, President and Chief Executive Officer, Constellation Energy Group
Bradford H. Warner	1680 Capital One Drive McLean, VA 22102	COFC CONA	Former President of Premier and Small Business Banking, Bank of America Corporation
Craig Anthony Williams	1680 Capital One Drive McLean, VA 22102	COFC CONA	President, Geographies and Marketplace at NIKE, Inc.
Kara West	1680 Capital One Drive McLean, VA 22102	CONA	Chief Enterprise Risk Officer, Capital One
Michael Zamsky	1680 Capital One Drive McLean, VA 22102	CONA	Chief Credit and Financial Risk Officer, Capital One

**Current Senior Executives of  
Capital One Financial Corporation and Capital One, National Association**

<b>Name</b>	<b>Address</b>	<b>Principal Occupation</b>
Rob Alexander	1680 Capital One Drive McLean, VA 22102	Chief Information Officer, Capital One
Neal Blinde	1680 Capital One Drive McLean, VA 22102	President, Commercial Banking, Capital One
Jory Berson	1680 Capital One Drive McLean, VA 22102	Senior Advisor to the CEO, Capital One
Kevin Borgmann	1680 Capital One Drive McLean, VA 22102	Senior Advisor to the CEO, Capital One
Steve Crawford	1680 Capital One Drive McLean, VA 22102	Senior Advisor to the CEO, Capital One
Matthew Cooper	1680 Capital One Drive McLean, VA 22102	General Counsel and Corporate Secretary, Capital One
Lia Dean	1680 Capital One Drive McLean, VA 22102	President, Banking and Premium Products, Capital One
Kaitlin Haggerty	1680 Capital One Drive McLean, VA 22102	Chief Human Resources Officer, Capital One
Trip Hall	1680 Capital One Drive McLean, VA 22102	Senior Advisor to the CEO, Capital One
Celia Edwards Karam	1680 Capital One Drive McLean, VA 22102	President, Retail Bank, Capital One
Frank LaPrade	1680 Capital One Drive McLean, VA 22102	Chief Enterprise Services Officer and Chief of Staff to the CEO, Capital One



<b>Name</b>	<b>Address</b>	<b>Principal Occupation</b>
Daniel Mouadeb	1680 Capital One Drive McLean, VA 22102	President, U.S. Card, Capital One
Steve Otero	1680 Capital One Drive McLean, VA 22102	Chief Audit Officer, Capital One
Ravi Raghu	1680 Capital One Drive McLean, VA 22102	President, Capital One Software, International, and Small Business Products, Capital One
Kara West	1680 Capital One Drive McLean, VA 22102	Chief Enterprise Risk Officer, Capital One
Sanjiv Yajnik	1680 Capital One Drive McLean, VA 22102	President, Financial Services, Capital One
Andrew Young	1680 Capital One Drive McLean, VA 22102	Chief Financial Officer, Capital One
Michael Zamsky	1680 Capital One Drive McLean, VA 22102	Chief Credit and Financial Risk Officer, Capital One

**Additional Information regarding Board of Directors Training**

All new directors participate in Capital One's Director Orientation Program, during which they have a series of meetings over time with management representatives from all business and staff areas, including the Chief Risk Officers and Chief Auditor, as well as Board Committee Chairs, the Lead Independent Director, and the CEO and Chairman of the Board to review and discuss information about the Company, the business, the boardroom, and director roles and responsibilities. The Director Orientation Program includes written materials, one-on-one meetings, and presentations to familiarize new directors on a variety of topics, including the Company's legal structure, mission, values, culture, strategic plans, customer and community impacts, accounting policies, financial reporting, risk management, lines of business, code of conduct, key regulatory issues, competition and industry dynamics, and Board Committee structure and responsibilities.

Capital One has also established a Continuing Education Program for the Board of Directors. The objective of the Continuing Education Program is to assist Directors in keeping current on industry, corporate and other developments relevant to their work as directors by:

- Providing updates on director education programs offered by applicable regulators, professional organizations and academic institutions;
- Providing internal director education programs, including optional site visits;
- Providing various board publications to Board members; and
- Peer-to-peer networks.

Directors attend education sessions internally through the Company or externally through other sources, including conferences arranged by our prudential regulators.

This Memorandum on Competitive Considerations is provided in connection with the application to the Federal Reserve Board of Governors of the Federal Reserve System (the “Federal Reserve”) for prior approval of the acquisition by Capital One Financial Corporation (“COFC”) to acquire Discover Financial Services (“Discover”) pursuant to Sections 3 and 4 of the Bank Holding Company Act of 1956, as amended (“BHC Act”).

### Introduction

The Proposed Transaction will not substantially lessen competition in any market. To the contrary, it will promote competition, especially in two significant segments of the financial-services industry—debit and credit card networks—that would meaningfully benefit from the injection of investment that COFC will bring to Discover.

The parties do not overlap in any local banking market as defined by the Federal Reserve Banks, and competition for deposits nationwide will remain robust after the Proposed Transaction. The Proposed Transaction will similarly not substantially lessen competition with respect to credit card issuing. Share and concentration levels for credit card issuing are well below safe harbor thresholds, and the industry is intensely competitive and dynamic—in part due to the ease with which issuers and consumers can switch among products and services. Moreover, the Proposed Transaction will *increase* competition among credit and debit networks by strengthening Discover’s payments networks to the benefit of the network users (both cardholders and merchants), thereby facilitating more robust competition against Visa and Mastercard, the two leading operators of debit and credit networks.

Section 3 of the BHC Act prohibits the Federal Reserve from approving a proposed merger or acquisition if it would substantially lessen competition or tend to create a monopoly unless the agency finds that any anticompetitive effects of the Proposed Transaction are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the communities to be served.<sup>1</sup> In evaluating the competitive effects of a proposed merger or acquisition between financial institutions, the Federal Reserve, in consultation with the Antitrust Division of the Department of Justice (“DOJ”),<sup>2</sup> considers all facts in the record, including the number and strength of competitors that will remain in each relevant market, the relative shares of those competitors, market concentration levels and any increase in those levels as a result of the transaction.

As a preliminary screen to identify transactions that “clearly do not have significant adverse effects on competition,” the banking agencies and DOJ calculate post-merger concentration levels as measured by the Herfindahl-Hirschman Index (the “HHI”) and the post-merger shares of the combined firm.<sup>3</sup> Applying these screens, transactions that do not result in

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<sup>1</sup> 12 U.S.C. § 1842(c)(1).

<sup>2</sup>

U.S. Department of Justice, Antitrust Division, *Bank Merger Competitive Review – Introduction and Overview*, at 1 (1995) (“Bank Merger Guidelines”), <https://www.justice.gov/sites/default/files/atr/legacy/2007/08/14/6472.pdf>.

(1) both a post-merger HHI of over 1,800 and an HHI increase of more than 200 points; or (2) a post-merger share of 35% are unlikely to warrant further review.<sup>4</sup>

As described in greater detail below, concentration and share levels for the Proposed Transaction fall within these safe harbor thresholds in all markets in which the parties compete. These preliminary screens compellingly support a finding that a transaction is unlikely to substantially lessen competition. Moreover, the highly competitive and dynamic nature of the markets at issue and relative positions and shares of COFC, Discover, and the combined firm demonstrate that the Proposed Transaction will not result in any lessening of competition in any market. With respect to payments networks, where COFC is not active today, the potential transaction will *deconcentrate* the markets at issue and improve competition for these products.

### **The Parties**<sup>5</sup>

COFC is a financial holding company headquartered in McLean, Virginia that provides retail and commercial banking products and services through 259 bank branch and 55 café locations, as well as through digital channels.<sup>6</sup> COFC held approximately \$478.5 billion in total assets as of December 31, 2023,<sup>7</sup> and had a market capitalization of \$51.6 billion as of March 15, 2024.

Discover is a digital banking and payment services company headquartered in Riverwoods, Illinois. It provides digital banking products and services, including credit cards, personal loans, home loans, and deposit products. Discover held approximately \$151.5 billion in total assets as of December 31, 2023, and had a market capitalization of \$30.1 billion as of March 15, 2014. Discover owns and operates three payments networks: Discover, PULSE, and the Diners Club International.<sup>8</sup>

### **Competitive Analysis**

The Federal Reserve assesses the likely competitive impact of a merger on the cluster of banking products (various kinds of credit) and services (such as checking and savings accounts) within local geographic markets defined by the Federal Reserve Banks.<sup>9</sup> These local markets

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<sup>4</sup> See Bank Merger Guidelines, *supra* note 3; Board of Governors of the Federal Reserve, *FAQs* (Oct. 9, 2014), <https://www.federalreserve.gov/bankinforeg/competitive-effects-mergers-acquisitions-faqs.htm>. The DOJ's and Federal Trade Commission's joint 2023 Merger Guidelines ("2023 Merger Guidelines") presume that transactions resulting in HHI greater than 1,800 and a change of more than 100 points or a combined share in excess of 30% and an increase in HHI of more than 100 points may substantially lessen competition or tend to create a monopoly. See U.S. Department of Justice & Federal Trade Commission, Merger Guidelines § 2.1 (Dec. 18, 2023), <https://www.justice.gov/d9/2023-12/2023%20Merger%20Guidelines.pdf>. The proposed transaction does not exceed the relevant thresholds under either the Bank Merger Guidelines or the 2023 Merger Guidelines.

<sup>5</sup> For a more detailed description of the parties activities, see "The Companies" section of the Application.

<sup>6</sup> As of June 2024, reflecting previously determined actions unrelated to the proposed transaction.

<sup>7</sup> Financials in this Exhibit reflect regulatory reports (Call Reports and FR Y-9Cs) and may not match GAAP-reported financials (10-Ks and 10-Qs) cited elsewhere in the Application.

<sup>8</sup> The Diners Club International is not discussed here, as its activities are outside the United States. All Diners Club cards issued in the United States are issued on the Mastercard network by BMO Bank, N.A.

<sup>9</sup> See *United States v. Philadelphia National Bank*, 374 U.S. 321, 356 (1963); *FAQs*, *supra* note 4, Nos. 9-10.

reflect “commercial and banking realities and must consist of the local area where the banks involved offer their services and where local customers can practically turn for alternatives.”<sup>10</sup>

In reviewing certain applications, the Federal Reserve will also “investigate the competitive effects in other, more specific product markets” where the products “may be obtained separately from other commercial banking products or services, and whose geographic markets may be regional or national in scope.”<sup>11</sup> Although credit card issuing is generally viewed as part of this cluster of banking services, the Federal Reserve also considers credit card issuing as a separate, national market,<sup>12</sup> which we separately evaluate below. Finally, in view of prior federal court and DOJ precedent, we also discuss the Proposed Transaction’s procompetitive effects with respect to credit and debit networks.<sup>13</sup>

## **I. Banking**

### **A. The Proposed Transaction will not substantially lessen competition in any local banking market.**

There is no overlap in any local banking market. Discover receives deposits nationally but its sole branch (Greenwood, Delaware) is in the Sussex County, Delaware Banking Market,<sup>14</sup> where COFC has no branches. COFC has a single location in Delaware, located in the Wilmington, Delaware-Maryland Banking Market,<sup>15</sup> where Discover has no branches.<sup>16</sup> COFC’s Wilmington location receives deposits nationally, is not open to the public, and does not offer retail banking services. The transaction will thus have no competitive impact in any local banking market.

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<sup>10</sup> *North Fork Bancorporation, Inc.*, 81 Fed. Res. Bull. 734, 736 (1995).

<sup>11</sup> See FAQs, *supra* note 4, No. 9.

<sup>12</sup> See *Bank of America Corp.*, 92 Fed. Res. Bull. C5, at 9 (Mar. 22, 2005),

<https://www.federalreserve.gov/boarddocs/press/orders/2005/20051215/attachment.pdf> (“Although the Board believes that the cluster of services appropriately defines the market for analyzing competitive effects of bank acquisitions, the Board has also reviewed the competitive effects of this proposal based on an alternative approach that recognizes that the business of MBNA is focused narrowly on issuing credit cards.”); *JPMorgan Chase & Co.*, 90 Fed. Res. Bull. 352, at 7 n.14 (June 14, 2004),

<https://www.federalreserve.gov/boarddocs/press/orders/2004/20040614/attachment.pdf> (“The Board continues to believe that the appropriate product market for analyzing the competitive effects of bank mergers and acquisitions is the cluster of products and services offered by banking institutions [including credit cards].” Even if credit cards were to be treated separately, “the Board concludes that the proposal would not result in significantly adverse competitive effects on credit card issuance, because that activity is conducted on a national or global scale, with numerous other large financial organizations providing the service.”).

<sup>13</sup> See, e.g., *Ohio v. American Express Co.*, 585 U.S. 529 (2018); Complaint for the United States at 17, *United States v. Visa U.S.A., Inc.*, 3:20-cv-07810 at 17 (N.D. Ca. Nov. 5, 2020) (national debit payments networks); *United States v. American Express*, 88 F. Supp. 3d 143, 170 (E.D.N.Y. 2015) (national credit payments networks), *overruled on other grounds*, 838 F.3d 179 (2d Cir. 2016); *United States v. Visa U.S.A., Inc.*, 163 F. Supp. 2d 322, 339-40 (S.D.N.Y. 2001), *aff’d*, 344 F.3d 229 (2d Cir. 2003) (“The United States is the appropriate geographic scope for . . . the general purpose card product market”).

<sup>14</sup> Defined as Sussex County, Delaware, excluding the city of Milford.

<sup>15</sup> Defined as New Castle County, Delaware and Cecil County, Maryland.

<sup>16</sup> Discover has an administrative office in Wilmington, Delaware, but that office does not hold or receive deposits.

**B. The Proposed Transaction will not substantially lessen competition for banking services at the national level.**

In view of Discover’s digital banking business model, the only relevant geographic market in which to analyze banking competition for the Proposed Transaction is nationwide. In this context, COFC and Discover are small players, holding 2.14% and 0.64% of total adjusted U.S. bank and thrift deposits, respectively. The combined firm will hold less than 3% of total national adjusted deposits, roughly one-third to one-quarter of deposits held by each of the three largest U.S. banks, JPMC, BOA, and Wells Fargo. It would also trail Citigroup and U.S. Bancorp (“USB”). Concentration levels in any such national market fall well below the safe harbor thresholds, as the HHI will increase a *de minimis* three points from 402 to 405.<sup>17</sup>

This finding holds even when considering savings and checking accounts separately, rather than as part of the cluster of banking products and services in which the Federal Reserve typically evaluates the competitive effects of a proposed transaction. Concentration levels and the parties’ combined share are well below safe harbor thresholds for each of these products. The combined COFC and Discover will hold 3.5% of the nation’s savings account deposits (including money market deposit accounts)—approximately one-fifth the size of each of JPMC and BOA. HHI levels for savings and money market deposits would increase only four points to 593. The combined COFC and Discover will hold only 1.1% of the nation’s transaction or checking account deposits and rank 16th—approximately one-twelfth the size of Wells Fargo. Concentration levels for transaction account deposits would remain virtually unchanged as a result of the transaction at an HHI of 440.<sup>18</sup> The transaction will therefore not diminish competition in any banking market.

This is particularly true in view of increased competition in the industry by fintech firms and digital banks. The prevalence of digital banking has increased significantly over the last decade,<sup>19</sup> and a number of digital-only financial institutions have flourished as digital banking

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<sup>17</sup> This calculation is based on December 31, 2023 adjusted nationwide deposits as calculated for the deposit cap to be consistent with market shares reported in this Application. The national deposit cap does not include credit unions. See Annex 1. If calculated based on total domestic deposits reported on call reports consolidated to holding companies, the HHI would increase only three points to 405. Intercompany deposits would not be netted under this methodology. See Annex 2. This calculation would not differ meaningfully if calculated based on Summary of Deposits data, which are only available as of June 30, 2023. Even these low concentration levels exaggerate actual market conditions because they exclude credit union deposits and deposit substitutes (including money market funds).

<sup>18</sup> HHIs for savings and transaction deposits are calculated from call reports of individual banks and thrifts consolidated to holding companies as of December 31, 2023. Some companies’ deposits may be overstated for intercompany deposit eliminations. See Annex 2. Although credit unions aggressively price their checking and savings accounts to compete with banks, they are not included in these share calculations; were they to be included, the HHI would be even lower.

<sup>19</sup> Forbes reports that 78% of adults in the United States prefer to bank using a mobile application or online. See Jenn Underwood & Elizabeth Aldrich, *U.S. Consumer Banking Statistics 2024*, FORBES (Jan. 31, 2024), <https://www.forbes.com/advisor/banking/banking-trends-and-statistics/>. The American Bankers Association similarly found that over 70% of bank customers use mobile or online applications as their preferred method of banking. See Press Release, American Bankers Association, National Survey: Bank Customers Use Mobile Apps More Than Any Other Channel to Manage Their Accounts (Oct. 26, 2023), <https://www.aba.com/about-us/press-room/press-releases/consumer-survey-banking-methods-2023>. See also René Bennett, *Digital banking trends in 2024*, BANKRATE (Jan. 12, 2024), <https://www.bankrate.com/banking/digital-banking-trends-and-statistics/> (“Use of mobile banking as the primary method of account access . . . increased from 15.1 percent of consumers in 2017 to 48



adoption has improved. These include, in addition to Discover, Chime Financial, SoFi Technologies, Ally Financial, Everbank Financial, Synchrony Financial, and Varo Money. As a result, consumers now have innumerable banking products and services at their fingertips in addition to those offered by local banks.

Competition for consumers' deposits has intensified in recent years, as increasing interest rates demonstrated the industry's robust and dynamic nature. In March 2022, the Federal Reserve announced the first federal funds rate increase in over three years. Since March 2022, the Federal Reserve raised the federal funds rate eleven times; in aggregate, 525 basis points.<sup>20</sup> These rate increases corresponded with more than \$1 trillion in deposits leaving the nation's banks for money market funds, Treasury bonds and other higher-yield products.<sup>21</sup>

To retain or grow deposits in support of their loan portfolios, most banks responded by increasing deposit yields.<sup>22</sup> Many banks now market high-yield deposit accounts with rates in excess of 4% annual percentage yield ("APY"), well above prevailing rates prior to the Federal Reserve rate increases, including Discover (4.25% APY),<sup>23</sup> Ally Bank (4.25% APY),<sup>24</sup> American Express (4.35% APY),<sup>25</sup> Barclays (4.35% APY),<sup>26</sup> Capital One (4.35% APY),<sup>27</sup> Marcus by

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percent in 2023."); Andrew P. Meyer, FEDERAL RESERVE BANK OF ST. LOUIS, HOW CYBER DEPOSITS AFFECT PERCEIVED COMPETITION IN BANKING MARKETS, (May 11, 2020), <https://www.stlouisfed.org/publications/regional-economist/first-quarter-2020/cyber-deposits-perceived-competition-banking> (survey reports that 91.5% of community banks offer mobile banking).

<sup>20</sup> See Taylor Tepper, *Federal Funds Rate History 1990 to 2023*, FORBES ADVISOR (Jan. 26, 2024), <https://www.forbes.com/advisor/investing/fed-funds-rate-history/>.

<sup>21</sup> See, e.g., Alexandra Harris, *How the Banks Gave Up \$1 Trillion to Money Market Funds: QuickTake*, BLOOMBERG NEWS (Nov. 28, 2023), <https://news.bloomberglaw.com/banking-law/how-banks-gave-up-1-trillion-to-money-market-funds-quicktake>; Emily Mason, *The Great Yield Chase: Why a Trillion Has Fled Traditional Bank Accounts*, FORBES (May 15, 2023), <https://www.forbes.com/sites/emilymason/2023/05/15/the-great-yield-chase-why-a-trillion-has-fled-traditional-bank-accounts/?sh=1ac9b48e13cc>; Alex Harris, *Why US Banks Are Hemorrhaging Deposits to Money Funds: QuickTake*, BLOOMBERG NEWS (Mar. 31, 2023), <https://www.bloomberg.com/news/articles/2023-03-31/why-us-bank-deposits-are-moving-to-money-market-funds>; Gara Afonso et al., *Monetary Policy Transmission and the Size of the Money Market Fund Industry: An Update*, LIBERTY STREET ECONOMICS (Apr. 3, 2023), <https://libertystreeteconomics.newyorkfed.org/2023/04/monetary-policy-transmission-and-the-size-of-the-money-market-fund-industry-an-update/>.

<sup>22</sup> See Jenn Underwood, *History of Savings Account Interest Rates*, FORBES ADVISOR (Jan. 1, 2023), <https://www.forbes.com/advisor/banking/savings/history-of-savings-account-interest-rates/>; Alex Graf & Syed Muhammed Ghaznavi, *Banks leverage high-cost products to attract deposits as competition intensifies*, S&P GLOBAL MARKET INTELLIGENCE (June 27, 2023), <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/banks-leverage-high-cost-products-to-attract-deposits-as-competition-intensifies-76215128>; Polo Rocha, *How deposit concentration reignited and why it should continue in 2023*, AMERICAN BANKER (Dec. 28, 2022), <https://www.americanbanker.com/list/how-deposit-competition-reignited-and-why-it-should-continue-in-2023>; Itzhak Ben-David et al., *Banks' Internal Capital Markets and Deposit Rates*, 52 J. FIN. & QUANT. ANALYSIS 5 (2017) (finding evidence supporting banks actively setting deposit rates higher in order to attract depositors).

<sup>23</sup> See Discover Bank, *Savings*, <https://www.discover.com/online-banking/savings-account/> (last accessed Mar. 17, 2024).

<sup>24</sup> See Ally Bank, *Savings Account*, <https://www.ally.com/bank/online-savings-account> (last accessed Mar. 8, 2024).

<sup>25</sup> See American Express, *Savings*, <https://www.americanexpress.com/en-us/banking/online-savings/account/> (last accessed Mar. 8, 2024).

<sup>26</sup> Barclays, *Online Savings*, <https://www.banking.barclaysus.com/online-savings> (last accessed Mar. 8, 2024).

<sup>27</sup> See Capital One, *360 Performance Savings*, <https://www.capitalone.com/bank/savings-accounts/online-performance-savings-account/> (last accessed Mar. 8, 2024).



Goldman Sachs (4.5% APY),<sup>28</sup> Sallie Mae (4.5% APY),<sup>29</sup> Citizens (4.5% APY),<sup>30</sup> SoFi (4.6% APY),<sup>31</sup> CIT Bank (4.65% APY),<sup>32</sup> Betterment (4.75% APY),<sup>33</sup> Synchrony Bank (4.75% APY),<sup>34</sup> Wealthfront (5.0% APY),<sup>35</sup> and Bask Bank (5.1% APY),<sup>36</sup> among others. JPMC, BOA, and Wells Fargo are the exceptions, as these banks did not or were significantly slower to increase rates. JPMC, BOA, and Wells Fargo each currently offer 0.01% APY on their standard interest-bearing savings accounts, and their highest yield savings accounts offer 0.01%, 0.04%, and 2.5% APY, respectively.<sup>37</sup> Although deposits at these larger institutions have declined to an extent, they benefited from significant deposit inflows following the 2023 Silicon Valley Bank and Signature Bank failures, as consumers shifted deposits held at smaller or digital banks to larger institutions that were perceived to be safer;<sup>38</sup> these institutions continue to hold an outsized share of savings deposits, despite these differences.

Savings accounts also compete with money market funds, whose assets are estimated to have surged by approximately \$1.3 trillion in the past two years to about \$6.4 trillion, since the Federal Reserve started raising the federal funds rate.<sup>39</sup> Like high-yield savings accounts, money market funds appeal to businesses and consumers seeking higher returns on their cash, but with the ability to access their cash at any time. Vanguard, JPMC, Charles Schwab, Invesco, Fidelity, T. Rowe Price, and BlackRock are among the largest managers of money market funds in the

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<sup>28</sup> See Marcus by Goldman Sachs, *Savings Account*, [https://www.marcus.com/us/en/savings/high-yield-savings2?adobe\\_mc\\_sdid=SDID%3D1AF1DCD385972247-22D2CAF77E99FE6C%7CMCORGID%3D51857BAF56FBC1EC7F000101%40AdobeOrg%7CTS%3D1710788022&adobe\\_mc\\_ref=https%3A%2F%2Fwww.marcus.com%2Fus%2Fen%2Fsavings%2Fhigh-yield-saving](https://www.marcus.com/us/en/savings/high-yield-savings2?adobe_mc_sdid=SDID%3D1AF1DCD385972247-22D2CAF77E99FE6C%7CMCORGID%3D51857BAF56FBC1EC7F000101%40AdobeOrg%7CTS%3D1710788022&adobe_mc_ref=https%3A%2F%2Fwww.marcus.com%2Fus%2Fen%2Fsavings%2Fhigh-yield-saving) (last accessed Mar. 17, 2024).

<sup>29</sup> See Sallie Mae, *High Yield Savings Account*, <https://www.salliemae.com/banking/high-yield-savings-account/> (last accessed Mar. 8, 2024).

<sup>30</sup> See Citizens Bank, *High-yield online savings account*, <https://www.secure.citizensaccess.com/Citizens/savings.page?> (last accessed Mar. 8, 2024).

<sup>31</sup> See Sofi Banking, *Sofi Checking and Savings*, <https://www.sofi.com/banking/> (last accessed Mar. 8, 2024).

<sup>32</sup> See CIT Bank, *Savings Connect Account*, <https://www.cit.com/cit-bank/savings-connect> (last accessed Mar. 8, 2024).

<sup>33</sup> See Betterment, *Cash Reserve*, <https://www.betterment.com/cash-reserve> (last accessed Mar. 8, 2024).

<sup>34</sup> See Synchrony Bank, *High Yield Savings*, <https://www.synchronybank.com/banking/high-yield-savings/> (last accessed Mar. 8, 2024).

<sup>35</sup> See Wealthfront, *Cash*, <https://www.wealthfront.com/cash> (last accessed Mar. 8, 2024).

<sup>36</sup> See Bask Bank, *Interest Savings Account*, <https://www.baskbank.com/products/interest-savings-account> (last accessed Mar. 8, 2024).

<sup>37</sup> See Chase Savings Account Interest Rate, <https://www.chase.com/personal/savings/savings-account/interest-rates> (last accessed Mar. 8, 2024) (savings interest rate of 0.01%) (enter zip code data in search query); Bank of America Savings Interest Rate Missouri, *Deposit Interest Rates & Annual Percentage Yields*, [https://media.bac-assets.com/DigitalDeposit\\_MO\\_MO\\_Eastern.pdf?cacheBuster=2710](https://media.bac-assets.com/DigitalDeposit_MO_MO_Eastern.pdf?cacheBuster=2710) (last accessed Mar. 8, 2024) (savings interest rate of 0.01%); Wells Fargo Savings Rate, <https://www.wellsfargo.com/savings-cds/way2save/> (last accessed Mar. 8, 2024) (savings interest rates of 0.01%) (enter zip code data in search query). BOA offers 0.04% APY for preferred rewards Diamond Honors accounts holding over \$2,500 in deposits; Wells Fargo offers 2.5% APY for Platinum Savings customers holding \$1 million in balances; JPMC only offers 0.01% APY. See *id.*

<sup>38</sup> See, e.g., Hugh Son, *Deposit drain from smaller banks into financial giants like JPMorgan Chase has slowed, sources say*, CNBC (Mar. 25, 2023), <https://www.cnbc.com/2023/03/25/banking-crisis-deposit-drain-from-small-banks-into-jpm-wfc-c-slowed.html>.

<sup>39</sup> See St. Louis Federal Reserve Economic Data, *Money Market Funds; Total Financial Assets, Level*, <https://fred.stlouisfed.org/series/MMMFFAQ027S>; Alex Harris, *Why US Banks Are Hemorrhaging Deposits to Money Funds*, BLOOMBERG (Mar. 31, 2023), <https://www.bloomberg.com/news/articles/2023-03-31/why-us-bank-deposits-are-moving-to-money-market-funds>.

United States. Competition for these deposits will continue unabated after the Proposed Transaction closes.

Competition for checking accounts, particularly primary bank accounts, is similarly robust. A primary bank account refers to a customer's primary transactional account often used for direct deposit and debit transactions.<sup>40</sup> Despite the growth of digital banking and new fintech offerings, a customer's primary bank account is often still held with a traditional bank.<sup>41</sup> For example, when COFC eliminated overdraft charges<sup>42</sup>—the first top-ten retail bank to do so—the company

COFC nonetheless remains small in checking compared to traditional banks that offer less attractive checking account terms.<sup>43</sup> Larger banks, in particular, are able to attract primary accounts and checking deposits at a significant cost discount to smaller or digital-first banks like COFC.<sup>44</sup> As of December 31, 2023,

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<sup>40</sup> See Frederrick Hamann, *5 way to become your customers' primary bank account*, SUBAIO (Jan. 3, 2022), <https://subaio.com/digital-banking/5-ways-to-become-your-customers-primary-bank-account> (“According to traditional banking standards, the account that has a customer’s salary paid into it would be considered the primary banking account. A primary bank account also refers to the main account of operation of a banking customer. This is usually the account where purchase transactions, fees and charges connected to the ATM/Debit Card are debited,” and discussing increased competition for primary bank account status); PYMNTS, *Digital Banks Take Aim at Primary Accounts with Help of Platforms* (Feb. 13, 2023), <https://www.pymnts.com/news/digital-banking/2023/digital-banks-take-aim-at-primary-accounts-with-help-of-platforms/> (“Get the primary account in place, funded on a recurring basis by, say a consumer’s paycheck, and the potential is there for banks to not only lower their cost of funding innovation but to also set the stage for cross-selling other products and services.”); Jim Marous, *Why Digital Banks Win the War for Banking Relationships*, THE FINANCIAL BRAND (Mar. 10, 2022), <https://thefinancialbrand.com/news/digital-banking/banking-competition-trends-impacting-primary-account-status-132382/>.

<sup>41</sup> See Mary Wisniewski, *Survey: Consumers stick with the same checking account for an average of 17 years*, BANKRATE (Jan. 4, 2022), <https://www.bankrate.com/banking/how-long-people-keep-their-checking-savings-accounts/> (“[T]he average U.S. consumer has held on to the same checking account for 17.75 years, and 16.69 years for a primary savings account.”); PYMNTS, *Study Finds Fewer Than 10% of Consumers Use FinTechs as a Primary Bank* (Sept. 12, 2022), <https://www.pymnts.com/consumer-finance/2022/study-finds-fewer-than-10-of-consumers-use-fintechs-as-a-primary-bank/> (“Many consumers are not yet prepared to cut ties with their traditional financial institutions . . . [b]ut . . . this status quo is starting to change as consumers become curious about the benefits of digital banking, including easier transfers, lower costs and better notifications.”).

<sup>42</sup> See Press Release, Capital One, *Capital One Eliminates Overdraft Fees for Customers* (Dec. 1, 2021), <https://www.capitalone.com/about/newsroom/eliminating-overdraft-fees/>.

<sup>43</sup> COFC’s checking accounts have no monthly service fee, no account minimums, overdraft protection, and no overdraft fees. In comparison, checking accounts at Wells Fargo, Bank of America, and Chase Bank all have a monthly fee—which, in some cases, may be waived when an account meets certain minimum balance or direct deposit requirements—do not offer overdraft protection (*i.e.*, a charge that exceeds the account balance will be declined or returned), or charge a fee for overdraft protection. Compare Capital One, *Compare Checking & Savings Accounts*, <https://www.capitalone.com/bank/open-an-account/> (last accessed Mar. 11, 2024) with Wells Fargo, *Checking Accounts*, <https://www.wellsfargo.com/checking/> (last accessed Mar. 11, 2024); Bank of America *Checking*, <https://www.bankofamerica.com/deposits/checking/advantage-banking/> (last accessed Mar. 11, 2024) (enter zip code data into search query); Chase, *Checking*, <https://personal.chase.com/personal/checking> (last accessed Mar. 11, 2024). Capital One checking customers can also add cash to their accounts at any Walgreens or CVS location using the Capital One mobile application without a debit card or ATM. Capital One, *Add Cash in Store*, <https://www.capitalone.com/bank/add-cash-in-store/> (last accessed 3/18/2024).

<sup>44</sup> See, e.g., Max Reyes, *Regional Banks Battle for Deposits with Tougher US Rules Looming*, BLOOMBERG (July 17, 2023), <https://www.bloomberg.com/news/articles/2023-07-17/regional-banks-battle-for-deposits-with-tougher-us-rules-looming> (reporting on increased cost of deposits on smaller banks); Stefan Jacewitz & Jonathan Pogach,



COFC ranked 16th in total transaction account deposits among banks and thrifts—not only behind the nation’s largest banks, but also behind PNC Financial Services Group (“PNC”), KeyCorp, Citizens Financial Group (“Citizens”), Huntington Bancshares, and Regions Financial, among others—and the combined COFC-Discover will remain 16th after the Proposed Transaction.<sup>45</sup>

### **C. The Proposed Transaction will improve access to consumer-friendly banking products.**

As a result of the Proposed Transaction, Discover customers will immediately gain access to COFC’s branch and café locations and associated services. Investments in Discover’s payments networks will also facilitate improved products and services for COFC’s banking customers.<sup>46</sup> The combined COFC-Discover will thus be better positioned to grow its banking presence; make more attractive its and Discover’s consumer-friendly banking products, including no-minimum-balance, no-overdraft-fee checking accounts and higher-yield checking accounts;<sup>47</sup> and introduce new innovative products and services.

## **II. Credit Card Issuance**

In recent transactions, the Federal Reserve has also considered the potential competitive effects of transactions in the national market for issuance of credit cards. The Proposed Transaction will not result in any substantial lessening of competition in this market.

### **A. Credit card issuing is not a concentrated industry.**

The Federal Reserve and OCC have recognized that any market for credit card issuing is national in scope, intensely competitive, and not concentrated.<sup>48</sup> When COFC acquired HSBC’s

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*Deposit Rate Advantages at the Largest Banks*, 53 J. FIN. SERVS. RSCH. 1 (2018) (finding that the perception of lower risk at large banks led to large banks paying a lower risk premium).

<sup>45</sup> See Annex 2.

<sup>46</sup> See discussion *infra* notes 1736-183.

<sup>47</sup> See *supra* notes 27 & 43.

<sup>48</sup> See, e.g., *Capital One, National Association*, CRA Decision #149, at 3 (Mar. 9, 2012) (“CONA and COBNA are two of roughly 5000-plus institutions that offer credit cards in a highly competitive market”), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2012/crad149.pdf>; *Bank of America Corporation*, Conditional Approval #625, at 2-3 (Feb. 24, 2004), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2004/ca625.pdf> (“The OCC and the FRB have recognized that the market for credit card services is national in scope. Credit card companies compete in soliciting and serving customers throughout the United States. This national market is highly competitive and not concentrated.”); *Citibank USA, National Association*, CRA Decision #117, at 3 (Oct. 16, 2003), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2003/crad117.pdf> (“The OCC and the Federal Reserve Board have recognized that the market for credit card services is national in scope . . . This national market is highly competitive and unconcentrated. . . . The nationwide population of credit card issuing depository institutions is extensive, and there are numerous alternative card lenders in the national marketplace”); *HSBC Holdings, plc*, Corporate Decision #2003-2, at 2 (Mar. 27, 2003), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2003/cd03-2.pdf> (same); *First USA Bank, N.A., et al.*, Corporate Decision #2001-16, at 3 (June 14, 2001), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2001/cd01-16.pdf> (“The OCC recognizes that the relevant geographic market for credit card services is national in scope.”); *Citigroup Inc.*, Corporate Decision #2000-21, at 2 (Nov. 30, 2000), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2000/cd00-21.pdf> (same); *Bank of America, National Association*, Corporate

credit card portfolio in 2012, for example, the OCC stated that the parties “are two of roughly 5,000-plus institutions that offer credit cards in a highly competitive market.”<sup>49</sup> Courts have similarly recognized the intensity of competition among issuers for credit cards. In the DOJ’s lawsuit against Visa and Mastercard, which began in 1998 and ended in 2003, the Second Circuit characterized competition among credit and charge card issuers in the United States as “robust,” where “[thousands of] separate issuers compete to provide products to consumers.”<sup>50</sup> The district court in the same litigation found that “no single issuer dominates the industry; the largest credit and charge card issuers have only small shares of total industry output.”<sup>51</sup> The DOJ acknowledged in that litigation that “[n]o one disputes that the issuer market is unconcentrated.”<sup>52</sup>

These facts remain unchanged today. Thousands of credit card issuers compete to attract customers,<sup>53</sup> and all relevant metrics confirm that no single issuer dominates the market. The market is unconcentrated, concentration levels have not increased since 1998,<sup>54</sup> and, in the last

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Decision No. 98-14, at 2 (Feb. 10, 1998), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/1998/cd98-14.pdf> (“The [credit card servicing] market is very fragmented where even the leading lenders have relatively modest market shares.”); and *Associates National Bank (Delaware)*, Corporate Decision #97-23 at 3 (Apr. 9, 1997), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/1997/cd97-23.pdf> (“Competition between issuers of major credit cards is intense”). For the Federal Reserve’s decisions, see *Bank of America Corporation*, *supra* note 12, at 9-10 (“[I]ssuing credit cards is an activity that is conducted on a national or global scale, with relatively low barriers to entry and with numerous other large financial organizations providing these services.”); *JPMorgan Chase & Co.*, *supra* note 12; *Travelers Group Inc.*, 84 Fed. Res. Bull. 985, at 75 (Sept. 23, 1998), <https://www.federalreserve.gov/boarddocs/press/bhc/1998/19980923/19980923.pdf> (“The record indicates that there are numerous, active competitors providing each of these products and services, [including credit card operations,] and that the markets for these products and services are unconcentrated.”); *Banc One Corporation*, 84 Fed. Res. Bull. 961, at 62 n.65 (Sept. 14, 1998), <https://www.federalreserve.gov/boarddocs/press/bhc/1998/19980914/19980914.pdf> (“The Board previously has determined that the markets for credit card issuers and credit card processors are national and are not concentrated.”); and *Banc One Corporation*, 83 Fed. Res. Bull. 602 (May 14, 1997), <https://www.federalreserve.gov/boarddocs/press/bhc/1997/19970514/> (“Credit card issuers compete nationally for credit card customers. . . . The market would remain unconcentrated . . . and numerous competitors would remain.”).

<sup>49</sup> *Capital One, National Association*, CRA Decision #149, at 3 (Mar. 9, 2012), <https://www.occ.gov/topics/charters-and-licensing/interpretations-and-actions/2012/crad149.pdf>.

<sup>50</sup> *United States v. Visa U.S.A., Inc.*, 344 F.3d 229, 240 (2d Cir. 2003).

<sup>51</sup> *United States v. Visa U.S.A., Inc.*, 163 F. Supp. 2d at 333.

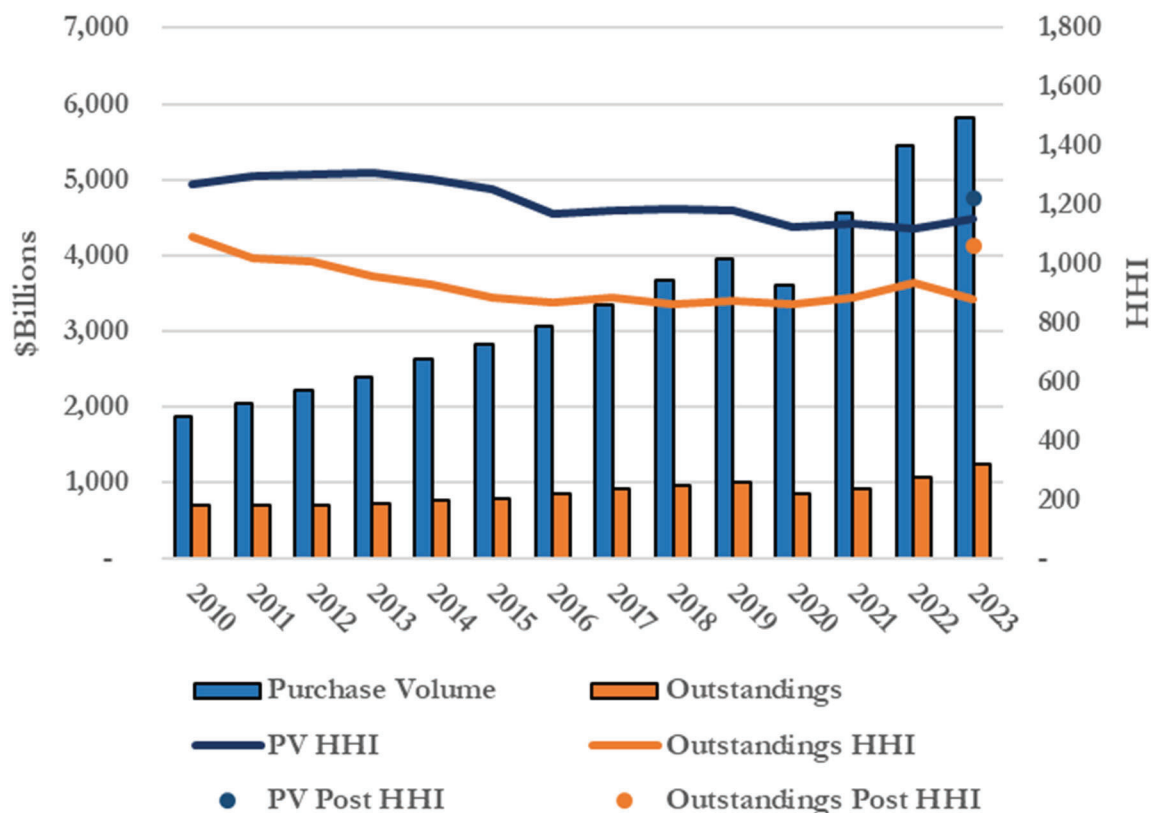
<sup>52</sup> Brief for the United States at 48 n.43, *United States v. Visa U.S.A., Inc.*, 344 F.3d 229, 240 (2d Cir. 2003) (No. 02-6074(L)).

<sup>53</sup> CFPB, *The Consumer Credit Card Market*, at 18 (Oct. 2023) (hereinafter, “2023 CFPB Report”), [https://files.consumerfinance.gov/f/documents/cfpb\\_consumer-credit-card-market-report\\_2023.pdf](https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2023.pdf) (“About 4,000 financial institutions offer credit cards.”); BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, REPORT TO THE CONGRESS ON THE PROFITABILITY OF CREDIT CARD OPERATIONS OF DEPOSITORY INSTITUTIONS 7 n.7 (July 2018), <https://www.federalreserve.gov/publications/files/ccprofit2018.pdf> (noting that, as of 2018, there were “over 5,000 depository institutions, including commercial banks, credit unions, and savings institutions” that “issue Visa and Mastercard credit cards and independently set the terms and conditions on their plans. Many thousands of other institutions act as agents for card-issuing institutions. In addition to the firms issuing cards through the Visa and Mastercard networks, a few institutions issue cards on two other large networks, American Express and Discover.”).

<sup>54</sup> See *Bank of America, National Association*, Corporate Decision No. 98-14, *supra* note 48, at 2 (HHI would increase to approximately 873 as a result of the transaction); *Banc One Corporation*, 84 Fed. Res. Bull. 961, *supra* note 48, at 62 n.65 (HHI would increase 104 points to less than 1,000 as a result of the transaction). As of December 31, 2023, the HHI based on credit card outstanding balances was 882, comparable to HHI concentration

ten years, outstanding balance and purchase volume concentration levels have in fact *declined*.<sup>55</sup> At the same time, purchase volume has grown significantly, further demonstrating that the industry is highly competitive, with no single competitor or group of competitors exercising market power.<sup>56</sup> The Federal Reserve has measured concentration in the credit card issuing market based on national “receivables” (that is, outstanding balances).<sup>57</sup> Under that metric, the market is unconcentrated. Shares based on purchase volume are likewise unconcentrated.

### Growth and HHI Trends



levels in 1998. The post-merger HHI of 1,060 remains less than that in 2010 (1,091). The Nilson Report, Issue Nos. 1258, 1257. [REDACTED]

<sup>55</sup> The Nilson Report, Issue Nos. 1258, 1257, 1236, 1235, 1214, 1213, 1192, 1191, 1170, 1169, 1148, 1147, 1126, 1125, 1104, 1103, 1081, 1080, 1058, 1057, 1035, 1034, 1012, 1011, 989, 988, 966, 965. [REDACTED]

<sup>56</sup> Outstanding balances, unlike purchasing volume, may be impacted by regulated leverage and other capital ratios. Banks may securitize or sell credit card assets to satisfy these regulatory requirements, thereby lowering total outstanding credit card balances held by the bank, which may explain why outstanding balances have not grown at the same rate as purchasing volume. Nevertheless, concentration levels for outstanding balances have declined, driven in significant part by a decline in share held by the top 10 credit card issuers, demonstrating the lack of market power by any given issuer. See 2023 CFPB Report, *supra* note 53, at 19 fig. 3 (top 10 issuer share has declined from 87.0% in 2016 to 82.9% in 2022, while the next top 20 issuer share has increased from 7.6% to 11.6%).

<sup>57</sup> See, e.g., *First Chicago Corp.*, 73 Fed. Res. Bull. 600, 601, 1987 WL 119316, at \*1, n.4 (July 1, 1987) (analyzing competition for credit card issuers based on each issuer’s overall national share of “bank credit card and check credit receivables”); *MNC Financial, Inc.*, 76 Fed. Res. Bull. 89, 93, 1990 WL 319504, at \*4 (Feb. 1, 1990) (market shares based on “bank credit card receivables in the United States”).

**B. The credit card industry is intensely competitive and dynamic as issuers are readily able to introduce new products and services and change existing products and services to meet consumer demands.**

The persistently low and decreasing concentration level in credit card issuing reflects dynamism, innovation, and competition in the industry.<sup>58</sup> Thousands of issuers compete for new originations and increased purchasing through a multitude of packages and programs based on, *inter alia*, interest rates and fees<sup>59</sup>; point programs that can be redeemed for merchandise, airline tickets, travel, and entertainment (or all of them); cash back programs; amenities such as purchase protection and airport lounges; early spend and sign-up bonuses; and interest-free promotional periods.

These packages can be developed or refined quickly in response to changes in consumer demand or spend. USB's Bank's Cash+ card and the Chase Freedom Flex card, for example, allow consumers to choose and activate categories that are important to them for added cash back.<sup>60</sup> Citigroup's Custom Cash card will automatically adjust rewards based on categories of actual spend.<sup>61</sup> Wells Fargo's Autograph card targets travelers with unlimited 3X points for travel expenses.<sup>62</sup> Airline-specific cards let consumers earn more miles on purchases,<sup>63</sup> and

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<sup>58</sup> See, e.g., Susan Herbst-Murphy, FEDERAL RESERVE BANK OF PHILADELPHIA, CREDIT CARD LANDSCAPE UPDATE 2 (Jan. 2018), <https://www.philadelphiafed.org/-/media/frbp/assets/consumer-finance/discussion-papers/dp18-01.pdf> ("The credit card industry is nothing if not dynamic. . . . New technologies, changes to funding or other costs, and new consumer entrants alter the status quo.").

<sup>59</sup> In 2009, the Credit Card Accountability Responsibility and Disclosure (CARD) Act set certain caps and limitations on the fees credit card issuers could charge and limited certain interest rate hikes. In March 2024, the Consumer Financial Protection Bureau issued a final rule pursuant to the CARD Act that lowers the immunity provision dollar amount for late fees to \$8 down from \$32. See Press Release, CFPB, *CFPB Bans Excessive Credit Card Late Fees, Lowers Typical Fee from \$32 to \$8* (Mar. 5, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-bans-excessive-credit-card-late-fees-lowers-typical-fee-from-32-to-8/>. As a result, the ability for issuers to compete on rates and fees has been significantly constrained. In general, credit card interest rates are pegged to and have followed the federal funds rate. See American Bankers Association, Consumer Bankers Association & National Association of Federally-Insured Credit Unions, *Comment to the CFPB Request for Information Regarding Consumer Credit Market*, at 2-3, Docket No. CFPB-2023-0009 (Apr. 24, 2023), <https://www.nafcua.org/system/files/files/CFPB-2023-0009%20Joint%20Trades%20Letter%20to%20CFPB%20re%20Consumer%20Credit%20Card%20Market.pdf>.

Overall profitability, however, has been relatively stable despite fluctuating interest rates. See Robert Adams, Vitaly Bord & Bradley Katcher, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, CREDIT CARD PROFITABILITY (Sept. 9, 2022), <https://www.federalreserve.gov/econres/notes/feds-notes/credit-card-profitability-20220909.html>; BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, REPORT TO CONGRESS: PROFITABILITY OF CREDIT CARD OPERATIONS OF DEPOSITORY INSTITUTIONS 3, Table 1 (July 2023) (hereinafter, "Profitability of Credit Card"), <https://www.federalreserve.gov/publications/files/ccprofit2023.pdf>.

<sup>60</sup> See U.S. Bank, *U.S. Bank Cash+ Visa Signature Card*, <https://www.usbank.com/credit-cards/cash-plus-visa-signature-credit-card.html> (last accessed Mar. 16, 2024); Chase, *Chase Credit Cards*, <https://creditcards.chase.com/> (last accessed Mar. 16, 2024).

<sup>61</sup> See Citigroup, *View and Compare All Credit Cards*, <https://www.citi.com/credit-cards/compare/view-all-credit-cards> (last accessed Mar. 16, 2024).

<sup>62</sup> See Wells Fargo, *Credit Cards*, [https://creditcards.wellsfargo.com/?RCTTST=RCTCTL1&sub\\_channel=WEB&vendor\\_code=WF](https://creditcards.wellsfargo.com/?RCTTST=RCTCTL1&sub_channel=WEB&vendor_code=WF) (last accessed Mar. 16, 2024).

<sup>63</sup> See, e.g., United Airlines, *Rewards Cards*, <https://www2.theexplorercard.com/rewards-cards> (last accessed Mar. 16, 2024).

many others offer even more niche benefits, like the NFL Extra Points card.<sup>64</sup>

Issuers can retool their existing offerings with ease. For example, American Express (“Amex”) recently moved its co-branded Morgan Stanley brokerage card from a points-based rewards program to a cash-back offering<sup>65</sup>; BOA recently revamped its Customized Cash Rewards card to allow cardholders, among other changes, to earn 3% cash back on electric vehicle charging stations<sup>66</sup>; and in 2024, Citigroup changed its credit guidelines for two of its cards to make them more accessible.<sup>67</sup>

Credit card issuers can appeal to consumers with aggressive no- or low-interest offerings for new purchases or balance transfers for a promotional period. The new TD FlexPay card, for example, is offering consumers a 0% introductory APR on balance transfers for 18 billing cycles,<sup>68</sup> and Amex’s Blue Cash Preferred Card offers 0% APR on purchases and balance transfers for 12 months.<sup>69</sup>

Other card offerings, including recently developed products, are specifically designed to help consumers build credit. “Some providers are offering new types of secured credit cards to consumers lacking credit scores or credit files. For example, issuer Varo Bank introduced a credit card which reserves the amount spent from a linked bank account to ensure users never miss a payment,” allowing users to build credit and improve their credit score with limited bank

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<sup>64</sup> See *NFL Extra Points*, <https://www.nflextrapoints.com/> (last accessed Mar. 16, 2024).

<sup>65</sup> See Kate Fitzgerald, *American Express launches cash-back card for investors*, AMERICAN BANKER (Nov. 10, 2021), <https://www.americanbanker.com/news/american-express-launches-cash-back-card-for-investors>.

<sup>66</sup> See John Adams, *How Bank of America, Barclays make loyalty about more than reward points*, AMERICAN BANKER (Sept. 8, 2023), <https://www.americanbanker.com/payments/news/how-bofa-barclays-make-loyalty-about-more-than-reward-points>.

<sup>67</sup> See Becky Pokora, *Citi Adds Two Cash-Back Credit Cards for Fair Credit*, FORBES (Feb. 5, 2024), <https://www.forbes.com/advisor/credit-cards/citi-adds-two-cash-back-credit-cards-for-fair-credit/>.

<sup>68</sup> See TD Bank, *TD FlexPay Credit Card*, <https://www.td.com/us/en/personal-banking/credit-cards/flex-pay> (last accessed Mar. 16, 2024). TD Bank is actively expanding its credit card offerings. Kate Fitzgerald, *TD Bank launches a credit card with zero interest and a monthly fee*, AMERICAN BANKER (May 9, 2023), <https://www.americanbanker.com/payments/news/td-bank-launches-a-credit-card-with-zero-interest-and-a-monthly-fee> (announcing launch of two new credit cards, one that eliminates interest and charges a monthly fee—the first of its kind—and another that gives cash-strapped customers a periodic break on payments and fees); TD Stories, *TD Bank Introduces Two New Credit Cards with Launch of Revamped Portfolio* (May 9, 2023), <https://stories.td.com/us/en/article/td-bank-introduces-two-new-credit-cards-with-launch-of-revamped-portfolio> (announcing launch of two new cards and enhancements to existing TD Double Up and TD Cash credit cards); Dawn Furnas, *TD Bank extends Target credit card deal*, NJ BIZ (Sept. 22, 2022), <https://njbiz.com/td-bank-extends-target-credit-card-deal/> (announcing extension of Target co-branding deal).

<sup>69</sup> See Amex Blue Cash Preferred, <https://www.americanexpress.com/us/credit-cards/card/blue-cash-preferred/> (last accessed Mar. 16, 2024).



risk.<sup>70</sup> Chime, Self, and TomoCredit also offer secured credit cards that applicants can obtain without a credit check,<sup>71</sup> and Nerd Wallet recently announced the launch of its own such card.<sup>72</sup>

Competition in the industry has intensified as data and information collection and solicitation and issuing technology have improved. Credit card issuers, including new entrants, are well-positioned to identify an unmet demand, develop a product to meet the demand, and deploy efficient marketing tactics that target specific populations.<sup>73</sup> And the Federal Reserve has previously recognized, “issuing credit cards is an activity . . . with relatively low barriers to entry and with numerous . . . large financial organizations providing these services.”<sup>74</sup> New “card-as-a-service” offerings, in particular, have accelerated the timeline for product launches, providing an avenue for smaller banks and issuers to quickly modernize and improve their digital offerings and technology stack.<sup>75</sup>

Nor do mandated capital ratios limit a bank’s capacity to expand or grow its credit card portfolios. Credit card assets represent a relatively small percentage of assets or deposits at some

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<sup>70</sup> CFPB, *The Credit Card Market*, at 160 (Sept. 2021) (hereinafter “2021 CFPB Study”),

[https://files.consumerfinance.gov/f/documents/cfpb\\_consumer-credit-card-market-report\\_2021.pdf](https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2021.pdf).

<sup>71</sup> *Id.*; see also Steve Cocheo, *Battle for Credit Cards Waged with Innovation and Sheer Marketing Muscle*, THE FINANCIAL BRAND (Aug. 11, 2021), <https://thefinancialbrand.com/news/payments-trends/innovation-and-sheer-marketing-muscle-powering-credit-card-battle-120044/>.

<sup>72</sup> See Miriam Cross, *NerdWallet explains how its credit card will help vast swath of users*, AMERICAN BANKER (Oct. 30, 2023), <https://www.americanbanker.com/news/nerdwallet-explains-how-its-credit-card-will-help-vast-swathe-of-users>.

<sup>73</sup> See Mark Furletti, THE FEDERAL RESERVE BANK OF PHILADELPHIA, CREDIT CARD PRICING DEVELOPMENTS AND THEIR DISCLOSURE 1 (Jan. 2003) (hereinafter, “Credit Card Pricing”), [https://www.philadelphiafed.org/-/media/frbp/assets/consumer-finance/discussion-papers/creditcardpricing\\_012003.pdf?la=en&hash=C681C5E95BF6626D8C0FDB0EFFBE052](https://www.philadelphiafed.org/-/media/frbp/assets/consumer-finance/discussion-papers/creditcardpricing_012003.pdf?la=en&hash=C681C5E95BF6626D8C0FDB0EFFBE052) (“Advances in credit scoring, response modeling, and solicitation technologies (e.g., e-mail, direct mail, telemarketing) have allowed experienced issuers to more efficiently market their products and enabled new issuers to enter the card market and grow quickly.”); Sandra F. Braunstein, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, CREDIT SCORING, BEFORE THE COMMITTEE ON FINANCIAL SERVICES, SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER CREDIT, (Mar. 24, 2010), <https://www.federalreserve.gov/newsevents/testimony/37519B46AB684C1F91B30089062203E1.htm> (“Credit scoring also has increased access to credit for consumers, enhanced competition, and improved market efficiency”); Terri Bradford, FEDERAL RESERVE BANK OF KANSAS CITY, GIVE ME SOME CREDIT: USING ALTERNATIVE DATA TO EXPAND CREDIT ACCESS (June 28, 2023), <https://www.kansascityfed.org/research/payments-system-research-briefings/give-me-some-credit-using-alternative-data-to-expand-credit-access/> (“[U]sing alternative financial data to assess consumers’ creditworthiness resulted in both a higher probability of a consumer being approved for credit and a more favorable interest rate for that credit.”); 2023 CFPB Report, *supra* note 53, at 169 (“New data sources for underwriting, such as the use of consumer-permissioned data from bank accounts,” could improve access to credit).

<sup>74</sup> *Bank of America Corporation*, *supra* note 12, at 9-10.

<sup>75</sup> See, e.g., Christine Gibson, *How ‘credit cards as a service’ is helping banks charge ahead*, MASTERCARD NEWSROOM (Dec. 6, 2023), <https://www.mastercard.com/news/perspectives/2023/how-credit-cards-as-a-service-is-helping-banks-charge-ahead/> (“Brim’s modular customizable platform can significantly accelerate the deployment of a credit card program for issuers of any size from months to weeks, fully empowering the institution to run and evolve that program according to their customer and market needs.”); Suman Bhattacharyya, *Inside Marqeta’s plans to grow its ‘card-as-a-service’ offering*, PAYMENTS DIVE (Mar. 2, 2021), <https://www.paymentsdive.com/news/inside-marqetas-plans-to-grow-its-card-as-a-service-offering/595965/> (API-based platform that helps clients launch card offerings in months instead of years); Press Release, First National Bank of Omaha, *First National Bank of Omaha Launches Credit Card-as-a-Service Solution* (Aug. 30, 2022), <https://www.businesswire.com/news/home/20220830005403/en/First-National-Bank-of-Omaha-Launches-Credit-Card-as-a-Service-Solution>.

of the most active and largest issuers, including JPMC, Citigroup, BOA, USB and Wells Fargo.<sup>76</sup> To the extent any issuer may be capital-constrained, it may sell or securitize credit card balances,<sup>77</sup> thereby expanding available capacity to issue and extend credit. In this environment of a highly elastic supply curve, the Proposed Transaction raises no competitive concern.

### **C. Consumers can easily switch credit card products and can switch to other transaction or lending products that compete for credit card spend.**

Just as credit card issuers can flexibly respond to changing industry and competitive dynamics, so too can consumers. As the OCC has previously noted, “[i]n addition to the numerous [card issuer] alternatives, the market is characterized by the ability of card customers to switch among those card providers with ease and rapidity.”<sup>78</sup> Product innovations, such as balance transfer, cash-back programs and no annual fee cards, facilitate and incentivize switching and multi-homing, together with low introductory APRs or balance transfer APRs.<sup>79</sup> Rewards programs, which are prevalent, also incentivize switching.<sup>80</sup> Because the U.S. consumer holds an average of three to four credit cards, this switching occurs not just when a consumer closes an account with one issuer and opens one with another, but also from one transaction to the next.<sup>81</sup>

Increased digitization and availability of data in the industry has further facilitated consumer switching. Credit card applications can be submitted quickly online or on a mobile device,<sup>82</sup> and some issuers approve applicants based on a “soft” credit inquiry (which does not affect a credit rating), thereby eliminating any downside to submitting several credit card

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<sup>76</sup> See Annex 3.

<sup>77</sup> See, e.g., Sifma, *US Asset Backed Securities Statistics*, <https://www.sifma.org/resources/research/us-asset-backed-securities-statistics/> (approximately \$20.3 billion in credit card receivables were newly securitized in 2023); Press Release, Barclays, *Barclays and Blackstone Credit & Insurance Agree to Sale of Credit Card Receivables* (Feb. 27, 2024), <https://home.barclays/news/press-releases/2024/02/barclays-and-blackstone-credit---insurance-agree-to-sale-of-cred/>.

<sup>78</sup> *Citibank USA, National Association*, CRA Decision #117, *supra* note 48, at 3; see also *United States v. Visa U.S.A., Inc.*, 163 F. Supp. 2d at 334 (“Cardholders today can choose from thousands of different card products with varying terms and features, including a wide variety of rewards and co-branding programs . . . Consumers in the United States also have extensive information available to them about card offerings and can readily switch cards and issuers.”); 2023 CFPB Report, *supra* note 53, at 88 (“Since consumers often carry more than one card, credit card issuers compete to acquire and retain ‘top-of-wallet’ status as consumers’ primary method of payment. Issuers must refresh product offerings and provide new benefits regularly to ensure cardholders reach for their product first at checkout or keep their card as the default option in a mobile wallet.”).

<sup>79</sup> Credit Card Pricing, *supra* note 73, at 2.

<sup>80</sup> 2023 CFPB Report, *supra* note 53, at 98 (“Rewards frequently drive originations, as consumer report rewards and sign-up offers are the top factors influencing their shopping decisions. After a consumer chooses to open a card, rewards continue to play a major role, often determining card choice at point-of-sale. The fight for both new customers and ‘top-of-wallet’ status for existing cardholders has intensified competition on rewards offerings in the past two years.”); Sumit Agarwal, Sujit Chakravorti & Anna Lunn, *Why Do Banks Reward Their Customers to Use their Credit Cards?* (Fed. Reserve Bank of Chi., WP No. 2010-19, 2010), [http://www.chicagofed.org/digital\\_assets/publications/working\\_papers/2010/wp2010\\_19.pdf](http://www.chicagofed.org/digital_assets/publications/working_papers/2010/wp2010_19.pdf) (“[R]ewards have [a] significant impact on credit card debt especially via substitution from another issuer’s credit card suggesting that rewards are an effective tool to steal customers from a financial institution’s competitors.”).

<sup>81</sup> See Stefan Lembo Stolba, *What is the Average Number of Credit Cards per US Consumer?*, EXPERIAN (Apr. 8, 2021), <https://www.experian.com/blogs/ask-experian/average-number-of-credit-cards-a-person-has/>.

<sup>82</sup> 2021 CFPB Study, *supra* note 70, at 66.

applications.<sup>83</sup> The increased use of digital wallets has eliminated physical limitations to the number of cards an individual can hold.<sup>84</sup> These digital wallets allow cardholders to switch card usage based on a particular purchase, and new mobile applications help consumers quickly identify which card provides the best reward for any particular purchase.<sup>85</sup>

Consumers also have an increasing wealth of available payment and credit options that compete for each consumer transaction; those payment and credit options are a significant constraint on credit card issuers. Debit cards are a preferred payment card of choice<sup>86</sup> and debit card transactions are growing proportionally faster than credit card transactions.<sup>87</sup> Advancements in real-time payments networks have made bank-to-bank transfers seamless, and peer-to-peer payment providers such as Venmo, Zelle and Apple Cash are growing in popularity and use.<sup>88</sup> Payments technology is likely only to become more competitive with Real Time Payments from The Clearing House<sup>89</sup> and the launch of FedNow, which enables instant payments among participating financial institutions.<sup>90</sup>

Consumer lending has also become more competitive. Although other forms of consumer lending have always competed to some degree with credit card lending,<sup>91</sup> newer

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<sup>83</sup> See 2023 CFPB Report, *supra* note 53, at 162-63; Ben Luthi, *Amex Introduces Soft Pull Credit Card Approval Feature*, FORBES (Nov. 30, 2022), <https://www.forbes.com/advisor/credit-cards/amex-introduces-credit-card-pre-approval-feature/> (reporting on Amex's introduction of a soft pull credit card approval feature).

<sup>84</sup> See Amanda Claypool, *53% of Americans Use Digital Wallets More than Traditional Payment Methods: Poll*, FORBES ADVISOR (Aug. 23, 2023), <https://www.forbes.com/advisor/banking/digital-wallets-payment-apps/>; Vaibhav Goel et al., McKinsey & Co., *New trends in US consumer digital payments* (Oct. 26, 2021), <https://www.mckinsey.com/industries/financial-services/our-insights/banking-matters/new-trends-in-us-consumer-digital-payments> (“More than four in five Americans used some form of digital payment in 2021”); Julie L. Stackhouse, FEDERAL RESERVE BANK OF ST. LOUIS, *FINTECH: HOW DIGITAL WALLETS WORK* (June 24, 2019), <https://www.stlouisfed.org/on-the-economy/2019/june/fintech-digital-wallets-work> (“Experian reports that digital payments topped \$720 billion in 2017.”).

<sup>85</sup> See, e.g., Jaime Catmull, *3 Top Credit Card Rewards Tracking Apps*, FORBES (Jan. 19, 2022), <https://www.forbes.com/sites/jaimecatmull/2022/01/19/3-top-credit-card-rewards-tracking-apps/?sh=20386bd144bc> (reporting on uThrive); KUDOS, <https://www.joinkudos.com/> (last accessed Mar. 16, 2024).

<sup>86</sup> See McKayla Wooldridge, *Debit surpasses credit as consumers' preferred payment card*, S&P GLOB. MKT. INTEL. (Sept. 27, 2022), <https://www.spglobal.com/marketintelligence/en/news-insights/research/debit-surpasses-credit-as-consumers-preferred-payment-card>.

<sup>87</sup> See Ling Ling Ang et al., *Fintech Developments and Antitrust Considerations in Payments*, 35 ANTITRUST 69, 71-72 (Spring 2021) (noting blurring between credit card and bank payments as improvements in ACH and peer-to-peer payment applications allowed real-time bank transfers); THE FEDERAL RESERVE PAYMENTS STUDY: 2022 TRIENNIAL INITIAL DATA RELEASE, <https://www.federalreserve.gov/paymentsystems/fr-payments-study.htm> (last updated July 27, 2023); The Nilson Report, Issue No. 1257, at 10-12 (2024) (showing Visa and Mastercard debit growth as compared to credit growth).

<sup>88</sup> See Kevin Foster et al., FEDERAL RESERVE BANK OF ATLANTA, 2022 SURVEY AND DIARY OF CONSUMER PAYMENT CHOICE: SUMMARY RESULTS 1 (2023), [https://www.atlantafed.org/-/media/documents/banking/consumer-payments/survey-diary-consumer-payment-choice/2022/sdcpc\\_2022\\_report.pdf](https://www.atlantafed.org/-/media/documents/banking/consumer-payments/survey-diary-consumer-payment-choice/2022/sdcpc_2022_report.pdf) (“Two-thirds of consumers reported that they had adopted an online payment account such as PayPal, Venmo, or Zelle.”).

<sup>89</sup> See RTP, THE CLEARING HOUSE, <https://www.theclearinghouse.org/payment-systems/rtp> (“RTP from The Clearing House is a real-time payments platform that all federally insured U.S. depository institutions are eligible to use for payments innovation”) (last accessed Mar. 10, 2024).

<sup>90</sup> *About the FedNow Service*, FRBSERVICES.ORG, <https://www.frbservices.org/financial-services/fednow/about.html> (last accessed Mar. 16, 2024).

<sup>91</sup> See Profitability of Credit Card, *supra* note 59, at 6. <https://www.federalreserve.gov/publications/files/ccprofit2023.pdf> (“[S]ome borrowers have turned to personal loans for debt consolidation, including the refinancing of credit card debt.”).

product innovations have made switching across products even easier. For example, access to personal loans, which serve as a means for consumers to consolidate credit card debt, has expanded with new fintech offerings, including from SoFi<sup>92</sup> and Upgrade,<sup>93</sup> intensifying credit card lending competition.<sup>94</sup> Most notably, “buy now, pay later” (“BNPL”) products such as Affirm, Afterpay and Klarna—which offer consumers the ability to make a single purchase using a point-of-sale, short-term, and typically interest-free or low-interest loan with predetermined repayment schedules—have, as reported by the Federal Reserve Bank of Kansas City, “the potential to replace credit card payments,” accounting for \$8 billion to \$10 billion in lost bank revenue annually.<sup>95</sup> Credit card issuers have responded to these innovations by offering their own installment payment plans using a cardholder’s existing line of credit.<sup>96</sup> Banks have also introduced new small-dollar loans, which can be deposited and used in a matter of minutes. Wells Fargo’s Flex Loan, for example, is a digital-only small dollar loan (\$250 or \$500) available for a flat fee, with funds deposited within seconds after acceptance, enabling Wells Fargo debit card holders to immediately complete a transaction.<sup>97</sup> The ease with which consumers can switch credit cards or other forms of payment or credit, particularly in a market with so many competitors, makes the exercise of market power—whether unilaterally or through coordinated interaction—implausible.

#### **D. The Proposed Transaction will not substantially lessen competition for credit card issuing.**

The Proposed Transaction will not reduce competition in this fragmented and dynamic industry. Concentration and share levels as a result of the Proposed Transaction are well below

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<sup>92</sup> See *Credit Card Debt Consolidation Loans*, SOFI, <https://www.sofi.com/personal-loans/credit-card-consolidation-loans/> (last accessed Mar. 16, 2024).

<sup>93</sup> See *Personal Loans*, UPGRADE, <https://www.upgrade.com/personal-loans/> (touting benefit of refinancing credit card debt) (last accessed Mar. 16, 2024).

<sup>94</sup> See Eldar Beiseitov, FEDERAL RESERVE BANK OF SAINT LOUIS, THE ROLE OF FINTECH IN UNSECURED CONSUMER LENDING TO LOW- AND MODERATE-INCOME INDIVIDUALS: HOW HAS FINTECH CHANGED ACCESS TO UNSECURED CONSUMER LOANS 2, 4 (Sept. 2022), [https://www.newyorkfed.org/medialibrary/media/newsevents/events/regional\\_outreach/2022/092922/2022-09-29-eldar-beiseitov-fintech-personal-loans-ny-fed](https://www.newyorkfed.org/medialibrary/media/newsevents/events/regional_outreach/2022/092922/2022-09-29-eldar-beiseitov-fintech-personal-loans-ny-fed).

<sup>95</sup> Julian Alcazar & Terri Bradford, FEDERAL RESERVE BANK OF KANSAS CITY, PAYMENT SYSTEMS RESEARCH BRIEFING, THE RISE OF BUY NOW, PAY LATER: BANK AND PAYMENT NETWORK PERSPECTIVES AND REGULATORY CONSIDERATIONS (Dec. 1, 2021), <https://www.kansascityfed.org/research/payments-system-research-briefings/the-rise-of-buy-now-pay-later-bank-and-payment-network-perspectives-and-regulatory-considerations/>. See also Tom Akana, FEDERAL RESERVE BANK PHILADELPHIA, BUY NOW, PAY LATER: SURVEY EVIDENCE OF CONSUMER ADOPTION AND ATTITUDES (2022), <https://www.philadelphiafed.org/-/media/frbp/assets/consumer-finance/discussion-papers/dp22-02.pdf> (reporting on survey relating to BNPL usage with 31% of respondents having used BNPL in the previous 12 months); Profitability of Credit Card, *supra* note 5991, at 6 (“[T]he buy-now-pay-later (BNPL) market has grown significantly over the past several years as an alternative payment method for consumers at point of sale.”).

<sup>96</sup> See 2023 CFPB Report, *supra* note 53, at 106-07 (“At the time of writing, five of the ten largest general purpose credit card issuers offer this feature in some capacity. Each of these programs was launched between 2017 and 2021, coinciding with the increasing popularity of ‘buy now, pay later’ (‘BNPL’) loans.”).

<sup>97</sup> See Rica Dela Cruz, *Wells Fargo unveils digital-only, small-dollar loan*, S&P GLOB. MKT. INTEL. (Nov. 16, 2022).



relevant safe harbor thresholds.<sup>98</sup> Based on current data,<sup>99</sup> the parties' combined share of credit card purchase volume in the U.S. credit card issuing market is 13.6%, and the combined share of credit card outstanding balances is 19.0%. HHI levels are similarly well within safe harbor levels, whether measured by purchase volume or outstanding balances.<sup>100</sup>

<b>Credit Card Issuers</b> <sup>101</sup>	Change in HHI	Post-merger HHI	Combined Share
Purchase Volume	74	1,226	13.6%
Outstanding Balances	178	1,060	19.0%

While the combined COFC-Discover will be a leading credit card issuer, the company will continue to face many significant competitors, including Amex and large financial institutions such as JPMC, Citigroup, BOA, Wells Fargo, USB, and Barclays PLC through its U.S. subsidiary, Barclays Bank Delaware (“Barclays”), which are profiled with their holding companies further below. Numerous other banks and financial institutions also compete in the credit card issuing market, including, among others, Credit One Financial, First National of Nebraska, Inc., First Premier Bank, CardWorks, Inc. (through Merrick Bank), Navy Federal Credit Union, PNC, Synchrony Financial (“Synchrony”), Toronto-Dominion Bank (through its U.S. subsidiary TD Bank, N.A. (“TD Bank”)), Truist Financial Corporation (“Truist”), and United Services Automobile Association (through its subsidiary USAA Federal Savings Bank).

COFC is presently the twelfth largest bank holding company by total assets. As a result of the transaction, COFC will rank eighth, behind industry leaders JPMC, BOA, Citigroup, Wells Fargo, Goldman Sachs, Morgan Stanley, and USB. These large financial institutions have and will continue to have significantly greater resources than COFC to invest in and develop new or existing products and services in competition with COFC. Other large banks such as PNC, Truist, TD Bank, and Barclays are of comparable or larger size and will also continue to compete with COFC. Amex, the second largest card issuer in the United States in terms of both

<sup>98</sup> See Bank Merger Guidelines and 2023 Merger Guidelines, discussed *supra* note 3.

<sup>99</sup> These data are based on The Nilson Report, Issue Nos. 1257 and 1258 (2024), and limited to the top 20 U.S. general purpose credit card issuers (excluding private label). Volumes for Amex are assigned to the issuing bank where Amex itself is not the issuer. Outstanding balances refers to total ending outstandings as of December 31, 2023 of on-balance and off-balance sheet figures. Purchase volume refers to purchase volume initiated by all general purpose credit cards issued in the United States. [REDACTED]

<sup>100</sup> The parties' shares and industry concentration levels are comparable and similarly safe harbor when looking at mid-year balances as of June 30, 2023 or purchasing volume for the first six months ending June 30, 2023. Based on June 2023 data, the parties' combined share by purchase volume was 13.4% and concentration levels by purchase volume would increase 72 points to 1,213 as a result of the transaction. The parties' combined share by outstanding credit card balances was 18.7% and concentration levels by outstanding balances would increase 172 points to 1,046 as a result of the transaction. See The Nilson Report, Issue Nos. 1248 and 1249 (2023). [REDACTED]

<sup>101</sup> The HHI is calculated as the sum of the square of the shares of the largest 20 U.S. credit card issuers, with shares determined as a percent of the entire market. As shares of issuers beyond the top 20 are relatively small, this accurately measures the HHI for all credit card issuers. [REDACTED]

outstanding balances and purchase volume, will also continue to compete fiercely after the transaction. Amex, like Discover, operates a payments network in competition with Visa and Mastercard. Both Amex’s credit card portfolio and credit card network are significantly larger than Discover’s today,<sup>102</sup> and Amex has continuously invested and innovated within the credit card space.<sup>103</sup>

In addition to the numerous competitors actively issuing credit cards today, other newer and innovative forms of payment and credit present significant competitive threats to credit card issuers. The Proposed Transaction will not change these dynamics as the combined COFC-Discover faces competition from these numerous and varied competitors.

**E. The Proposed Transaction will increase access to credit and improve services for consumers and merchants.**

The Proposed Transaction will likely increase access to credit. COFC’s distinct underwriting capabilities—which facilitate expanded access to credit for all consumers—will enable card offers to some consumers who do not satisfy Discover’s credit requirements today,<sup>104</sup> resulting in more overall credit card issuance by the combined company. The Proposed Transaction also has the potential to further improve COFC’s underwriting abilities to expand access even further. As a result of the transaction, COFC will have access to differentiated information and data on its customers’ credit card use through Discover’s integrated payments platform, reducing information sharing costs. As Amex touts, its “integrated payments platform allows [it] to analyze information on Card Member spending and build algorithms and other analytical tools that we use to underwrite risk . . .”<sup>105</sup>

COFC’s additional scale in card issuing and access to the Discover payments networks will also enable it to better connect consumers and merchants across new offers, rewards, and opportunities. For example, the networks will give COFC access to transactional data that can be used to improve the Capital One Shopping and Capital One Travel experiences, more seamlessly bring relevant and timely offers to consumers, and provide merchants with greater visibility thereby facilitating more sales.<sup>106</sup> As Amex touts that its integrated payments platform

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<sup>102</sup> In 2023, Amex had \$149.9 billion in credit card balances outstanding compared to Discover’s \$102.3 billion. Including all volumes on Amex cards issued by others, Amex had \$157.7 billion in balances outstanding. The Amex payments network accounts for almost 20% of credit card purchasing volume as compared to Discover’s credit card network, which accounted for only 4% of such purchasing volume. The Nilson Report, Issue Nos. 1257 and 1258 (2024); *cf. Ohio v. Am. Express Co.*, 585 U.S. at 537.

<sup>103</sup> See discussion *infra* notes 146-156.

<sup>104</sup> Per the CFPB’s Terms of Credit Card Plans data for January 1, 2023 through June 30, 2023, Capital One offered several unsecured credit cards in target credit tiers of borrowers with a credit score of 619 or less or no score, whereas Discover only offered one secured credit card with a target credit tier of borrowers with a credit score of 619 or less and did not offer any credit card with a target credit tier of borrowers with no score. CFPB, Terms of Credit Card Plans (TCCP) Survey, [https://files.consumerfinance.gov/f/documents/cfpb\\_tccp-data\\_2023-01-01\\_2023-06-30.xlsx](https://files.consumerfinance.gov/f/documents/cfpb_tccp-data_2023-01-01_2023-06-30.xlsx).

<sup>105</sup> Amex, Form 10-K for year ended December 31, 2023, at 4 (hereinafter “Amex 2023 Form 10-K”), [https://s26.q4cdn.com/747928648/files/doc\\_financials/2023/ar/American-Express-Annual-Report-2023.pdf](https://s26.q4cdn.com/747928648/files/doc_financials/2023/ar/American-Express-Annual-Report-2023.pdf).

<sup>106</sup> See *Your Personalized Deals*, CAPITAL ONE SHOPPING, <https://capitaloneshopping.com/> (last accessed Mar. 16, 2024); CAPITAL ONE TRAVEL, <https://capitalonetravel.com/> (last accessed Mar. 16, 2024).

allows it to “provide targeted marketing and other information services for merchants and partners and special offers and services to Card Members,”<sup>107</sup> so too can COFC post-merger.

## F. Select Competitor Profiles

**JPMC** is the largest bank holding company in the United States headquartered in New York, New York, with \$3,875 billion in assets as of December 31, 2023, and a market capitalization of \$548.1 billion as of March 15, 2024. JPMC has a full-service bank and financial services company with over 4,500 branches, a leading digital banking platform,<sup>108</sup> and the leading credit card issuing business in the United States by all metrics.<sup>109</sup> Its credit card business touts an impressive retention rate of 98%.<sup>110</sup> Its leadership in credit card issuance, however, has been the product of continual and persistent investment and innovation. Since 2019, JPMC has launched or refreshed 24 credit card products, and in 2023 alone, opened five airport lounges as it makes further investments in lifestyle benefits and experiences.<sup>111</sup> During its 2023 Investor Day presentation, JPMC noted its strategy to “[g]row our card member base across key segments” by “launch[ing] new, tailored products” and “fuel[ing] continued growth through our world-class marketing and distribution engine.”<sup>112</sup> From 2019 to 2022, JPMC increased its credit card acquisition spend nearly 40% from \$3.1 billion to \$4.3 billion translating to a 23% increase in new accounts. The company also continued to invest in card benefits, increasing its benefits spend (including co-branding efforts) from \$1.3 billion in 2019 to \$1.6 billion in 2022.<sup>113</sup>

**Citigroup** is the third largest bank holding company in the United States, headquartered in New York, New York, with \$2,412 billion in assets as of December 31, 2023, and a market capitalization of \$110.1 billion as of March 15, 2024. Citigroup has a full-service bank offering commercial and retail banking together with wealth management and investment products and services in its 647 retail branches and online.<sup>114</sup> Citigroup is a leading credit card issuer and ranked third in outstanding credit card balances and purchase volume as of December 31, 2023.<sup>115</sup> It presently offers eight different Citi® branded credit cards,<sup>116</sup> including the Custom Cash card, which it launched in 2021.<sup>117</sup> As noted above, the Custom Cash card adjusts reward categories based on a cardholder’s actual spend. In 2024, Citigroup updated its guidelines for credit scores eligible for the Custom Cash card, as well as its Double Cash card, which are now

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<sup>107</sup> See Amex 2023 Form 10-K, *supra* note 105, at 2.

<sup>108</sup> See JPMC, Consumer & Community Banking, Investor Day 2023 Presentation, at 5, 34 (May 22, 2023) <https://www.jporganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/events/2023/jpmc-investor-day-2023/consumer-community-banking.pdf>.

<sup>109</sup> [REDACTED]

<sup>110</sup> *Id.* at 51-52.

<sup>111</sup> *Id.* at 53.

<sup>112</sup> *Id.* at 52.

<sup>113</sup> *Id.* at 55-56.

<sup>114</sup> See Citigroup, Form 10-K for year ended December 31, 2023, <https://www.citigroup.com/rcs/citigpa/storage/public/10k20231231.pdf>.

<sup>115</sup> [REDACTED]

<sup>116</sup> See *View and Compare All Credit Cards*, CITI, <https://www.citi.com/credit-cards/compare/view-all-credit-cards> (last accessed Mar. 16, 2024).

<sup>117</sup> See Press Release, Citigroup, *Citi Launches Custom Cash—A Next-Gen Cash Back Credit Card* (June 10, 2021), <https://www.citigroup.com/global/news/press-release/2021/citi-launches-custom-cash-a-next-gen-cash-back-credit-card>.



available to applicants with “fair” credit.<sup>118</sup> Citigroup also issues co-branded credit cards, including American Airlines,<sup>119</sup> AT&T,<sup>120</sup> Brooks Brothers,<sup>121</sup> Costco,<sup>122</sup> and Tractor Supply.<sup>123</sup>

**BOA** is the second largest bank holding company in the United States, headquartered in Charlotte, North Carolina, with \$3,180 billion in assets as of December 31, 2023,<sup>124</sup> and a market capitalization of \$279.4 billion as of March 15, 2024. BOA has a full-service bank with 3,800 retail financial centers and a network of 15,000 ATMs, complemented by its digital offerings. Its Consumer Banking business segment offers a range of consumer and commercial deposit and lending products and services,<sup>125</sup> including a robust credit card offering. As of December 31, 2023, BOA ranked fifth by outstanding credit card balances and purchasing volume.<sup>126</sup> BOA recently noted that it is “investing more in [credit] card[s], and it’s growing a bit in response,”<sup>127</sup> consistent with efforts in recent years to revamp its credit card portfolio.<sup>128</sup> This has included retooling the Customized Cash Rewards Card, as noted above, which touts an impressive 98% retention rate,<sup>129</sup> and adding new credit card offerings, including the Premium Rewards Elite card, Executive Explorer card, and Business Advantage Unlimited Cash Rewards card (including a secured version).<sup>130</sup>

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<sup>118</sup> See Becky Pokora, *Citi Adds Two Cash-Back Credit Cards for Fair Credit*, FORBES ADVISOR (Feb. 5, 2024), <https://www.forbes.com/advisor/credit-cards/citi-adds-two-cash-back-credit-cards-for-fair-credit/>.

<sup>119</sup> *View and Compare All Credit Cards*, CITI, *supra* note 116.

<sup>120</sup> See Press Release, *Citigroup, Citi and AT&T Renew Long-Standing Credit Card Collaboration* (June 4, 2021), <https://www.citigroup.com/global/news/press-release/2021/citi-and-att-renew-long-standing-credit-card-collaboration>.

<sup>121</sup> Press Release, *Citigroup, Citi Retail Services and Brooks Brothers Extend Consumer Credit Card Relationship* (Jan. 28, 2022), <https://www.citigroup.com/global/news/press-release/2022/citi-retail-services-and-brooks-brothers-extend-consumer-credit-card-relationship>.

<sup>122</sup> Citi Costco Card, CITI, <https://www.citi.com/usc/LPACA/COSTCO/cards/Dual/ps/index.html> (last accessed Mar. 16, 2024).

<sup>123</sup> Press Release, *Citigroup, Citi Retail Services and Tractor Supply Company Extend 20+ Year Credit Card Relationship* (May 24, 2021), <https://www.citigroup.com/global/news/press-release/2021/citi-retail-services-and-tractor-supply-company-extend-20-year-credit-card-relationship>.

<sup>124</sup> See Bank of America Corp., Form 10-K for year ended December 31, 2023, <https://investor.bankofamerica.com/regulatory-and-other-filings/all-sec-filings/content/0000070858-24-000122/0000070858-24-000122.pdf>.

<sup>125</sup> *Id.* at 34-35.

<sup>126</sup> [REDACTED]

<sup>127</sup> See Brian Moynihan, Chair and CEO, Bank of Am., Remarks at the Goldman Sachs US Financial Services Conference 3 (Dec. 5, 2023), [https://dl1io3yog0oux5.cloudfront.net/7df4f14ecc26670a17a4902079294191/bankofamerica/db/775/9990/webcast-transcript/2023-1205+Goldman+Sachs+Conference\\_BAC.pdf](https://dl1io3yog0oux5.cloudfront.net/7df4f14ecc26670a17a4902079294191/bankofamerica/db/775/9990/webcast-transcript/2023-1205+Goldman+Sachs+Conference_BAC.pdf).

<sup>128</sup> See Katherine Doherty, *Bank of America to Make Its Credit Cards From Recycled Plastic*, BLOOMBERG (Apr. 21, 2022), <https://www.bloomberg.com/news/articles/2022-04-21/bank-of-america-to-make-its-credit-cards-from-recycled-plastic>.

<sup>129</sup> See John Adams, *How Bank of America, Barclays make loyalty about more than reward points*, AMERICAN BANKER (Sept. 8, 2023), <https://www.americanbanker.com/payments/news/how-bofa-barclays-make-loyalty-about-more-than-reward-points>.

<sup>130</sup> See Katherine Doherty & Jennifer Surane, *BofA Leans on Private Jets, Supercars to Draw Big Card Spenders*, BLOOMBERG (Dec. 9, 2021), <https://www.bloomberg.com/news/articles/2021-12-09/bofa-leans-on-private-jets-supercars-to-draw-big-card-spenders?embedded-checkout=true>; Katherine Doherty, *Bank of America Unveils New Credit Card for High-Flying Business Travelers*, BLOOMBERG (Aug. 4, 2021), <https://www.bloomberg.com/news/articles/2021-08-04/bofa-unveils-new-credit-card-for-high-flying-business-travelers?embedded-checkout=true>; Press Release, *Bank of America, Bank of America Launches Business*

**USB** is the seventh largest bank holding company in the United States, headquartered in Minneapolis, Minnesota, with \$663 billion in assets as of December 31, 2023,<sup>131</sup> and a market capitalization of \$65.6 billion as of March 15, 2024. As a full service bank operating over 2,200 branches and 4,500 ATMs nationwide, together with a strong digital offering, USB provides consumer and business banking; wealth, corporate commercial and institutional banking, and payment services,<sup>132</sup> including a leading line of credit card offerings.<sup>133</sup> At the end of 2023, USB ranked seventh by outstanding credit card balances and purchasing volume.<sup>134</sup> USB has consistently expanded and improved its credit card solutions. For example, in 2021, USB rolled out two new secured credit cards;<sup>135</sup> in 2022, USB launched the Altitude Connect Card offering rewards with extra rewards for travel, gas, and grocery spend;<sup>136</sup> in 2023, USB launched its Commercial Rewards Card targeting middle market companies, which, in addition to offering credit, provides travel spend management for businesses;<sup>137</sup> and in 2024, USB launched a new cash-back credit card, the U.S. Bank Shopper Cash Rewards Card.<sup>138</sup> USB also operates a separate payment services business unit which recently launched USB's own BNPL offering.<sup>139</sup>

**Wells Fargo** is the fourth largest bank holding company in the United States, headquartered in San Francisco, California, with \$1,932 billion in assets as of December 31, 2023,<sup>140</sup> and a market capitalization of \$205.7 billion as of March 15, 2024. Wells Fargo offers a full portfolio of financial products and services, including investment and mortgage products as well as retail and commercial banking products and services, which includes credit card issuing.<sup>141</sup> At the end of

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*Advantage Unlimited Cash Rewards Card for Entrepreneurs* (Oct. 21, 2021), <https://newsroom.bankofamerica.com/content/newsroom/press-releases/2021/10/bank-of-america-launches-business-advantage-unlimited-cash-reward.html>; Press Release, Bank of America, *Bank of America Announces New Secured Credit Offerings and Digital Resources to Help Entrepreneurs Start and Grow Their Businesses* (Mar. 23, 2022), <https://newsroom.bankofamerica.com/content/newsroom/press-releases/2022/03/bank-of-america-announces-new-secured-credit-offerings-and-digital-resources-to-help-entrepreneurs-start-and-grow-their-businesses-301508970.html> <https://www.prnewswire.com/news-releases/bank-of-america-announces-new-secured-credit-offerings-and-digital-resources-to-help-entrepreneurs-start-and-grow-their-businesses-301508970.html>.

<sup>131</sup> See USB, 2023 ANNUAL REPORT 3-4, [https://ir.usbank.com/files/doc\\_financials/2023/ar/US-Bancorp-2023-Annual-Report\\_ADA.pdf](https://ir.usbank.com/files/doc_financials/2023/ar/US-Bancorp-2023-Annual-Report_ADA.pdf).

<sup>132</sup> *Id.* at 3.

<sup>133</sup> See *id.* at 11.

<sup>134</sup> [REDACTED]

<sup>135</sup> See *US Bank Debuts Two Secured Credit Cards*, PYMNTS (Oct. 12, 2021), <https://www.pymnts.com/credit-cards/2021/us-bank-debuts-two-secured-credit-cards/>.

<sup>136</sup> See Elizabeth Gravier, *U.S. Bank launches new credit card with 50k-point welcome bonus, plus earn rewards on travel, gas, groceries and more*, CNBC SELECT (Mar. 11, 2022), <https://www.cNBC.com/select/us-bank-launches-new-altitude-connect-visa-signature-credit-card/>.

<sup>137</sup> See John Adams, *U.S. Bank adds AI to business travel payments as competition heats up*, AMERICAN BANKER (June 27, 2023), <https://www.americanbanker.com/payments/news/u-s-bank-adds-ai-to-business-travel-payments-as-competition-heats-up>.

<sup>138</sup> See Tessa Campbell, *U.S. Bank Shopper Cash Rewards Card Review 2024*, BUSINESS INSIDER (Feb. 7, 2024), <https://www.businessinsider.com/personal-finance/us-bank-shopper-cash-rewards-card-review>.

<sup>139</sup> See John Adams, *U.S. Bank is leaning on Elavon for BNPL reach*, AMERICAN BANKER (Nov. 13, 2023), <https://www.americanbanker.com/payments/news/u-s-bank-is-leaning-on-elavon-for-bnpl-reach>.

<sup>140</sup> See Wells Fargo, 4Q 2023 FINANCIAL RESULTS 6 (2024), <https://www08.wellsfargomedia.com/assets/pdf/about/investor-relations/earnings/fourth-quarter-2023-financial-results.pdf>.

<sup>141</sup> See Wells Fargo, Form 10-K for year ended Dec. 31, 2023, <https://www08.wellsfargomedia.com/assets/pdf/about/investor-relations/sec-filings/2023/10k.pdf>.

2023, Wells Fargo ranked eighth in outstanding balances and purchasing volume.<sup>142</sup> Wells Fargo offers credit cards under its own brand, including the launch of Reflect and Active Cash Card in 2021 and its Autograph card in 2022,<sup>143</sup> and, in recent years, has made a push to issue even more co-branded cards.<sup>144</sup> The company's large balance sheet and diversified offerings allow Wells Fargo to invest significantly across varied financial products and services, including in new technologies that can improve services across different products. In 2024, Wells Fargo plans to launch new credit cards, including a new travel card and a new small business credit card, while improving its digital offerings including the launch of a new digital wallet.<sup>145</sup>

*Amex* is a leading U.S. credit card issuer and operates a leading credit network with \$261 billion in total assets as of December 31, 2023, and a market capitalization of \$158.1 billion as of March 15, 2024. Headquartered in New York, New York, Amex is the second largest credit card issuer by outstanding credit card balances and purchase volume.<sup>146</sup> Unlike most other credit card issuers—Discover being the other exception—Amex negotiates directly with merchants to increase and maintain acceptance of its cards.<sup>147</sup> Amex issues credit cards under the American Express brand and partners with others to co-brand cards on the Amex network, such as Delta Air Lines, Marriott International, Hilton Worldwide Holdings, and British Airways.<sup>148</sup> Amex has consistently innovated within the credit card space: it was the first to introduce a “Gold” premium credit card, one of the early adopters of BNPL with the launch of Plan It in 2017,<sup>149</sup> one of the first to add non-fungible tokens as a card reward,<sup>150</sup> has integrated with Paypal to offer consumers the ability to split payments across credit and debit solutions,<sup>151</sup> and is the first issuer to pilot facial and fingerprint recognition for online checkouts.<sup>152</sup> In recent years, Amex has also

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<sup>142</sup> [REDACTED]

<sup>143</sup> See Polo Rocha, *Wells Fargo's new rewards card is latest move in lagging unit's revamp*, AMERICAN BANKER (June 27, 2022), <https://www.americanbanker.com/news/wells-fargos-new-rewards-card-is-latest-move-in-lagging-units-revamp>; Daniel Wolfe, *Wells Fargo to launch Reflect 0% APR card in October*, AMERICAN BANKER (Sept. 29, 2021), <https://www.americanbanker.com/payments/news/wells-fargo-to-launch-reflect-0-apr-card-in-october>; Polo Rocha, *Wells Fargo's 2% cash-back card is a bid to bolster lagging unit*, AMERICAN BANKER (June 8, 2021), <https://www.americanbanker.com/news/wells-fargos-2-cash-back-card-is-a-bid-to-bolster-lagging-unit>.

<sup>144</sup> See, e.g., Arpita Banerjee, *Choice Hotels to launch co-branded credit card with Wells Fargo, Mastercard*, S&P GLOB. MKT. INTEL. (Feb. 14, 2023); Polo Rocha, *Wells Fargo, eyeing growth in credit cards, lands hotel chain as partner*, AMERICAN BANKER (Feb. 14, 2023), <https://www.americanbanker.com/news/wells-fargo-eyeing-growth-in-credit-cards-lands-hotel-chain-as-partner> (Choice, Bilt Rewards, Dillards, and Hotel.com); Jennifer Surane, *New Wells Fargo Credit Card Gives Customer Rewards for Rent Payments*, BLOOMBERG (Mar. 28, 2022), <https://www.bloomberg.com/news/articles/2022-03-28/wells-fargo-to-give-apartment-dwellers-rewards-for-rent-payments>.

<sup>145</sup> Wells Fargo, 4Q 2023 FINANCIAL RESULTS 20, *supra* note 140.

<sup>146</sup> [REDACTED]

<sup>147</sup> See Amex, 2023 Form 10-K, *supra* note 105, at 1-2.

<sup>148</sup> *Id.* at 4.

<sup>149</sup> See Polo Rocha, *American Express launches new 'buy now, pay later' option for air travel*, AMERICAN BANKER (May 13, 2021), <https://www.americanbanker.com/news/american-express-launches-new-buy-now-pay-later-option-for-air-travel>.

<sup>150</sup> See Laura Alix, *American Express turns NFTs into a credit card perk*, AMERICAN BANKER (July 12, 2021), <https://www.americanbanker.com/news/american-express-turns-nfts-into-a-credit-card-perk>.

<sup>151</sup> See Kate Fitzgerald, *American Express debuts in-app connection to PayPal*, AMERICAN BANKER (Oct. 7, 2021), <https://www.americanbanker.com/payments/news/american-express-debuts-in-app-connection-to-paypal>.

<sup>152</sup> See Press Release, Amex, *American Express is First Card Issuer to Pilot Facial and Fingerprint Recognition for Safer Online Checkouts* (Oct. 5, 2023), <https://www.americanexpress.com/en-us/newsroom/articles/innovation/american-express-is-first-card-issuer-to-pilot-facial-and-finger.html>.

expanded its suite of banking products and services. In 2021, Amex introduced a new, fully digital business checking account for small and midsize businesses,<sup>153</sup> and, in 2022, launched a rewards-based consumer checking account.<sup>154</sup> Amex has also made recent investments, including through its acquisition of Nipendo in 2023, to improve B2B digitization.<sup>155</sup> In 2023, Amex generated \$60.5 billion in revenues, an increase of 14% from the prior year, reflecting, in part, “the high levels of new card acquisition and Card Member retention, as well as [its] cycle of product refreshes.”<sup>156</sup>

**Barclays PLC** is a UK-based financial services company with a market capitalization of \$34.6 billion as of March 15, 2024, that operates a leading U.S. consumer bank—Barclays Bank Delaware—specialized in credit card servicing.<sup>157</sup> The U.S. operations of Barclays US LLC held \$187 billion in assets as of December 31, 2023. Barclays is the ninth largest U.S. card issuer by balances and purchase volume.<sup>158</sup> In 2023, Barclay’s Consumer, Cards, and Payments division generated £5.3 billion in revenue with its U.S. business reporting a 24% increase year over year.<sup>159</sup> Barclays specializes in co-branded credit cards, partnering with retailers and others, to issue and service cards. Significant partners include American Airlines, Frontier, Carnival, Barnes & Noble, UPromise, and Xbox, among others.<sup>160</sup> Barclays is continuously updating its partner programs and, in 2023, announced changes to its award-winning JetBlue partnership, launching a new loyalty program to improve the card’s points offering and accelerated path to higher airline status.<sup>161</sup> Responding to the growth of BNPL offerings and usage, Barclays

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<sup>153</sup> See Maitree Christian, *American Express launches checking account for small, midsize US businesses*, S&P GLOB. MKT. INTEL. (Oct. 28, 2021).

<sup>154</sup> See Kate Fitzgerald, *American Express launches consumer checking with rewards*, AMERICAN BANKER (Feb. 8, 2022), <https://www.americanbanker.com/payments/news/american-express-launches-consumer-checking-with-rewards>.

<sup>155</sup> See John Adams, *Inside Amex’s quest to digitize business payments*, AMERICAN BANKER (May 11, 2023), <https://www.americanbanker.com/payments/news/inside-amexs-quest-to-digitize-business-payments>; Kate Fitzgerald, *American Express buying invoicing firm to boost B2B payments*, AMERICAN BANKER (Jan. 12, 2023), <https://www.americanbanker.com/payments/news/american-express-buying-invoicing-firm-to-boost-b2b-payments>; Robin Arnfield, *How American Express has bulked up its B2B services*, AMERICAN BANKER (Oct. 11, 2022), <https://www.americanbanker.com/payments/news/how-american-express-has-bulked-up-its-b2b-services>; Robin Arnfield, *Amex pushing beyond cards to woo small businesses*, AMERICAN BANKER (May 10, 2021), <https://www.americanbanker.com/news/amex-pushing-beyond-cards-to-woo-small-businesses>.

<sup>156</sup> Amex, 2023 Form 10-K, *supra* note 105.

<sup>157</sup> See Barclays PLC, ANNUAL REPORT 2023, 1, 21, <https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2023/Barclays-PLC-Annual-Report-2023.pdf>.

<sup>158</sup> [REDACTED]

<sup>159</sup> *Id.* at 21.

<sup>160</sup> See Barclays, US CONSUMER BANK INVESTOR UPDATE 92 (Feb. 20, 2024), <https://home.barclays/content/dam/home-barclays/documents/investor-relations/ResultAnnouncements/FullYear2023Results/20240220-Barclays-US-Consumer-Bank-Investor-Update.pdf>.

<sup>161</sup> See John Adams, *How Bank of America, Barclays make loyalty about more than reward points*, AMERICAN BANKER (Sept. 8, 2023), <https://www.americanbanker.com/payments/news/how-bofa-barclays-make-loyalty-about-more-than-reward-points>.



launched its own BNPL product in 2020,<sup>162</sup> and has announced plans to develop a white-label BNPL product with fintech company, Amount.<sup>163</sup>

**Synchrony** is a financial services company that offers private label, patented dual, co-brand and general purpose credit cards, as well as short- and long-term installment loans and other consumer banking products.<sup>164</sup> It reported \$117.0 billion in assets as of December 31, 2023, and had a market capitalization of \$17.0 billion as of March 15, 2024. It is a digital-only bank and is the eleventh largest credit card issuer by outstanding balances and tenth by purchase volume.<sup>165</sup> Synchrony specializes in co-branded credit cards, partnering with retailers, manufacturers, and others, to issue and service credit cards. Significant co-branding partners include Walgreens, Lowe's, Sam's Club, Amazon, and Paypal.<sup>166</sup> In 2023, Synchrony added 16 new partners to its portfolio, including Albertsons, Roto Rooter, and J.Crew,<sup>167</sup> and launched a new Synchrony branded credit card for outdoor vehicle owners.<sup>168</sup>

### III. Payments Networks

The Proposed Transaction will not substantially lessen competition in any payments network market, and will instead promote competition by deconcentrating these highly concentrated markets, over which Visa and Mastercard tower. As noted above, Discover operates three payments networks; COFC does not own or operate any payments network. The transaction will thus not increase share in any payments network market, will not increase concentration levels in any such market, and in fact will *deconcentrate* and improve competition in credit and debit payments network markets. Post-transaction, COFC plans to grow payments volumes on Discover's credit and debit networks. Given the reduced and declining share—and limited current competitive significance—of Discover's networks today, the Proposed Transaction will increase competition among payments networks.

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<sup>162</sup> See Kate Fitzgerald, *Barclays issuing private-label cards to reach more retailers*, AMERICAN BANKER (Jan. 31, 2022), <https://www.americanbanker.com/payments/news/why-barclays-has-begun-issuing-private-label-credit-cards>.

<sup>163</sup> See Kate Fitzgerald, *Barclays, Amount add installment loans*, AMERICAN BANKER (Apr. 27, 2021), <https://www.americanbanker.com/payments/news/barclays-amount-add-installment-loans-for-cobranded-credit-cards>.

<sup>164</sup> See Synchrony Financial, Form 10-K for year ended December 31, 2023 at 7, 17-19, <https://investors.synchrony.com/filings-regulatory/sec-filings/all-sec-filings/content/0001601712-24-000047/0001601712-24-000047.pdf>.

<sup>165</sup> Rankings from The Nilson Report are determined with Amex volumes distributed to its issuing banks. If its volumes were not distributed, Synchrony would rank tenth largest by balances above Navy Federal Credit Union. See The Nilson Report, Issue No. 1258.

<sup>166</sup> See *id.*; Synchrony, INVESTOR PRESENTATION (Feb. 2023), <https://d1io3yog0oux5.cloudfront.net/521a66dd58871e0d41cb981c8b55799b/synchrony/db/3583/33295/pdf/synchrony-investor-slides-final.pdf>.

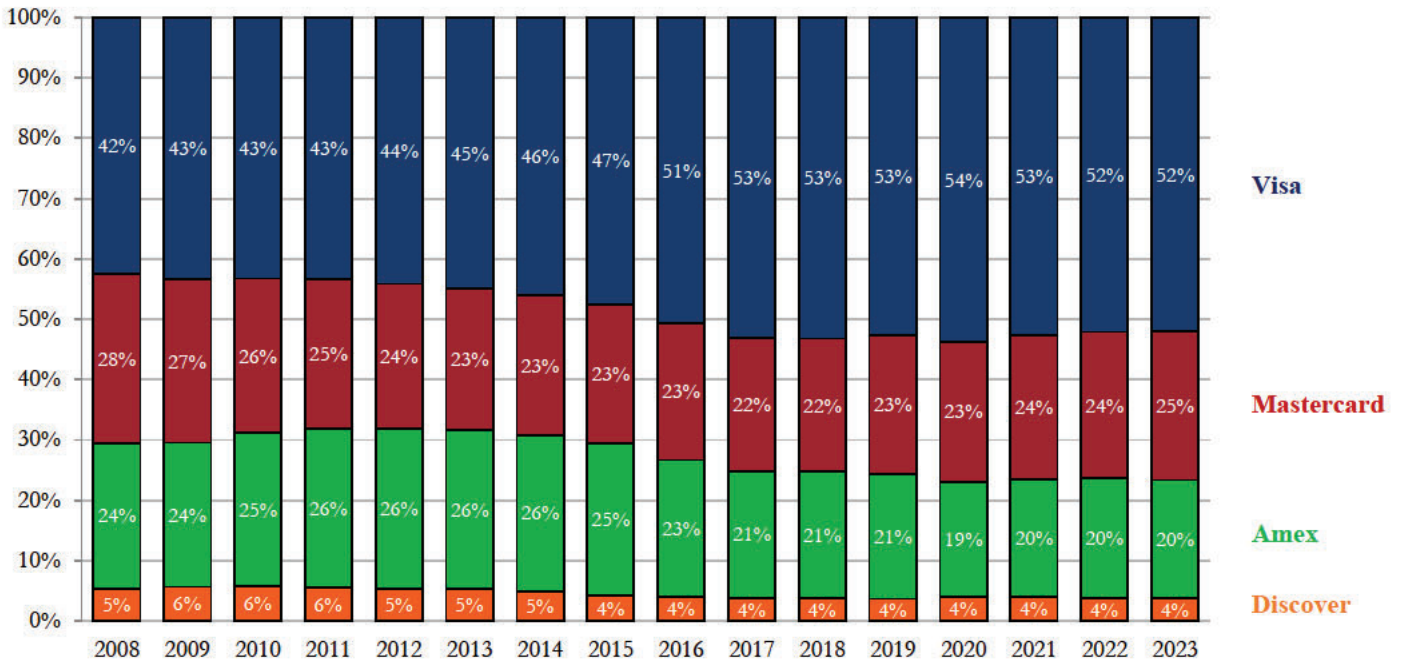
<sup>167</sup> *Id.*

<sup>168</sup> See Press Release, Synchrony, *New Synchrony Outdoors Credit Card Delivers Comprehensive Payments Solution for Powersports Dealers and Enthusiasts* (Mar. 8, 2023), <https://www.synchrony.com/contenthub/newsroom/new-synchrony-outdoors-credit-card-delivers.html>.

**A. The Proposed Transaction will deconcentrate a highly concentrated industry.**

Credit and debit networks are notoriously concentrated industries. The Visa, Mastercard and Amex networks account for 96% of credit card purchase volume in the United States.<sup>169</sup> The Discover credit card network accounts for just 4% of credit card purchase volume, down from 6% in 2011.<sup>170</sup> Since 2015, Visa’s share has *increased by 5%* since 2015—an amount greater than Discover’s entire share (4%).<sup>171</sup>

**Annual Credit Purchase Volume by Network**



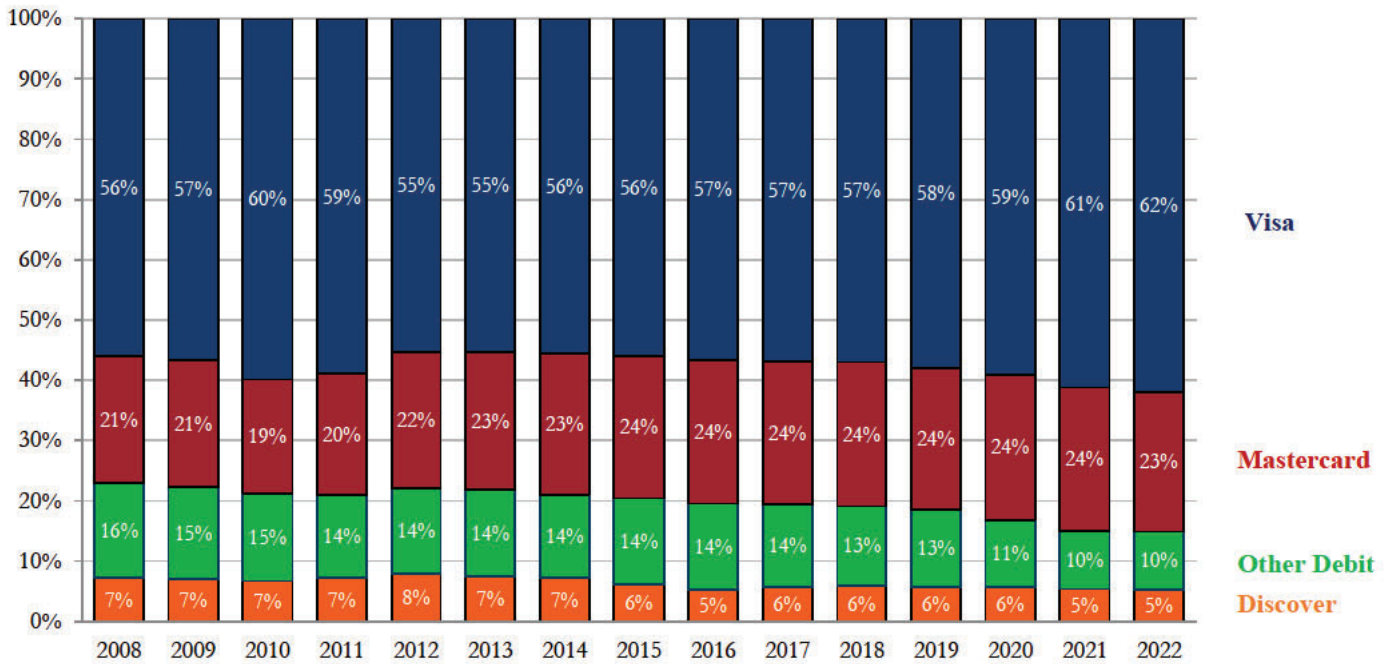
<sup>169</sup> The Nilson Report, Issue No. 1257 (2024).

<sup>170</sup> The Nilson Report, Issue Nos. 1257, 1235, 1213, 1191, 1169, 1147, 1125, 1103, 1080, 1057, 1034, 1011, 988, 965, 942, 924.

<sup>171</sup> Cf. *Ohio v. Am. Express Co.*, 585 U.S. at 537; *United States v. Visa U.S.A., Inc.*, 163 F. Supp. 2d at 341 (Visa accounted for approximately 47% of credit card purchases, Mastercard accounted for approximately 26% of credit card purchases, Amex accounted for approximately 20% of credit card purchases, and Discover accounted for approximately 6% of credit card purchases).

Likewise, the Visa and Mastercard debit networks accounted for 85% of 2023 debit purchase volumes, whereas Discover debit networks accounted for only 5% of such purchases, down from a high of 8% in 2012.<sup>172</sup> This long-run picture of competition is similar to that in credit networks: Visa’s share has *increased* by an amount greater than Discover’s *entire* share.

**Annual Debit Purchase Volume by Network**



Moving COFC’s debit and credit volumes to Discover’s payments networks will strengthen the Discover networks and deconcentrate the payments network markets.<sup>173</sup> Moving all of COFC’s debit volume to Discover, for example, would result in an HHI decrease of approximately [REDACTED] and increase Discover’s debit network volume share to approximately [REDACTED].<sup>174</sup> And moving all of COFC’s credit volume to Discover would result in an HHI decrease

<sup>172</sup> The Nilson Report, Issue Nos. 1237, 1235, 1216, 1213, 1201, 1191, 1176, 1168, 1155, 1147, 1131, 1125, 1109, 1103, 1084, 1080, 1062, 1057, 1039, 1034, 1016, 1011, 993, 988, 970, 965, 947, 942, 924, 923. Debit purchase volume refers to gross spend on debit cards issued in the United States, excluding ATM transactions. Visa and Mastercard volumes include prepaid cards. Discover debit purchase volumes are as reported annually in Discover’s 10-Ks, which includes Discover Pulse and Discover Signature debit. [REDACTED]. Other debit networks include STAR (whose parent, Fiserv, has a market capitalization of about \$90 billion), NYCE (whose parent, Fidelity National Information Services, has a market capitalization of about \$40 billion), and Shazam (a member-owned network focused on serving community banks).

<sup>173</sup> COFC plans to move its debit cards to the Discover network and a meaningful and growing portion of its credit card volume to Discover. [REDACTED]

<sup>174</sup> [REDACTED]



of approximately [REDACTED] and increase Discover's credit network volume share to approximately [REDACTED].<sup>175</sup> As COFC competes to grow its credit and debit volumes, facilitated in part by the Proposed Transaction, it will seek to further deconcentrate these otherwise concentrated industries.

**B. The Proposed Transaction will increase competition among payments networks and improve products and services for customers and merchants.**

Payment systems are classically subject to what economists call network effects: the value of any given system increases as the number of its users increases.<sup>176</sup> As the Supreme Court articulated in *Ohio v. American Express*, payments networks are also characterized by indirect network effects, "where the value of the two-sided platform to one group of participants depends on how many members of a different group participate."<sup>177</sup> The more consumers who use cards issued on Discover's payments networks, the more value those networks have to merchants, and the more merchants that accept cards on the Discover networks, the more consumers will use Discover for payments.

The Proposed Transaction will not substantially lessen competition in any payments network market as defined by the Supreme Court in *Ohio v. American Express*, and instead promises to inject competition into the industry for the benefit of both cardholders and merchants. As demonstrated above, the market shares of Discover's networks have been in long-term decline. COFC intends to reverse those trends by adding immediate scale to the networks and by significantly investing in the networks, both by adding new debit and credit volumes to the Discover networks on a go-forward basis, and by building greater brand awareness, merchant acceptance, consumer perception of merchant acceptance, and volume to merchants. COFC has the resources to make these investments, but Discover does not. This additional scale will increase the networks' attractiveness to consumers and merchants, further deconcentrate the industry, and create a much-needed competitive alternative to Visa, Mastercard, and Amex.

Moreover, as a result of the transaction, COFC will also have lower network-related costs. Today, Visa and Mastercard earn a network fee for their services,<sup>178</sup> a cost which COFC will internalize as a result of the Proposed Transaction for transactions that are processed on a

[REDACTED]

<sup>175</sup> [REDACTED] Because COFC does not currently intend to move all of its credit card issuing to Discover, this calculation of change in concentration is demonstrative. The ultimate reduction in HHI will be less than [REDACTED]. [REDACTED]

<sup>176</sup> See David S. Evans & Richard Schmalensee, *Multi-sided Platforms*, in THE NEW PALGRAVE DICTIONARY OF ECONOMICS (2017).

<sup>177</sup> 585 U.S. at 535.

<sup>178</sup> See, e.g., BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, 2021 INTERCHANGE FEE REVENUE, COVERED ISSUER COSTS, AND COVERED ISSUER AND MERCHANT FRAUD LOSSES RELATED TO DEBIT CARD TRANSACTIONS 13 n. 11 (Oct. 2023),

[https://www.federalreserve.gov/paymentsystems/files/debitfees\\_costs\\_2021.pdf](https://www.federalreserve.gov/paymentsystems/files/debitfees_costs_2021.pdf).



Discover network. These improved economics will allow COFC to invest in and grow its banking product portfolio, including by expanding and making more attractive its consumer-friendly checking and credit card portfolios to the benefit of consumers. Just as “Amex’s business model . . . increased the availability of card services, including free banking and card-payment services for low-income customers who otherwise would not be served,” a combined COFC-Discover will improve the quality and quantity of network transactions for a wide range of banking consumers.<sup>179</sup>

COFC also plans to make significant investments in Discover’s payments networks to, *inter alia*, improve its technology stack and risk management and compliance.<sup>180</sup> These upgrades and improvements<sup>181</sup> will enable COFC to reduce unnecessary transaction declines, reduce fraud, and improve payment and fraud dispute resolution processes to the benefit of merchants and consumers; collectively, these investments will strengthen the networks and position them to better compete against Visa, Mastercard and Amex.<sup>182</sup> The integration of merchant data through Discover’s direct connections to merchants will further facilitate COFC’s making the aforementioned network upgrades and improvements, as well as facilitate future network innovations for the benefit of merchants and cardholders.<sup>183</sup>

The Proposed Transaction and this Application thus present the most viable chance to sustain and grow the Discover payments networks and to deconcentrate and increase competition among payment networks in the United States.

### Conclusion

The parties do not overlap in any local banking market as defined by the Federal Reserve Banks and will have a *de minimis* impact with respect to nationwide deposits. Both COFC and Discover are credit card issuers, but any such market is not concentrated and intensely competitive, and the Proposed Transaction will not affect the competitive dynamics of card issuing. The combined share of COFC and Discover in credit card issuing on a pro-forma basis, whether measured with respect to purchase volume (13.6%) or outstanding balances (19.0%),

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<sup>179</sup> *Ohio v. Am. Express Co.*, 585 U.S. at 549-50.

<sup>180</sup> See Part II.6 (describing COFC’s risk management strengths, including strong enterprise risk management framework, compliance management program, and payments governance and plans to enhance its second line management capabilities to support the payments networks).

<sup>181</sup> See Aaron Nicodemus, *Discover ‘paying the price’ for not investing in compliance*, COMPLIANCE WEEK (Aug. 21, 2023), <https://www.complianceweek.com/risk-management/discover-paying-the-price-for-not-investing-in-compliance/33453.article> (reporting on Discover’s public statements relating to its historical underinvestment in compliance and risk management).

<sup>182</sup> As the district court in *United States v. Visa U.S.A., Inc.* acknowledged, the Visa and Mastercard networks facilitated national credit cards, reduced the financial qualifications required for a credit card, and increased access to credit. The technological improvements to the networks reduced authorization times and decreased fraud rates further fostering the development of new products and services. 163 F. Supp. 2d at 333-34.

<sup>183</sup>

As Amex describes, “[c]ompared to an open-loop system where card issuers partner with third-party banks, this closed-loop system helps provide American Express with more visibility into data that is necessary to detect and prevent suspicious transactions – particularly ones made outside of your normal spending habits.” *How Amex Helps You Protect Yourself Against Credit Card Fraud*, Amex (Oct. 31, 2023), <https://www.americanexpress.com/en-us/credit-cards/credit-intel/fraud-alerts/> (last accessed March 16, 2024).

and the HHI changes and post-merger HHIs resulting in these categories, are well within safe harbor levels.

The competitive characteristics of the credit card industry—including the heterogeneity of products and issuers, the ease with which issuers may change or expand their product offerings, and the ease with which consumers may add credit cards or switch credit cards or between credit cards and other payment and lending solutions—prevent the exercise of market power or successful coordinated anticompetitive behavior in any segment of the industry. In sum, even if the Federal Reserve were to assess the proposed acquisition’s effect on credit cards separately from the cluster of banking products and services provided by Capital One and Discover, the proposed acquisition will not have any adverse impact on competition among the myriad credit card issuers in the United States.

Indeed, the transaction has meaningful procompetitive effects by deconcentrating the debit and credit network industries, which sorely need an injection of competitive rivalry. As a result of the transaction, COFC will be better able to invest in and grow its banking products, to innovate and bring to market new products and services, and make Discover’s payments networks more attractive through, *inter alia*, increased payment volumes and improved compliance and risk management. By vertically integrating a more scaled credit card portfolio with Discover’s payments networks, the Proposed Transaction will strengthen competition in the industry. Accordingly, the competitive considerations of the Proposed Transaction are consistent with approval of the Application.

## ANNEX 1

### National Adjusted Deposits as of 12/31/2023

*Calculated as per the National Deposits Cap*

<b>Company</b>	<b>Adjusted Deposits</b>	<b>% of Total</b>
Capital One Financial Corporation	379,858,095	2.14
Discover Financial Services	113,226,408	0.64
<b>Combined</b>	<b>493,084,503</b>	<b>2.78</b>
<b>HHI</b>		401.8
<b>Change in HHI</b>		2.7
<b>Post-merger HHI</b>		404.5
<b>All Institutions</b>		
JPMorgan Chase & Co.	2,059,464,500	11.61
Bank of America Corporation	1,977,297,000	11.15
Wells Fargo & Company	1,445,115,943	8.15
Citigroup Inc.	787,601,000	4.44
U.S. Bancorp	525,454,648	2.96
The PNC Financial Services Group, Inc.	434,085,030	2.45
Truist Financial Corporation	417,351,000	2.35
Capital One Financial Corporation	379,858,095	2.14
The Goldman Sachs Group, Inc.	365,781,000	2.06
Morgan Stanley	363,903,000	2.05
The Toronto-Dominion Bank	341,047,219	1.92
The Charles Schwab Corporation	292,307,000	1.65
The Bank of New York Mellon Corporation	225,156,794	1.27
Bank of Montreal	209,139,471	1.18
Citizens Financial Group, Inc.	193,434,082	1.09
Fifth Third Bancorp	182,009,000	1.03
M&T Bank Corporation	170,556,104	0.96
Ally Financial Inc.	161,575,000	0.91
State Street Corporation	159,065,000	0.90
Huntington Bancshares Incorporated	156,280,992	0.88
KeyCorp	155,332,930	0.88
First Citizens Bancshares, Inc.	150,341,702	0.85
American Express Company	147,874,253	0.83
HSBC Holdings plc	134,299,682	0.76
Regions Financial Corporation	133,553,000	0.75
Discover Financial Services	113,226,408	0.64
United Services Automobile Association	97,324,000	0.55
UBS Group AG	91,600,214	0.52
Others	5,808,192,275	32.75
Total Banks/Thriffs	17,678,226,342	99.67
Insured Foreign Branches	57,931,930	0.33
Grand Total	17,736,158,272	100.00

*Source: Call Report Data (Deposit Insurance Section) as provided by S&P Market Intelligence*

*Totals calculated at an institution level aggregated to the top holding company.*

*Adjusted Deposits = Total Deposit Liabilities Before Exclusions - Total*

*Allowable Exclusions + Interest Accrued and Unpaid on Deposits*

## ANNEX 2

### Selected Deposits as of 12/31/2023

Calculated at an institution level and aggregated to holding company

Parent Name	Total Domestic			MMDA & Other			Total Transaction		
	Deposits (\$000)	%	Rank	Savings Deposits (\$000)	%	Rank	Account Deposits (\$000)	%	Rank
Capital One Financial Corporation	374,037,440	2.2	8	226,479,871	2.7	7	64,544,040	1.1	16
Discover Financial Services	112,624,604	0.6	26	64,446,676	0.8	21	2,937,689	0.0	142
<b>Combined</b>	<b>486,662,044</b>	<b>2.8</b>	<b>6</b>	<b>290,926,547</b>	<b>3.5</b>	<b>6</b>	<b>67,481,729</b>	<b>1.1</b>	<b>16</b>
<b>HHI</b>	<b>403</b>			<b>589</b>			<b>440</b>		
<b>Change in HHI</b>	<b>3</b>			<b>4</b>			<b>0</b>		
<b>Post-merger HHI</b>	<b>405</b>			<b>593</b>			<b>440</b>		
<b>All Institutions</b>	<b>17,336,881,336</b>	<b>100.0</b>		<b>8,350,678,203</b>	<b>100.0</b>		<b>6,120,075,345</b>	<b>100.0</b>	
Wells Fargo & Company	1,407,626,039	8.1	3	358,416,000	4.3	4	853,632,224	13.9	1
Citigroup Inc.	747,614,000	4.3	4	153,831,000	1.8	9	464,020,000	7.6	2
JPMorgan Chase & Co.	2,037,915,500	11.8	1	1,282,309,000	15.4	2	463,202,000	7.6	3
Bank of America Corporation	1,921,122,000	11.1	2	1,317,322,000	15.8	1	447,507,000	7.3	4
Morgan Stanley	361,236,000	2.1	10	28,645,000	0.3	32	271,643,000	4.4	5
Truist Financial Corporation	407,515,000	2.4	7	145,565,000	1.7	11	218,389,000	3.6	6
The Goldman Sachs Group, Inc.	363,006,000	2.1	9	85,433,000	1.0	16	184,453,000	3.0	7
The Bank of New York Mellon Corporation	214,168,794	1.2	13	22,382,000	0.3	40	181,829,794	3.0	8
State Street Corporation	158,902,000	0.9	19	7,633,000	0.1	92	145,167,000	2.4	9
Fifth Third Bancorp	175,648,000	1.0	16	52,588,000	0.6	24	107,301,000	1.8	10
The PNC Financial Services Group, Inc.	428,490,983	2.5	6	302,432,068	3.6	5	94,490,102	1.5	11
KeyCorp	148,528,430	0.9	22	42,373,093	0.5	27	91,386,857	1.5	12
Citizens Financial Group, Inc.	181,058,662	1.0	15	73,607,660	0.9	18	80,770,716	1.3	13
Huntington Bancshares Incorporated	155,523,945	0.9	20	66,497,929	0.8	20	73,901,342	1.2	14
Regions Financial Corporation	130,154,000	0.8	25	45,968,000	0.6	25	69,189,000	1.1	15
Capital One Financial Corporation	374,037,440	2.2	8	226,479,871	2.7	7	64,544,040	1.1	16
U.S. Bancorp	517,223,585	3.0	5	406,778,123	4.9	3	59,409,296	1.0	17
HSBC Holdings plc	130,184,217	0.8	24	58,814,869	0.7	23	47,311,992	0.8	18
Zions Bancorporation, National Association	74,960,838	0.4	32	19,482,796	0.2	48	45,482,433	0.7	19
The Toronto-Dominion Bank	334,268,615	1.9	11	261,955,515	3.1	6	43,582,048	0.7	20
M&T Bank Corporation	167,293,851	1.0	17	104,013,061	1.2	13	42,521,566	0.7	21
First Citizens BancShares, Inc.	149,562,994	0.9	21	91,714,769	1.1	15	40,730,477	0.7	22
New York Community Bancorp, Inc.	81,523,024	0.5	30	21,514,614	0.3	43	37,533,892	0.6	23
Popular, Inc.	64,044,637	0.4	36	17,554,546	0.2	49	37,409,628	0.6	24
Comerica Incorporated	67,983,506	0.4	34	24,046,000	0.3	35	35,663,506	0.6	25
Western Alliance Bancorporation	55,689,308	0.3	39	14,790,510	0.2	55	30,792,380	0.5	26
The Charles Schwab Corporation	290,411,000	1.7	12	214,460,000	2.6	8	27,654,000	0.5	27
Synovus Financial Corp.	51,343,156	0.3	41	15,285,653	0.2	53	25,275,022	0.4	28
Cullen/Frost Bankers, Inc.	42,410,482	0.2	46	12,903,744	0.2	67	24,021,671	0.4	29
Deutsche Bank Aktiengesellschaft	26,281,027	0.2	65	2,922,000	0.0	179	23,139,000	0.4	30
Others	6,071,154,303	35.0		2,872,959,382	34.4		1,788,122,359	29.2	

Source: Call Report Data (Deposit Section) as provided by S&P Market Intelligence.  
U.S. regulatory data at an institution level aggregated to the top holding company.



## ANNEX 3

### Credit Card Loans to Assets (%)

December 31, 2023

<b>Company</b>	<b>Total Assets (\$000)</b>	<b>Credit Card Loans Outstanding (\$000)</b>	<b>Credit Cards Loans/ Total Assets (%)</b>
JPMorgan Chase & Co.	3,875,393,000	185,793,000	4.8
Bank of America Corporation	3,180,151,000	102,200,000	3.2
Citigroup Inc.	2,411,834,000	173,014,000	7.2
Wells Fargo & Company	1,932,472,000	53,047,000	2.7
U.S. Bancorp	663,491,000	28,711,000	4.3

Source: FR Y-9C as provided by S&P Capital IQ Pro.

Includes on-balance sheet balances only.

**Board of Governors of the Federal Reserve System**



**Systemic Risk Report—FR Y-15**

**Report at the close of business as of the last calendar day of the quarter.**

This Report is required by law: Sections 163 and 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act; Section 5 of the Bank Holding Company Act of 1956; section 10 (b) of the Homeowners' Loan Act; and section 8 of the International Banking Act of 1978.

The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NOTE: Each banking organization's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the *Systemic Risk Report*. The *Systemic Risk Report* is to be prepared in accordance with instructions provided by the Federal Reserve System. The *Systemic Risk Report* must be signed and attested by the Chief Financial Officer (CFO) of the reporting banking organization (or by the individual performing this equivalent function). For foreign banking organizations, the *Systemic Risk Report* must be signed and attested by an authorized officer of the foreign banking organization.

Date of Report: **December 31, 2023**  
 Month / Day / Year (RISK 9999)

I, the undersigned CFO (or equivalent/authorized officer) of the named banking organization, attest that the *Systemic Risk Report* (including the supporting schedules) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and is true and correct to the best of my knowledge and belief.

**Andrew M. Young**

Printed Name of Chief Financial Officer (or Equivalent/Authorized Officer) (RISK C490)

Signature of Chief Financial Officer (or Equivalent/Authorized Officer) (RISK H321)

**02/16/2024**

Date of Signature (MM/DD/YYYY) (RISK J196)

**CAPITAL ONE FINANCIAL CORPORATION**

Legal Title of Holding Company or Foreign Banking Organization (RSSD 9017)

**1680 CAPITAL ONE DRIVE**

(Mailing Address of the Holding Company or Foreign Banking Organization) Street / PO Box (RSSD 9028)

**MCLEAN**

City (RSSD 9130)

Country (RSSD 9005)

**VA**

State (RSSD 9200)

**22102**

Zip Code (RSSD 9220)

Is confidential treatment requested for any portion of this report submission? .....	0=No	RISK	
	1=Yes	C447	0

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report (RISK KY38) .....

2. a letter justifying this request has been provided separately (RISK KY38).....

Person to whom questions about this report should be directed:

**Kendall Long**

Name / Title (RISK 8901)

**(804) 205-4758**

Area Code / Phone Number (RISK 8902)

**N/A**

Area Code / FAX Number (RISK 9116)

**kendall.long@capitalone.com**

E-mail Address of Contact (RISK 4086)

**Banking organizations must maintain in their files a manually signed and attested printout of the data submitted.**

The ongoing public reporting burden for this information collection is estimated to average 405 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing the burden, may be sent to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0352), Washington, DC 20503.



### Schedule A—Size Indicator

U.S. Dollar Amounts in Thousands		RISK	Amount		
<b>Total Exposures</b>					
1. Derivative exposures:					
a. Current exposure of derivative contracts .....	M337		1,489,913	1.a.	
b. Potential future exposure (PFE) of derivative contracts .....	M339		7,420,548	1.b.	
c. Gross-up for derivatives collateral .....	Y822		0	1.c.	
d. Effective notional amount of written credit derivatives .....	M340		3,051,905	1.d.	
e. Cash variation margin included as an on-balance sheet receivable .....	Y823		0	1.e.	
f. Exempted central counterparty legs of client-cleared transactions included in items 1(a) and 1(b) .....	Y824		0	1.f.	
g. Effective notional amount offsets and PFE adjustments for sold credit protection .....	Y825		0	1.g.	
h. Total derivative exposures (sum of items 1.a. through 1.d, minus the sum of items 1.e through 1.g) .....	Y826		11,962,366	1.h.	
2. Securities financing transaction (SFT) exposures:					
a. Gross SFT assets .....	M334		421,184	2.a.	
b. Counterparty credit risk exposure for SFTs .....	N507		8,424	2.b.	
c. SFT indemnification and other agent-related exposures .....	Y827		0	2.c.	
d. Gross value of offsetting cash payables .....	Y828		0	2.d.	
e. Total SFT exposures (sum of items 2.a through 2.c, minus item 2.d) .....	Y829		429,608	2.e.	
3. Other on-balance sheet exposures:					
a. Other on-balance sheet assets .....	Y830		480,720,335	3.a.	
b. Regulatory adjustments .....	M349		15,119,574	3.b.	
4. Other off-balance sheet exposures:					
a. Gross notional amount of items subject to a 0% credit conversion factor (CCF) .....	M342		393,125,747	4.a.	
b. Gross notional amount of items subject to a 20% CCF .....	M718		1,535,480	4.b.	
c. Gross notional amount of items subject to a 50% CCF .....	M346		42,814,701	4.c.	
d. Gross notional amount of items subject to a 100% CCF .....	M347		7,889,561	4.d.	
e. Credit exposure equivalent of other off-balance sheet items (sum of 0.1 times item 4.a, 0.2 times item 4.b, 0.5 times item 4.c, and item 4.d) .....	Y831		68,916,582	4.e.	
5. Total exposures prior to regulatory deductions (sum of items 1.h, 2.e, 3.a, and 4.e) .....	Y832		562,028,891	5.	
6. Does item 5 represent an average value over the reporting period? (Enter "1" for Yes; enter "0" for No.) ...		0=No 1=Yes	RISK FC52	1	6.

### Memoranda

U.S. Dollar Amounts in Thousands		RISK	Amount	
1. Securities received as collateral in securities lending .....	M335		0	M.1.
2. Cash collateral received in conduit securities lending transactions .....	M336		0	M.2.
3. Credit derivatives sold net of related credit protection bought .....	M341		3,136,862	M.3.
4. Total consolidated assets .....	2170		481,433,137	M.4.
5. Total off-balance sheet exposures (item 5 minus M.4.) .....	KW01		80,595,754	M.5.
6. Total nonbank assets .....	KY47		5,291,908	M.6.

### Schedule B—Interconnectedness Indicators

U.S. Dollar Amounts in Thousands		RISK	Amount	
<b>Intra-Financial System Assets</b>				
1. Funds deposited with or lent to other financial institutions .....				
a. Certificates of deposit .....	M351		60,637,179	1.
	M355		0	1.a.
2. Unused portion of committed lines extended to other financial institutions .....	J458		11,233,111	2.
3. Holdings of securities issued by other financial institutions:				
a. Secured debt securities .....	M352		0	3.a.
b. Senior unsecured debt securities .....	M353		0	3.b.
c. Subordinated debt securities .....	M354		0	3.c.
d. Commercial paper .....	M345		0	3.d.

## Schedule B—Continued

U.S. Dollar Amounts in Thousands		RISK	Amount	
<b>Intra-Financial System Assets—Continued</b>				
e. Equity securities .....	M356	865,238		3.e.
f. Offsetting short positions in relation to the specific equity securities included in item 3.e .....	M357	0		3.f.
4. Net positive current exposure of securities financing transactions (SFTs) with other financial institutions ..	M358	601		4.
5. Over-the-counter (OTC) derivative contracts with other financial institutions that have a net positive fair value:				
a. Net positive fair value .....	M359	11,349		5.a.
b. Potential future exposure .....	M360	532,124		5.b.
6. Total intra-financial system assets (sum of items 1, 2 through 3.e, 4, 5.a, and 5.b, minus item 3.f) ...	M362	73,279,602		6.
<b>Intra-Financial System Liabilities</b>				
7. Deposits due to other financial institutions:				
a. Deposits due to depository institutions .....	M363	3,913		7.a.
b. Deposits due to non-depository financial institutions .....	M364	2,984,443		7.b.
8. Borrowings obtained from other financial institutions .....	Y833	30,030		8.
9. Unused portion of committed lines obtained from other financial institutions .....	M365	0		9.
10. Net negative current exposure of SFTs with other financial institutions .....	M366	0		10.
11. OTC derivative contracts with other financial institutions that have a net negative fair value:				
a. Net negative fair value .....	M367	23,568		11.a.
b. Potential future exposure .....	M368	277,575		11.b.
12. Total intra-financial system liabilities (sum of items 7.a through 11.b) .....	M370	3,319,529		12.
<b>Securities Outstanding</b>				
13. Secured debt securities .....	M371	0		13.
14. Senior unsecured debt securities .....	M372	27,516,934		14.
15. Subordinated debt securities .....	M373	3,731,337		15.
16. Commercial paper .....	2309	0		16.
17. Certificates of deposit .....	M374	83,013,529		17.
18. Common equity .....	M375	49,876,684		18.
19. Preferred shares and other forms of subordinated funding not captured in item 15 .....	N509	3,613,285		19.
20. Total securities outstanding (sum of items 13 through 19) .....	M376	167,751,769		20.

## Memoranda

U.S. Dollar Amounts in Thousands		RISK	Amount	
1. Standby letters of credit extended to other financial institutions .....	Y834	105,855		M.1.

## Schedule C—Substitutability Indicators

U.S. Dollar Amounts in Thousands		RISK	Amount	
<b>Payments Activity</b>				
1. Payments made in the last four quarters:				
a. Australian dollars (AUD) .....	M377	885,280		1.a.
b. Brazilian real (BRL) .....	M378	198		1.b.
c. Canadian dollars (CAD) .....	M379	7,795,904		1.c.
d. Swiss francs (CHF) .....	M380	288,343		1.d.
e. Chinese yuan (CNY) .....	M381	134,399		1.e.
f. Euros (EUR) .....	M382	12,282,986		1.f.
g. British pounds (GBP) .....	M383	8,789,771		1.g.
h. Hong Kong dollars (HKD) .....	M384	48,210		1.h.
i. Indian rupee (INR) .....	M385	2,928		1.i.
j. Japanese yen (JPY) .....	M386	159,679		1.j.
k. Mexican pesos (MXN) .....	Y835	949,959		1.k.
l. Swedish krona (SEK) .....	M387	393,516		1.l.
m. United States dollars (USD) .....	M388	1,245,264,448		1.m.
2. Payments activity (sum of items 1.a through 1.m) .....	M390	1,276,995,621		2.

**Schedule C—Continued**

U.S. Dollar Amounts in Thousands		RISK	Amount	
<b>Assets Under Custody</b>				
3. Assets held as a custodian on behalf of customers.....	M405		9	3.
<b>Underwritten Transactions in Debt and Equity Markets</b>				
4. Equity underwriting activity.....	M406		266,483	4.
5. Debt underwriting activity.....	M407		4,645,700	5.
6. Total underwriting activity (sum of items 4 and 5).....	M408		4,912,183	6.

**Memoranda**

U.S. Dollar Amounts in Thousands		RISK	Amount	
1. New Zealand dollars (NZD).....	Y836		221,502	M.1.
2. Russian rubles (RUB).....	Y837		18	M.2.
3. Payments made in the last four quarters in all other currencies.....	M389		1,332,878	M.3.
4. Unsecured settlement/clearing lines provided.....	M436		20,842,724	M.4.
5. Securities traded in the last four quarters:				M.5.
a. Securities issued by public sector entities.....	KW46		5,053,527	M.5.a.
b. Other fixed income securities.....	KW48		7,525,492	M.5.b.
c. Listed equities.....	KW50		5,344,647	M.5.c.
d. Other securities.....	KW52		35,350	M.5.d.
6. Trading volume - fixed income (sum of items M.5.a and M.5.b).....	MV93		12,579,019	M.6.
7. Trading volume - equities and other securities (sum of items M.5.c and M.5.d).....	MV95		5,379,997	M.7.

**Schedule D—Complexity Indicators**

U.S. Dollar Amounts in Thousands		RISK	Amount	
<b>Notional Amount of Over-the-Counter (OTC) Derivative Contracts</b>				
1. OTC derivative contracts cleared through a central counterparty.....	M409		157,254,048	1.
2. OTC derivative contracts settled bilaterally.....	M410		111,066,956	2.
3. Total notional amount of OTC derivative contracts (sum of items 1 and 2).....	M411		268,321,004	3.
<b>Trading and Available-for-Sale (AFS) Securities</b>				
4. Trading securities.....	M412		0	4.
5. AFS securities.....	1773		79,116,905	5.
6. Equity securities with readily determinable fair values not held for trading.....	JA22		878,854	6.
7. Total trading, AFS and equity securities with readily determinable fair values not held for trading (sum of items 4, 5, and 6).....	M414		79,995,759	7.
8. Trading, AFS and equity securities with readily determinable fair values not held for trading that meet the definition of level 1 liquid assets.....	N510		32,832,508	8.
9. Trading, AFS and equity securities with readily determinable fair values not held for trading that meet the definition of level 2 liquid assets, with haircuts.....	N511		37,531,884	9.
10. Total adjusted trading, AFS and equity securities with readily determinable fair values not held for trading (item 7 minus items 8 and 9).....	N255		9,631,367	10.
<b>Level 3 Assets</b>				
11. Assets valued for accounting purposes using Level 3 measurement inputs.....	G506		1,152,372	11.

**Memoranda**

U.S. Dollar Amounts in Thousands		RISK	Amount	
1. Held-to-maturity securities.....	1754		0	M.1.

### Schedule E—Cross-Jurisdictional Activity Indicators

U.S. Dollar Amounts in Thousands		RISK	Amount	
<b>Cross-Jurisdictional Claims</b>				
1. Foreign claims on an ultimate-risk basis .....	M422		8,127,000	1.
<b>Cross-Jurisdictional Liabilities</b>				
2. Foreign liabilities (excluding local liabilities in local currency) .....	M423		14,772	2.
a. Any foreign liabilities to related offices included in item 2. ....	M424		5,801	2.a.
3. Local liabilities in local currency .....	M425		591,000	3.
4. Total cross-jurisdictional liabilities (sum of items 2 and 3, minus item 2.a) .....	M426		599,971	4.
5. Cross-jurisdictional activity (sum of items 1 and 4) .....	KY49		8,726,971	5.

### Memoranda

U.S. Dollar Amounts in Thousands		RISK	Amount	
1. Foreign derivative claims on an ultimate-risk basis .....	KW54		100,000	M.1.
2. Total cross-jurisdictional claims (sum of items 1 and M.1) .....	KW55		8,227,000	M.2.
3. Foreign derivative liabilities on an immediate-counterparty basis .....	KW56		92,402	M.3.
4. Consolidated foreign liabilities on an immediate-counterparty basis excluding derivative liabilities ....	KW57		591,000	M.4.
5. Total cross-jurisdictional liabilities, including derivatives (sum of items M.3 and M.4) .....	KY50		683,402	M.5.

### Schedule F—Ancillary Indicators

U.S. Dollar Amounts in Thousands		RISK	Amount	
<b>Ancillary Indicators</b>				
1. Total liabilities .....	2948		420,374,942	1.
2. Retail funding .....	M427		286,509,517	2.
3. Total gross revenue .....	M430		49,462,679	3.
4. Total net revenue .....	M428		36,765,615	4.
5. Foreign net revenue .....	M429		1,583,941	5.
6. Gross value of cash provided and gross fair value of securities provided in securities financing transactions (SFTs) .....	M432		538,345	6.
7. Gross value of cash received and gross fair value of securities received in SFTs .....	M433		549,017	7.
8. Gross positive fair value of over-the-counter (OTC) derivative contracts .....	M434		2,057,507	8.
9. Gross negative fair value of OTC derivative contracts .....	M435		2,453,189	9.
		Number in Single Units	RISK	
10. Number of jurisdictions .....		M437	7	10.

### Schedule G—Short-Term Wholesale Funding Indicator

	(Column A) Remaining Maturity of 30 Days or Less		(Column B) Remaining Maturity of 31 to 90 Days		(Column C) Remaining Maturity of 91 to 180 Days		(Column D) Remaining Maturity of 181 to 365 Days	
	RISK	Amount	RISK	Amount	RISK	Amount	RISK	Amount
U.S. Dollar Amounts in Thousands								
<b>Short-term Wholesale Funding</b>								
1. First tier:								
a.		271,422	Y839	3,294	Y840	1,423	Y841	1,300
b.		1,160,204	Y843	430,776	Y844	770,430	Y845	3,377,960
c.		17,962,435	Y847	34,955	Y848	49,506	Y849	56,103
d.		0	Y851	0	Y852	0	Y853	0
e.		19,394,061	Y855	469,025	Y856	821,359	Y857	3,435,363
2. Second tier:								
a.		3,987,222	Y859	38,759	Y860	17,034	Y861	16,481
b.		0	Y863	0	Y864	0	Y865	0
c.		3,987,222	Y867	38,759	Y868	17,034	Y869	16,481
3. Third tier:								
a.		0	Y871	0	Y872	0	Y873	0
b.		0	Y875	0	Y876	0	Y877	0
c.		2,974,353	Y879	433,760	Y880	691,550	Y881	1,769,719
d.		2,974,353	Y883	433,760	Y884	691,550	Y885	1,769,719
e.		196,264	Y887	348,492	Y888	426,472	Y889	2,093,952
f.		9,269,155	Y891	534,841	Y892	387,827	Y893	700,460
U.S. Dollar Amounts in Thousands								
6.			RISK		RISK		RISK	Amount
7.								Amount
8.								Percentage

### Schedule H—FBO Size Indicator

	(Column A) U.S. Intermediate Holding Company		(Column B) Combined U.S. Operations		
	RISI	Amount	RISO	Amount	
U.S. Dollar Amounts in Thousands					
<b>Total Exposures</b>					
1. Derivative exposures:					
a. Current exposure of derivative contracts .....	M337		M337		1.a.
b. Potential future exposure (PFE) of derivative contracts .....	M339		M339		1.b.
c. Gross-up for derivatives collateral .....	Y822		Y822		1.c.
d. Effective notional amount of written credit derivatives .....	M340		M340		1.d.
e. Cash variation margin included as an on-balance sheet receivable .....	Y823		Y823		1.e.
f. Exempted central counterparty legs of client-cleared transactions included in items 1(a) and 1(b) .....	Y824		Y824		1.f.
g. Effective notional amount offsets and PFE adjustments for sold credit protection .....	Y825		Y825		1.g.
h. Total derivative exposures (sum of items 1.a. through 1.d, minus the sum of items 1.e through 1.g) .....	Y826		Y826		1.h.
2. Securities financing transaction (SFT) exposures:					
a. Gross SFT assets .....	M334		M334		2.a.
b. Counterparty credit risk exposure for SFTs .....	N507		N507		2.b.
c. SFT indemnification and other agent-related exposures .....	Y827		Y827		2.c.
d. Gross value of offsetting cash payables .....	Y828		Y828		2.d.
e. Total SFT exposures (sum of items 2.a through 2.c, minus item 2.d) .....	Y829		Y829		2.e.
3. Other on-balance sheet exposures:					
a. Other on-balance sheet assets .....	Y830		Y830		3.a.
b. Regulatory adjustments .....	M349		M349		3.b.
4. Other off-balance sheet exposures:					
a. Gross notional amount of items subject to a 0% credit conversion factor (CCF) .....	M342		M342		4.a.
b. Gross notional amount of items subject to a 20% CCF .....	M718		M718		4.b.
c. Gross notional amount of items subject to a 50% CCF .....	M346		M346		4.c.
d. Gross notional amount of items subject to a 100% CCF .....	M347		M347		4.d.
e. Credit exposure equivalent of other off-balance sheet items (sum of 0.1 times item 4.a, 0.2 times item 4.b, 0.5 times item 4.c, and item 4.d) .....	Y831		Y831		4.e.
5. Total exposures prior to regulatory deductions (sum of items 1.h, 2.e, 3.a, and 4.e) .....	Y832		Y832		5.
6. Does item 5 represent an average value over the reporting period? (Enter "1" for Yes; enter "0" for No.) .....	0=No 1=Yes	RISI FC52	0=No 1=Yes	RISO FC52	6.

### Memoranda

	(Column A) U.S. Intermediate Holding Company		(Column B) Combined U.S. Operations		
	RISI	Amount	RISO	Amount	
U.S. Dollar Amounts in Thousands					
1. Securities received as collateral in securities lending .....	M335		M335		M.1.
2. Cash collateral received in conduit securities lending transactions .....	M336		M336		M.2.
3. Credit derivatives sold net of related credit protection bought .....	M341		M341		M.3.
4. Total assets .....	2170		2170		M.4.
5. Total off-balance sheet exposures (item 5 minus M.4.) .....	KW01		KW01		M.5.
6. Total nonbank assets .....	KY47		KY47		M.6.

### Schedule I—FBO Interconnectedness Indicators

	(Column A) U.S. Intermediate Holding Company		(Column B) Combined U.S. Operations		
	RISI	Amount	RISO	Amount	
U.S. Dollar Amounts in Thousands					
<b>Intra-Financial System Assets</b>					
1. Funds deposited with or lent to other financial institutions .....	M351		M351		1.
a. Certificates of deposit .....	M355		M355		1.a.
2. Unused portion of committed lines extended to other financial institutions ..	J458		J458		2.
3. Holdings of securities issued by other financial institutions:					
a. Secured debt securities .....	M352		M352		3.a.
b. Senior unsecured debt securities .....	M353		M353		3.b.
c. Subordinated debt securities .....	M354		M354		3.c.
d. Commercial paper .....	M345		M345		3.d.
e. Equity securities .....	M356		M356		3.e.
f. Offsetting short positions in relation to the specific equity securities included in item 3.e .....	M357		M357		3.f.
4. Net positive current exposure of securities financing transactions (SFTs) with other financial institutions .....	M358		M358		4.
5. Over-the-counter (OTC) derivative contracts with other financial institutions that have a net positive fair value:					
a. Net positive fair value .....	M359		M359		5.a.
b. Potential future exposure .....	M360		M360		5.b.
6. Total intra-financial system assets (sum of items 1, 2 through 3.e, 4, 5.a, and 5.b, minus item 3.f) .....	M362		M362		6.
<b>Intra-Financial System Liabilities</b>					
7. Deposits due to other financial institutions:					
a. Deposits due to depository institutions .....	M363		M363		7.a.
b. Deposits due to non-depository financial institutions .....	M364		M364		7.b.
8. Borrowings obtained from other financial institutions .....	Y833		Y833		8.
9. Unused portion of committed lines obtained from other financial institutions...	M365		M365		9.
10. Net negative current exposure of SFTs with other financial institutions .....	M366		M366		10.
11. OTC derivative contracts with other financial institutions that have a net negative fair value:					
a. Net negative fair value .....	M367		M367		11.a.
b. Potential future exposure .....	M368		M368		11.b.
12. Total intra-financial system liabilities (sum of items 7.a through 11.b) .....	M370		M370		12.
<b>Securities Outstanding</b>					
13. Secured debt securities .....	M371		M371		13.
14. Senior unsecured debt securities .....	M372		M372		14.
15. Subordinated debt securities .....	M373		M373		15.
16. Commercial paper .....	2309		2309		16.
17. Certificates of deposit .....	M374		M374		17.
18. Common equity .....	M375		M375		18.
19. Preferred shares and other forms of subordinated funding not captured in item 15 .....	N509		N509		19.
20. Total securities outstanding (sum of items 13 through 19) .....	M376		M376		20.

### Memoranda

	U.S. Dollar Amounts in Thousands				
	RISI	Amount	RISO	Amount	
1. Standby letters of credit extended to other financial institutions .....	Y834		Y834		M.1.



### Schedule J—FBO Substitutability Indicators

	(Column A) U.S. Intermediate Holding Company		(Column B) Combined U.S. Operations		
	RISI	Amount	RISO	Amount	
U.S. Dollar Amounts in Thousands					
<b>Payments Activity</b>					
1. Payments made in the last four quarters:					
a. Australian dollars (AUD) .....	M377		M377		1.a.
b. Brazilian real (BRL) .....	M378		M378		1.b.
c. Canadian dollars (CAD) .....	M379		M379		1.c.
d. Swiss francs (CHF) .....	M380		M380		1.d.
e. Chinese yuan (CNY) .....	M381		M381		1.e.
f. Euros (EUR) .....	M382		M382		1.f.
g. British pounds (GBP) .....	M383		M383		1.g.
h. Hong Kong dollars (HKD) .....	M384		M384		1.h.
i. Indian rupee (INR) .....	M385		M385		1.i.
j. Japanese yen (JPY) .....	M386		M386		1.j.
k. Mexican pesos (MXN) .....	Y835		Y835		1.k.
l. Swedish krona (SEK) .....	M387		M387		1.l.
m. United States dollars (USD) .....	M388		M388		1.m.
2. Payments activity (sum of items 1.a through 1.m) .....	M390		M390		2.
<b>Assets Under Custody</b>					
3. Assets held as a custodian on behalf of customers .....	M405		M405		3.
<b>Underwritten Transactions in Debt and Equity Markets</b>					
4. Equity underwriting activity .....	M406		M406		4.
5. Debt underwriting activity .....	M407		M407		5.
6. Total underwriting activity (sum of items 4 and 5) .....	M408		M408		6.

### Memoranda

	U.S. Dollar Amounts in Thousands				
	RISI	Amount	RISO	Amount	
1. New Zealand dollars (NZD) .....	Y836		Y836		M.1.
2. Russian rubles (RUB) .....	Y837		Y837		M.2.
3. Payments made in the last four quarters in all other currencies .....	M389		M389		M.3.
4. Unsecured settlement/clearing lines provided .....	M436		M436		M.4.
5. Securities traded in the last four quarters:					
a. Securities issued by public sector entities .....	KW46		KW46		M.5.a.
b. Other fixed income securities .....	KW48		KW48		M.5.b.
c. Listed equities .....	KW50		KW50		M.5.c.
d. Other securities .....	KW52		KW52		M.5.d.
6. Trading volume - fixed income (sum of items M.5.a and M.5.b) .....	MV93		MV93		M.6.
7. Trading volume - equities and other securities					
(sum of items M.5.c and M.5.d) .....	MV95		MV95		M.7.

### Schedule K—FBO Complexity Indicators

	(Column A) U.S. Intermediate Holding Company		(Column B) Combined U.S. Operations		
	RISI	Amount	RISO	Amount	
U.S. Dollar Amounts in Thousands					
<b>Notional Amount of Over-the-Counter (OTC) Derivative Contracts</b>					
1. OTC derivative contracts cleared through a central counterparty .....	M409		M409		1.
2. OTC derivative contracts settled bilaterally .....	M410		M410		2.
3. Total notional amount of OTC derivative contracts (sum of items 1 and 2) ..	M411		M411		3.
<b>Trading and Available-for-Sale (AFS) Securities</b>					
4. Trading securities .....	M412		M412		4.
5. AFS securities .....	1773		1773		5.
6. Equity securities with readily determinable fair values not held for trading .....	JA22		JA22		6.
7. Total trading, AFS and equity securities with readily determinable fair values not held for trading (sum of items 4, 5, and 6) .....	M414		M414		7.
8. Trading, AFS and equity securities with readily determinable fair values not held for trading that meet the definition of level 1 liquid assets .....	N510		N510		8.
9. Trading, AFS and equity securities with readily determinable fair values not held for trading that meet the definition of level 2 liquid assets, with haircuts .....	N511		N511		9.
10. Total adjusted trading, AFS and equity securities with readily determinable fair values not held for trading (item 7 minus items 8 and 9) .....	N255		N255		10.
<b>Level 3 Assets</b>					
11. Assets valued for accounting purposes using Level 3 measurement inputs .....	G506		G506		11.

#### Memoranda

	U.S. Dollar Amounts in Thousands				
	RISI	Amount	RISO	Amount	
1. Held-to-maturity securities .....	1754		1754		M.1.

### Schedule L—FBO Cross-Jurisdictional Activity Indicators

	(Column A) U.S. Intermediate Holding Company		(Column B) Combined U.S. Operations		
	RISI	Amount	RISO	Amount	
U.S. Dollar Amounts in Thousands					
<b>Cross-Jurisdictional Claims</b>					
1. Foreign claims on an ultimate-risk basis .....	M422		M422		1.
a. Adjusted foreign claims on an ultimate-risk basis .....	LA95		LA95		1.a.
<b>Cross-Jurisdictional Liabilities</b>					
2. Foreign liabilities (excluding local liabilities in local currency) .....	M423		M423		2.
a. Any foreign liabilities to foreign offices included in item 2 .....	M424		M424		2.a.
3. Local liabilities in local currency .....	M425		M425		3.
4. Total cross-jurisdictional liabilities (sum of items 2 and 3, minus item 2.a) ..	M426		M426		4.
5. Cross-jurisdictional activity (sum of items 1(a) and 4) .....	KY49		KY49		5.

#### Memoranda

	U.S. Dollar Amounts in Thousands				
	RISI	Amount	RISO	Amount	
1. Foreign derivative claims on an ultimate-risk basis .....	KW54		KW54		M.1.
2. Total cross-jurisdictional claims (sum of items 1 and M.1) .....	KW55		KW55		M.2.
3. Foreign derivative liabilities on an immediate-counterparty basis .....	KW56		KW56		M.3.
4. Consolidated foreign liabilities on an immediate-counterparty basis excluding derivative liabilities .....	KW57		KW57		M.4.
5. Total cross-jurisdictional liabilities, including derivatives (sum of items M.3 and M.4) .....	KY50		KY50		M.5.

### Schedule M—FBO Ancillary Indicators

	(Column A) U.S. Intermediate Holding Company		(Column B) Combined U.S. Operations		
	RISI	Amount	RISO	Amount	
U.S. Dollar Amounts in Thousands					
<b>Ancillary Indicators</b>					
1. Total liabilities .....	2948		2948		1.
2. Retail funding .....	M427		M427		2.
3. Total gross revenue .....	M430		M430		3.
4. Total net revenue .....	M428		M428		4.
5. Foreign net revenue .....	M429		M429		5.
6. Gross value of cash provided and gross fair value of securities provided in securities financing transactions (SFTs) .....	M432		M432		6.
7. Gross value of cash received and gross fair value of securities received in SFTs .....	M433		M433		7.
8. Gross positive fair value of over-the-counter (OTC) derivative contracts ...	M434		M434		8.
9. Gross negative fair value of OTC derivative contracts .....	M435		M435		9.
Number in Single Units					
10. Number of jurisdictions .....	M437		M437		10.

## Schedule N—FBO Short-Term Wholesale Funding Indicator

### Part I

	Remaining Maturity of 30 Days or Less (Column B)		Remaining Maturity of 31 to 90 Days (Column D)	
	RISI	Amount	RISO	Amount
U.S. Dollar Amounts in Thousands				
<b>Short-term Wholesale Funding</b>				
1. First tier:				
a. Funding secured by level 1 liquid assets .....	Y838	Y838	Y839	Y839
b. Retail brokered deposits and sweeps .....	Y842	Y842	Y843	Y843
c. Unsecured wholesale funding obtained outside of the financial sector ...	Y846	Y846	Y847	Y847
d. Firm short positions involving level 2B liquid assets or non-HQLA .....	Y850	Y850	Y851	Y851
e. Total first tier short-term wholesale funding (sum of items 1.a through 1.d) ..	Y854	Y854	Y855	Y855
2. Second tier:				
a. Funding secured by level 2A liquid assets .....	Y858	Y858	Y859	Y859
b. Covered asset exchanges (level 1 to level 2A) .....	Y862	Y862	Y863	Y863
c. Total second tier short-term wholesale funding (sum of items 2.a. and 2.b) ..	Y866	Y866	Y867	Y867
3. Third tier:				
a. Funding secured by level 2B liquid assets .....	Y870	Y870	Y871	Y871
b. Other covered asset exchanges .....	Y874	Y874	Y875	Y875
c. Unsecured wholesale funding obtained within the financial sector .....	Y878	Y878	Y879	Y879
d. Total third tier short-term wholesale funding (sum of items 3.a through 3.c) ..	Y882	Y882	Y883	Y883
4. All other components of short-term wholesale funding .....	Y886	Y886	Y887	Y887
5. Total short-term wholesale funding, by maturity (weighted sum of items 1.e, 2.c, 3.d, and 4) .....	Y890	Y890	Y891	Y891

**Schedule N—Continued**

**Part II**

	Remaining Maturity of 91 to 180 Days (Column E)		Remaining Maturity of 181 to 365 Days (Column G)		Remaining Maturity of 181 to 365 Days (Column H)	
	RIS1	Amount	RISO	Amount	RISO	Amount
U.S. Dollar Amounts in Thousands						
<b>Short-term Wholesale Funding</b>						
1. First tier:						
a. Funding secured by level 1 liquid assets .....	Y840		Y840		Y841	Y841
b. Retail brokered deposits and sweeps .....	Y844		Y844		Y845	Y845
c. Unsecured wholesale funding obtained outside of the financial sector ...	Y848		Y848		Y849	Y849
d. Firm short positions involving level 2B liquid assets or non-HQLA .....	Y852		Y852		Y853	Y853
e. Total first tier short-term wholesale funding (sum of items 1.a through 1.d) ..	Y856		Y856		Y857	Y857
2. Second tier:						
a. Funding secured by level 2A liquid assets .....	Y860		Y860		Y861	Y861
b. Covered asset exchanges (level 1 to level 2A) .....	Y864		Y864		Y865	Y865
c. Total second tier short-term wholesale funding (sum of items 2.a. and 2.b.) ..	Y868		Y868		Y869	Y869
3. Third tier:						
a. Funding secured by level 2B liquid assets .....	Y872		Y872		Y873	Y873
b. Other covered asset exchanges .....	Y876		Y876		Y877	Y877
c. Unsecured wholesale funding obtained within the financial sector .....	Y880		Y880		Y881	Y881
d. Total third tier short-term wholesale funding (sum of items 3.a through 3.c) ..	Y884		Y884		Y885	Y885
4. All other components of short-term wholesale funding .....	Y888		Y888		Y889	Y889
5. Total short-term wholesale funding, by maturity (weighted sum of items 1.e, 2.c, 3.d, and 4) .....	Y892		Y892		Y893	Y893
U.S. Dollar Amounts in Thousands						
6. Total short-term wholesale funding (Column A: sum of A, C, E, and G in item 5; Column B: sum of B, D, F, and H in item 5) ..	RIS1	Amount	RISO	Amount	RISO	Amount
7. Average risk-weighted assets .....	Y894		Y894		Y894	
	Y895		Y895		Y895	
8. Short-term wholesale funding metric (item 6 divided by item 7) .....	RIS1	Percentage	RISO	Percentage	RISO	Percentage
	Y896		Y896		Y896	

### Optional Narrative Statement

The management of the reporting banking organization has the option to submit a public statement regarding the values reported on the FR Y-15. The statement must not contain any confidential information that would compromise customer privacy or that the respondent is not willing to have made public. Furthermore, the information in the narrative statement must be accurate and must not be misleading.

The statement may not exceed 750 characters, including punctuation, indentation, and standard spacing between words and sentences. Statements exceeding this limit will be truncated at

750 characters with no notice to the respondent. Other than the truncation of statements exceeding the character limit, the statement will appear on agency computerized records and in releases to the public exactly as submitted. Public disclosure of the statement shall not signify that a federal supervisory agency has verified the accuracy or relevance of the information contained therein.

If the respondent elects not to make a statement, the item should be left blank (i.e., do not enter phrases such as "No statement," "Not applicable," "N/A," "No comment," or "None").

	RISK		
1. Narrative statement .....	6980		1.

## Discover Financial Services

## Banking Organization Systemic Risk Report—FR Y-15

12/31/2023

12/31/2023

U.S. Dollar Amounts in Thousands

## Schedule A—Size Indicator

U.S. Dollar Amounts in Thousands

## Total Exposures

## 1. Derivative exposures:

a.	Current exposure of derivative contracts	M337	4,184	1.a
b.	Potential future exposure (PFE) of derivative contracts	M339	291	1.b
c.	Gross-up for derivatives collateral	Y822	-	1.c
d.	Effective notional amount of written credit derivatives	M340	-	1.d
e.	Cash variation margin included as an on-balance sheet receivable	Y823	-	1.e
f.	Exempted central counterparty legs of client-cleared transactions included	Y824	-	1.f
g.	Effective notional amount offsets and PFE adjustments for sold credit protection	Y825	-	1.g
h.	Total derivative exposures (sum of items 1.a. through 1.d, minus the sum of items 1.e through 1.g)	Y826	4,475	1.h

## 2. Securities financing transaction (SFT) exposures:

a.	Gross value of SFTs	M334	-	2.a
b.	Counterparty credit risk exposure for SFTs	N507	-	2.b
c.	SFT indemnification and other agent-related exposures	Y827	-	2.c
d.	Gross value of offsetting cash payables	Y828	-	2.d
e.	Total SFT exposures (sum of items 2.a through 2.c, minus item 2.d)	Y829	-	2.e

## 3. Other on-balance sheet exposures:

a.	Other on-balance sheet assets	Y830	151,518,188	3.a
b.	Regulatory adjustments	M349	30,320	3.b

## 4. Other off-balance sheet exposures:

a.	Gross notional amount of items subject to a 0% credit conversion factor (CCF)	M342	229,103,182	4.a
b.	Gross notional amount of items subject to a 20% CCF	M718	636,630	4.b
c.	Gross notional amount of items subject to a 50% CCF	M346	42,247	4.c
d.	Gross notional amount of items subject to a 100% CCF	M347	-	4.d
e.	Credit exposure equivalent of other off-balance sheet items...sum of (0.1 through 0.4)	Y831	23,058,768	4.e

## 5. Total exposures prior to regulatory deductions (sum of items 1.h, 2.e, 3.a, and 4.e)

		Y832	174,581,431	5
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FRY-15

Confidential



6. Does item 5 represent an average value over the reporting period? (Enter "1" for Yes; enter "0" for No.)

RISK	
FC52	0

## Memoranda

U.S. Dollar Amounts in Thousands

1. Securities received as collateral in securities lending	M335	-	M.1
2. Cash collateral received in conduit securities lending transactions	M336	-	M.2
3. Credit derivatives sold net of related credit protection bought	M341	-	M.3
4. Total consolidated assets	2170	147,065,362	M.4
5. Total off-balance sheet exposures (item 5 minus M.4.)	KW01	27,516,069	M.5
6. Total nonbank assets.	KY47	3,887,065	M.6

## Schedule B - Interconnectedness Indicators

U.S. Dollar Amounts in Thousands

### Intra-Financial System Assets

1. Funds deposited with or lent to other financial institutions	M351	3,256,997	1.
a. Certificates of deposit	M355	500	1.a
2. Unused portion of committed lines extended to other financial institutions	J458	35,075	2.
3. Holdings of securities issued by other financial institutions:			
a. Secured debt securities	M352	-	3.a
b. Senior unsecured debt securities	M353	-	3.b
c. Subordinated debt securities	M354	-	3.c
d. Commercial paper	M345	-	3.d
e. Equity securities	M356	43,241	3.e
f. Offsetting short positions in relation to the specific stock holdings included	M357	-	3.f
4. Net positive current exposure of securities financing transactions (SFTs) with unaffiliated financial institutions	M358	-	4.
5. Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value:			
a. Net positive fair value	M359	4,184	5.a
b. Potential future exposure	M360	43	5.b
6. Total intra-financial system assets (sum of items 1, 2 through 3.e, 4, 5.a, and 5.b, minus 3.f)	M362	3,339,540	6.

## Intra-Financial System Liabilities

### 7. Deposits due to other financial institutions:

- a. Deposits due to depository institutions
- b. Deposits due to non-depository financial institutions

M363	51	7.a
M364	-	7.b
Y833	750,000	8
M365	2,750,000	9
M366	-	10

### 8. Borrowings obtained from other financial institutions

### 9. Unused portion of committed lines obtained from other financial institutions

### 10. Net negative current exposure of SFTs with other financial institutions

### 11. OTC derivatives with unaffiliated financial institutions that have a net negative fair value:

- a. Net negative fair value
- b. Potential future exposure

M367	687	11.a
M368	248	11.b
M370	3,500,986	12

### 12. Total intra-financial system liabilities (sum of items 7.a through 11.b)

## Securities outstanding

### 13. Secured debt securities

### 14. Senior unsecured debt securities

### 15. Subordinated debt securities

### 16. Commercial paper

### 17. Certificates of deposit

### 18. Common Equity

### 19. Preferred shares and other forms of subordinated funding not captured in item 13

### 20. Total securities outstanding (sum of items 13 through-19)

M371	10,993,195	13
M372	8,039,328	14
M373	500,000	15
2309	-	16
M374	45,240,239	17
M375	28,111,561	18
N509	-	19
M376	92,884,323	20

## Memoranda

U.S. Dollar Amounts in Thousands

### 1. Standby letters of credit extended to other financial institutions

Y834	-	M.1
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## Schedule C—Substitutability Indicators

U.S. Dollar Amounts in Thousands

### Payments Activity

#### 1. Payments made in the last four quarters:

- a. Australian dollars (AUD)
- b. Brazilian real (BRL)
- c. Canadian dollars (CAD)
- d. Swiss francs (CHF)

M377	67,004	1.a
M378	-	1.b
M379	60,276	1.c
M380	20,376	1.d

e. Chinese yuan (CNY)	M381	22,129	1.e
f. Euros (EUR)	M382	379,696	1.f
g. British pounds (GBP)	M383	275,952	1.g
h. Hong Kong dollars (HKD)	M384	321	1.h
i. Indian rupee (INR)	M385	9,703	1.i
j. Japanese yen (JPY)	M386	127,230	1.j
k. Mexican pesos (MXN)	Y835	-	1.k
l. Swedish krona (SEK)	M387	100,960	1.l
m. United States dollars (USD)	M388	532,091,330	1.m
2. Payments activity (sum of items 1.a through 1.l)	M390	533,154,977	2.

### Assets Under Custody

3. Assets held as a custodian on behalf of customers	M405	-	3.
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### Underwritten Transactions in Debt and Equity Markets

4. Equity underwriting activity	M406	-	4.
5. Debt underwriting activity	M407	-	5.
6. Total underwriting activity (sum of items 4 and 5)	M408	-	6.

### Memoranda

#### U.S. Dollar Amounts in Thousands

1. New Zealand dollars (NZD)	Y836	211	M.1
2. Russian rubles (RUB)	Y837	-	M.2
3. Payments made in the last four quarters in all other currencies	Y839	263,781	M.3
4. Unsecured settlement/clearing lines provided	M436	-	M.4
5. Securities traded in the last four quarters:			M.5
a. Securities issued by public sector entities	KW46	12,564	M.5.a
b. Other fixed income securities	KW48	5,630,236	M.5.b
c. Listed equities	KW50	41,169	M.5.c
d. Other securities	KW52	-	M.5.d
6. Trading volume - fixed income (sum of items M.5.a and M.5.b)	MV93	5,642,800	M.6
7. Trading volume - Equities and securities (sum of items M.5.c and M.5.d)	MV95	41,169	M.7

## Schedule D—Complexity Indicators

U.S. Dollar Amounts in Thousands

### Notional Amount of Over-the-Counter (OTC) Derivative Contracts

1. OTC derivative contracts cleared through a central counterparty	M409	19,300,000	1.
2. OTC derivative contracts settled bilaterally	M410	64,139	2.
3. Total notional amount of OTC derivatives (sum of items 1 and 2)	M411	19,364,139	3.

### Trading and Available-for-Sale (AFS) Securities

4. Trading Securities	M412	-	4.
5. AFS securities	1773	13,401,243	5.
6. Equity securities with readily determinable fair values not held for trading	JA22	44,125	6.
7. Total trading and AFS and equity securities (sum of items 4, 5 and 6)	M414	13,445,368	7.
8. Trading , AFS securities and equity securities with readily determinable fair values not held for trading that	N510	12,948,678	8.
9. Trading , AFS securities and equity securities with readily determinable fair values not held for trading that	N511	384,680	9.
10. Trading , AFS securities and equity securities with readily determinable fair values not held for trading	N255	112,010	10.

### Level 3 Assets

11. Assets valued for accounting purposes using Level 3 measurement inputs	G506	-	11.
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### Memoranda

U.S. Dollar Amounts in Thousands

1. Held-to-maturity securities	1754	252,642	M.1
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## Schedule E—Cross-Jurisdictional Activity Indicators

U.S. Dollar Amounts in Thousands

### Cross-Jurisdictional Claims

1. Foreign claims on an ultimate risk basis	M422	89,000	1.
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### Cross-Jurisdictional Liabilities

2. Foreign liabilities (excluding local liabilities in local currency)	M423	-	2.
a. Any foreign liabilities to related offices included in item 2	M424	-	2.a
3. Local liabilities in local currency	M425	34,000	3.
4. Total cross-jurisdictional liabilities (sum of items 2 and 3, minus item 2.a.)	M426	34,000	4.
5. Cross-jurisdictional activity (sum of items 1 and 4)	KY49	123,000	5.

### Memoranda

1. Foreign derivative claims on an ultimate-risk basis	KW54	-	
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2. Total cross-jurisdictional claims( sum of items 1 and M.1 )
3. Foreign derivative liabilities on an immediate-counterparty basis
- 4 Consolidated foreign liabilities on an immediate counterparty basis, excluding derivative liabilities.
5. Total cross jurisdictional liabilities, including derivatives (sum of items M.3 and M.4).

KW55	89,000
KW56	-
KW57	-
KW50	-

## Schedule F—Ancillary Indicators

U.S. Dollar Amounts in Thousands

### Ancillary Indicators

1. Total liabilities	2948	136,694,461	1.
2. Retail funding	M427	84,338,860	2.
3. Total gross revenue	M430	20,570,396	3
4. Total net revenue	M428	15,916,046	4
5. Foreign net revenue	M429	664	5
6. Gross value of cash provided and gross fair value of securities provided in securities financing transactions (SFTs)	M432	-	6
7. Gross value of cash received and gross fair value of securities received in SFTs	M433	-	7
8. Gross positive fair value of over-the-counter (OTC) derivatives transactions	M434	4,184	8
9. Gross negative fair value of OTC derivatives transactions	M435	687	9
Number in Single Units			
10. Number of jurisdictions	M437	13	10

**Schedule G—Short-term Wholesale Funding Indicator**

4Q 2023

		(Column A) Remaining Maturity of 30 days or less		(Column B) Remaining Maturity of 31 to 90 days		(Column C) Remaining Maturity of 91 to 180 days		(Column D) Remaining Maturity of 181 to 365 days		
U.S. Dollar Amounts in Thousands		RISK	Amount	RISK	Amount	RISK	Amount	RISK	Amount	
<b>Short-Term Wholesale Funding</b>										
1. First tier:										
a.	Funding secured by level 1 liquid assets.....	Y838	-	Y838	-	Y838	-	Y841	-	1.a.
b.	Retail brokered deposits and sweeps.....	Y842	3,876,906	Y842	1,146,160	Y842	1,696,846	Y845	3,000,037	1.b.
c.	Unsecured wholesale funding obtained outside of the firm's short positions involving level 2B liquid assets or non- HQA	Y846	-	Y846	-	Y846	-	Y849	-	1.c.
d.		Y850	-	Y850	-	Y850	-	Y853	-	1.d.
e.	Total first tier short-term wholesale funding (sum of items 1.a	Y854	3,876,906	Y854	1,146,160	Y854	1,696,846	Y857	3,000,037	1.e.
2. Second tier:										
a.	Funding secured by level 2A liquid	Y858	-	Y858	-	Y858	-	Y861	-	2.a.
b.	Covered asset exchanges (level 1 to level	Y862	-	Y862	-	Y862	-	Y865	-	2.b.
c.	Total second tier short-term wholesale funding (sum of items	Y866	-	Y866	-	Y866	-	Y869	-	2.c.
3. Third tier:										
a.	Funding secured by level 2B liquid assets.....	Y870	-	Y870	-	Y870	-	Y873	-	3.a.
b.	Other covered asset	Y874	-	Y874	-	Y874	-	Y877	-	3.b.
c.	Unsecured wholesale funding obtained within the financial	Y878	151,092	Y878	168,851	Y878	253,121	Y881	420,010	3.c.
d.	Total third tier short-term wholesale funding (sum of items 3.a	Y882	151,092	Y882	168,851	Y882	253,121	Y885	420,010	3.d.
4.	All other components of short-term wholesale funding.....	Y886	166,667	Y886	200,000	Y886	383,333	Y889	1,358,333	4.
5.	Total short-term wholesale funding, by maturity. (weighted sum of items	Y890	1,249,213	Y890	349,042	Y890	254,947	Y893	381,584	5.
								U.S. Dollar Amounts in Thousands		
								RISK	Amount	
6. Total short-term wholesale funding (sum of item 5, Columns A through								Y894	2,234,786	6.
7. Average risk-weighted assets.....								Y895	123,387,727	7.
								RISK	Percentage	
8. Short-term wholesale funding metric (item 6 divided by item								Y896	1.81%	8.

**Additional Information on Community Development Lending and Investing Activities**A. New York CSA

Provided more than \$58 million in financing, including a loan of \$32.9 million and a LIHTC equity investment of \$25.2 million, to help finance the new construction of a 105-unit senior affordable housing development in the Bronx. A majority of units (104 out of 105) will be restricted to LMI seniors earning up to 50% and 60% of AMI (18 and 86 units, respectively) and supported by project-based Section 8 vouchers; there will be one manager's unit. Thirty-two units will be set aside for formerly homeless seniors and supported by New York City project-based rental assistance. In addition to providing financing for the property's construction, CONA also contributed a \$150,000 grant to fund resident services. The nonprofit developer, which has a longstanding history of serving LMI seniors, will provide services to residents including, but not limited to, case management, services coordination, crisis intervention, counseling, and nutritional services. In addition to funding from CONA, this complex project involved significant public financing, including over \$20 million from city and state-wide entities such as New York City's Department of Housing Preservation and Development and New York State's Homeless Housing and Assistance Program. This development provides much-needed affordable housing coupled with supportive services for LMI seniors, including the formerly homeless, in a market with a very high cost of living.

Provided \$12.5 million to convert a construction loan on an affordable housing property in Essex County to permanent financing. The property contains 96 units, including 69 units reserved for LMI seniors earning up to 30%, 60%, and 80% of AMI (11, 49, and 9 units, respectively). There are also 26 unrestricted units and one manager's unit. The property is subject to agreements with three government agencies and a charitable organization. Collectively, these agreements require that four units be reserved for those with developmental disabilities, and another five units be reserved for formerly homeless residents. These nine special-needs units receive rental assistance. CONA's financing addresses a pressing need for affordable housing in Northern New Jersey, illustrated by the fact that the vacancy rate is 1.6% for affordable units but 7% for the broader rental market.

In 2022 and 2023, CONA provided LIHTC equity investments totaling \$58.9 million to help finance the new construction of a 218-unit affordable housing property on Long Island. This residential property is one of five buildings included in a larger development community intended to revitalize the local area by providing housing, a transportation hub, retail storefronts and public spaces. CONA also financed two other buildings located within the same development community in 2013, demonstrating CONA's ongoing commitment. Almost all units (217 out of 218) will be restricted to LMI households earning up to 30%, 50%, 60% and 80% of AMI (38, 32, 78 and 69 units, respectively); there is one manager's unit. Seven units will be reserved for tenants with intellectual or developmental disabilities (IDD) and supported by subsidies from Suffolk County. Eight units will be supported by project-based HUD contracts. A nonprofit organization with a longstanding history of supporting individuals with IDD will provide services to the residents of the seven units set aside for persons with disabilities. These services will include skills development and habilitation services such as socialization, recreation, problem solving, personal development, activities of daily living, travel training, health care, and medication maintenance. In addition to funding from CONA, this complex



transaction involved financing from the New York State Housing Finance Agency, a HOME Loan from the Town of Babylon, and an infrastructure development loan from Suffolk County. This development will provide much-needed affordable housing for LMI households, including tenants with intellectual or developmental disabilities, and help to revitalize an economically distressed community.

Provided over \$101 million in financing, including a \$55.6 million LIHTC equity investment and a \$46 million participation in a letter of credit, for the construction of a 236-unit affordable housing development in Brooklyn. CONA was the lead bank in the letter of credit participation, and has a 51% interest in the participation with another major bank having 49%. Of the 236 total units, 12 units are reserved for households earning up to 30% of AMI, 65 for households earning up to 40%, 131 for up to 60%, and 27 for up to 80%. One unit is reserved for the property's superintendent. Project-based subsidies will be provided for 142 units to serve as supportive housing for chronically homeless adults and families experiencing mental illness or substance abuse disorders. All residents will have access to complimentary services including on-site case management, behavioral health counseling, benefits assistance, job placement services, and life-skills classes. Residents will also receive high-speed broadband internet service at no cost. The development involves a Voluntary Brownfield Cleanup Agreement, which will turn contaminated land into productive and usable space. A solar-powered electricity generating facility will be installed on the roof, providing renewable, cost-effective energy to residents, and allowing for the generation of energy tax credits. Other financing sources for this complex transaction include loans and bonds from the New York State Housing Finance Agency, and loans from the New York State Energy Research and Development Authority and the New York City Department of Housing Preservation and Development. In addition, CONA demonstrated leadership by being the lead bank in the letter of credit participation, which also led to an additional \$30 million equity investment by the other bank. This large and complex transaction addresses the need for affordable housing, with supportive services for residents, in a very high-cost market.

In 2021, CONA provided two loans totaling \$17 million to the New York chapter of a national nonprofit organization that offers social services to LMI individuals. For example, it provides assistance for the homeless, families recovering from domestic violence, veterans, the elderly, at-risk youth, and those with intellectual and/or developmental disabilities. One of the loans, a \$7 million line of credit, provided working capital and bridged the receipt of government receivables benefiting LMI populations in the AA. The other loan, for \$10 million, was PPP financing to help stabilize the organization during the COVID-19 pandemic. In 2023, CONA increased the line of credit from \$7 million to \$10 million. In addition, in 2022 and 2023, CONA provided \$20,000 in grants to support a financial education program and the organization's general operations. CONA's efforts are part of a longstanding partnership between CONA and the organization.

Provided a \$5 million loan to a small business through the SBA 7(a) Loan Program. This program is designed to help small businesses that are creditworthy but cannot qualify for a conventional loan. The proceeds will refinance existing debt for a Queens company that provides services to clean up and repair damages to residential and commercial properties due to water damage, fires, mold, and natural disasters. CONA's loan addresses the need for small business financing.

B. Philadelphia MMSA

Provided a construction loan in the amount of \$10 million and an investment of \$13.4 million in LIHTC equity for the new construction of a 46-unit mixed-use affordable housing development in Philadelphia for LMI seniors (62+) with incomes up to 60% of AMI. All units receive rent subsidies under a HUD contract, effectively limiting rents to 30% of tenant income. Five of the units at the lowest income tier are set aside for formerly homeless individuals. Supportive services include case management, health services and recreational activities. A social worker works on-site with the residents to conduct geriatric assessments, create comprehensive care plans, and provide referrals for additional care or services. The services are designed to support residents' ability to continue to live independently in the community of their choosing. The ground floor commercial space is occupied by a nonprofit organization whose mission is to serve those in the community impacted by violence. The organization provides an array of social services including counseling and psychotherapy, conflict resolution, neighborhood reconciliation and senior citizen lunches. The development is transit-oriented as it is adjacent to a bus hub/subway station. This was a complex transaction. In addition to CONA's loan and LIHTC investment, there were five additional funding sources, including municipal government and Federal Home Loan Bank funds and funding from various nonprofit organizations. This development meets many identified community needs including increasing the stock of decent, affordable housing for seniors and the homeless, increasing affordable housing in low- poverty areas, the provision of social services that support a senior population, housing for very low- income populations, and transit-based housing.

Provided a loan of \$10 million and invested \$10.6 million in LIHTC equity to finance the rehabilitation of a 201-unit affordable housing development in Montgomery County. All 199 units for rent are reserved for LMI seniors (62+) and benefit from development-based Section 8 contracts. (There are also two manager units.) The development targets very low-, low- and moderate- income seniors, with 10 units restricted to 20% AMI; 90 units restricted to 50% AMI; and 99 units restricted to 60% AMI. The nonprofit developer provides supportive services that enable residents to age in-place, such as counseling, education, and in-home services; and to maintain health through screenings, fitness programs, and assistance in accessing health services. Residents also benefit from close proximity to public transportation and neighborhood amenities such as shopping centers. The development involved numerous sources of financing, including private activity bonds from the Pennsylvania Housing Finance Agency and solar tax credits to fund enhancements that will create energy efficiencies and reduce residents' utility costs. This complex development addresses rising housing-cost burdens facing seniors in a market where the demand for affordable senior housing is expected to grow over the next five years.

Provided NMTC financing in the amount of \$9.8 million for the renovation of an existing facility to create a state-of-the-art complex to expand a nonprofit organization's youth programs in Philadelphia. The rehabilitation was expected to enable the organization to expand its reach of services by increasing the number of children served from 600 to over 3,000. The exterior of the building was retained to preserve the historical appearance and nature of the building. The renovated facility has several new athletic fields and new or updated programs involving internet and literacy education, STEM labs, and access to healthy meals. The facility's service area includes areas of Low Supermarket Access and limited or no access to broadband or high-speed internet. The expansion of services was expected to create 18 new full-time jobs. This financing

addresses many critical community needs including providing the foundation for early workforce development, addressing the digital divide, improving access to healthy food, and improving life skills for LMI youth.

Provided a loan of \$32.1 million to refinance a 264-unit mixed-income housing development located in the Stanton community, midway between Wilmington and Newark. This loan supports affordable housing in a high-cost area as almost all units (261 out of 264) are considered affordable to households earning less than 120% of AMI. The site is conveniently located close to a range of amenities such as employment centers, public transportation, retail shopping and services, schools and major roadways. This development helps preserve much-needed affordable housing for LMI and middle-income households, in a market characterized by an overabundance of single-family homes and high demand for multifamily housing to keep up with the influx of new residents.

C. Washington, DC CSA

Provided \$82 million in financing, including a \$54.1 million loan and \$27.9 million in LIHTC equity, for the construction of a mixed-use, affordable housing development for seniors, in Washington, DC. All 179 units will be reserved for LMI seniors aged 55 and over. Forty-three units will be reserved for households earning up to 30% of AMI, another 119 units for households earning up to 50% AMI, and the remaining 17 units will be reserved for households earning up to 80% of AMI. Eighteen of the units will serve as Permanent Supportive Housing, targeting formerly homeless seniors or seniors at risk of becoming homeless, and there will be a soft set-aside of 36 units for grandfamilies (grandparents raising their grandchildren). The grandfamily units will receive special supportive services tailored to their unique needs. Additionally, 25 units will be subsidized through the DC Local Rent Supplement Program. All residents will receive supportive services through a local social services organization, and a full-time service coordinator will operate on site. The development is anchored by the headquarters of a non-profit organization focused on developing and managing housing for the elderly and those with disabilities. The property will be sustainably built to green building standards, and will be eligible for the Enterprise Green Communities certification. This very complex transaction involves additional funding sources including solar credits to construct the building's solar panels, tax-exempt bonds from the DC Housing Finance Agency (DCHFA), and a loan from the Housing Protection Trust Fund of the DC Department of Housing and Community Development (DHCD). Further, CONA was required to navigate through a permit approval process with Washington Metropolitan Area Transit Authority, and a bond collateralization arrangement with DCHFA and DHCD. The development location is highly desirable, close to many walkable amenities and public transportation. This highly responsive development contributes to achieving the Mayor's goal of creating 12,000 units of affordable housing in the District by 2025.

Provided a \$14.7 million loan and invested \$15.8 million in LIHTC equity for the construction of an affordable multifamily housing complex, and the rehabilitation of a two-story detached home, in Brunswick, Maryland (Frederick County). The multifamily complex will contain 43 units and the detached home will contain two separate units, for a total of 45 units, all reserved for low-income households. There will be nine units for households earning up to 30% of AMI, 18 units for households earning up to 40%, and another 18 units up to 50% of AMI.

Fourteen units will have three bedrooms, providing comfortable accommodations for larger families. The development will include on-site supportive services provided by a nonprofit affordable housing organization that has a well-established history of collaborating with other nonprofit organizations, local business partners, and governments to provide services to residents. Nearby walkable attractions include a library, heritage museum, and park. In addition to CONA's financing, this complex transaction included funding from local government sources and another bank. The development addresses a critical need for affordable housing in a high-rent market where only two other tax credit developments exist, with a total of only 92 units.

Provided a loan of \$12 million and LIHTC equity investments totalling \$46.8 million to help finance the rehabilitation of a 300-unit senior affordable housing development in Northeast Washington, DC. All units are restricted to LMI households earning up to 30%, 60% and 80% of AMI (88, 155 and 57 units, respectively). Over one-third of the units (103 out of 300) will be supported by project-based rental subsidies. A nonprofit organization will provide resident services for all tenants, focusing on childhood and youth development, health and wellness, economic mobility and stability, and aging in community. When faced with a substantial funding shortfall during construction, CONA stepped in to provide additional financing that balanced the budget, demonstrating CONA's leadership and commitment to the development's success. This development preserves 300 units of affordable housing for tenants who would otherwise be at risk of displacement, given that the original LIHTC compliance period and housing subsidy contract term expired and the property is considered prime real estate in a high-cost market with significant market-rate development activity. A significant percentage of renter households spend more than 30% of their incomes on housing expenses (i.e., 41.9%) in Washington, DC, further demonstrating the critical need for affordable housing preservation in this area.

Provided a loan of \$26.3 million and invested \$37.2 million in LIHTC equity for the new construction of a 160-unit affordable housing development in Arlington, Virginia. All units are reserved for LMI households earning up to 30%, 50%, 60%, and 80% of AMI (8, 52, 82, and 18, respectively). Sixteen units are covered by Permanent Supportive Housing subsidies from the Arlington County Department of Human Services and are set aside for people with disabilities, with a priority given to those with critical housing needs who face complex challenges such as homelessness, substance abuse, mental illness and HIV/AIDS; these households also receive tailored supportive services and individualized case management to help them live more stable, productive lives. Fifty percent of units (80 out of 160) have a leasing preference for veterans; this is the first leasing preference of its kind in Arlington County. The development includes an office of a veteran's advocacy organization, consistent with the nonprofit developer's mission to enhance the well-being of veterans and their families. The developer provides a range of services for all residents including after-school programs, financial and employment counseling, language skills training, health and wellness screenings, and referrals to outside service providers. CONA has a longstanding partnership with the nonprofit developer and provided \$65,000 in grants to support its COVID relief and resident programs during the evaluation period. The unit mix includes 25 three-bedroom units, making the development attractive to larger families. This financing was particularly complex as it included multiple sources of financing and the "twinning" of 9% and 4% LIHTCs. This innovative transaction meets several identified community needs including increasing decent, affordable housing coupled with supportive services for vulnerable populations, including veterans and people with disabilities.

Provided NMTC financing in the amount of \$11.8 million for the construction of a hospice facility in Baltimore, to replace an existing hospice facility that operated out of several structures that were over 130 years old. The facility primarily serves LMI patients. Other financing was provided by a minority-controlled depository institution that was the first financial institution to receive both CDE and CDFI certifications. The new facility better serves the unique needs of seriously ill residents of Baltimore City, which has a large LMI population. It is located in a community that was developed by a local nonprofit agency that currently serves over 500 adults aged 62 and older and addresses poverty, homelessness, hunger, and affordable housing. This addition to the community provides a continuum of care for the aging population in one location, and meets the growing need for hospice care in Baltimore as identified by the Maryland Health Care Commission.

Provided two PPP loans totaling \$1.5 million to a nonprofit social advocacy organization that partners with under-resourced communities to better prepare LMI children, youth, adults, and families for postsecondary education and training, rewarding careers, and civic and community engagement. Its work improves opportunity and outcomes and closes gaps in access and achievement in education and workforce development through innovation and leadership development. The organization employs LMI workers, as the average income in Washington DC for social advocacy workers is 58% of the area's 2019 median family income (per Bureau of Labor Statistics). CONA's loans addressed the needs for pandemic-related financing, and retention of jobs and educational and workforce development for LMI populations.

D. Arizona

Provided a loan of \$18.2 million and invested \$17.4 million in LIHTC equity to finance the construction of a new 80-unit affordable housing development in Glendale. All units are set aside for LMI households, with 54 of the units specifically reserved for low-income residents. Thirty-six units have three bedrooms, making the development attractive to families. Computer training, literacy improvement, nutrition and wellness education, after-school assistance, job training and search assistance, financial literacy courses, and credit counseling are provided by the development sponsor free of charge. The sponsor is a full-service, nonprofit development organization that builds, owns, and operates high-quality, service-enhanced affordable housing for working families, seniors, and special-needs populations. Additional financing was provided by the City of Glendale. This complex transaction addresses the important community needs of affordable housing with resident services for LMI populations, and units sized for families.

Provided bridge and permanent financing totaling \$30.4 million for the purchase and rehabilitation of a 164-unit affordable housing development for special-needs households. The property is encumbered by a LIHTC agreement and a Land Use Restrictive Agreement requiring that all units be occupied by LMI tenants whose incomes are 60% of AMI or less. Additionally, 98 units are reserved for seniors and 64 for veterans. The bridge loan allowed time for the borrower to arrange the long-term financing for the rehabilitation of the property, which required an equity investor in addition to CONA's permanent loan. This was a complex transaction that addresses the need to retain and upgrade affordable housing units for LMI populations, including veterans and seniors.



Provided loans totaling \$6.5 million to three small businesses through the SBA 7(a) Loan Program. This program is designed to help small businesses that are creditworthy but cannot qualify for a conventional loan. These three businesses, all located in Phoenix, are a landscaping service, a manufacturer of animal collars and hospital identification bracelets, and a machine shop. This financing addresses economic development needs by supporting jobs and helping bring revenue to the community.

E. California

Provided \$19.4 million in LIHTC equity and a \$16.9 million loan for construction of a 39-unit affordable housing development in El Monte, California (Los Angeles County). Thirty-eight units will be restricted to tenants earning less than 30% of AMI, and there is one manager's unit. All affordable units will be restricted to individuals who are, or were formerly, homeless and will benefit from project-based Section 8 rental assistance. The units will be outfitted with Energy Star appliances, reducing the development's greenhouse gas emissions. Tenants will receive complimentary on-site supportive services including case management, mental and physical health care, benefits assistance, education and wellness support, substance use services, domestic violence services, and housing retention/stability services. This complex transaction also received significant city, county, and regional financing support totaling over \$7.1 million. Los Angeles County has a large homeless population; as of June 2023, there were more than 75,000 unhoused individuals on any given night in the county. Permanent supportive housing developments such as these, particularly in such a high-rent market, help meet a critical need in the area's affordable housing efforts.

Provided NMTC financing in the amount of \$9.5 million for the renovation of an abandoned supermarket into a new Hispanic supermarket in Los Angeles County. The site is located in a food desert. The store features a heavy emphasis on fresh fruit, vegetables, lean meats, and fresh baked and prepared foods. As a unique element, the store includes space for a medical clinic that offers free on-site health screenings, vaccinations, nutrition counseling, cooking demonstrations, and educational outreach to elementary school students. The business is expected to create 100 full-time and 120 part-time jobs, hired directly from the surrounding area and will pay a living wage. This financing addresses several important community needs, including providing access to healthy, fresh foods in an area lacking in these options; creating up to 220 jobs at a living wage; and providing access to healthcare for a medically underserved population.

A construction loan in the amount of \$8.5 million and an investment in LIHTC equity of \$10.5 million for the new construction of a 27-unit permanent supportive housing development for low-income, homeless transitional-aged youth (TAY) ages 18-25 with income up to 30% of AMI. Los Angeles County's Department of Mental Health defines TAY as youth ages 16-25 with severe mental health issues, many of whom have aged out of the foster care or juvenile justice systems. Of the total units, one is reserved for a resident manager and the remaining 26 units have rents subsidized by a development-based Section 8 contract. Onsite services are provided by a nonprofit organization whose mission is to help homeless youth become active and integrated members of the community. Services include intensive case management that focuses on healthcare, education, employment and trauma recovery. The loan included a conversion-to-permanent option that gave the developer flexibility, knowing that long-term financing was in

place prior to groundbreaking. Additional financing was provided by the Los Angeles County Development Authority. This complex financing addresses a critical community need by providing permanent, supportive housing for homeless youth, addressing root causes of homelessness, and helping LMI youth learn life skills and improve self-sufficiency.

Provided two loans totaling \$17.8 million, and \$19.6 million in LIHTC equity, to help finance the comprehensive rehabilitation of a 32-unit affordable housing complex in San Francisco. The property, owned by a nonprofit affordable housing developer, is part of a multi-investor fund containing 20 other properties and 11 other investors, thus requiring extensive due diligence by CONA. One of CONA's loans, for \$12.4 million, is for construction purposes. The other loan, for \$5.4 million, supported the fund's working capital and acquisition of investments into the fund. Of the San Francisco property's 32 units, one unit is reserved for the manager, 23 units are reserved for low-income residents earning below 50% of AMI, and the other eight are for LMI households earning up to 60% of AMI. Eight units are subsidized by project-based Section 8 credits. As part of the property rehabilitation, four units will be converted to accessible apartments, and all units will have free Wifi and convert to renewable energy. The complex will also include a community room, along with space to provide supportive services to residents. Services will promote housing stability and independent living skills, and address medical and behavioral health needs. The property is within short walking distance of grocery shopping, pharmacies, a hospital, restaurants, and other retail services. It is located across the street from a bus stop and approximately 1,600 feet from the nearest BART transit station, which connects to all major high-speed rail lines in the Bay Area. In addition to CONA's financing, this complex transaction included soft loans from the City of San Francisco and San Francisco County. This transaction provides much-needed affordable, transit-oriented housing, in a very high-rent market, that includes resident supportive services. It also addresses the need for retention of existing affordable housing.

Provided more than \$80 million, including a \$42.3 million loan and \$38.2 million in LIHTC equity, for the construction of an 81-unit, mixed use, affordable and special needs housing development in San Jose. The development will include studio, one-, two-, and three-bedroom units at up to 30%, 50%, and 60% of AMI. Of the 81 units, 40 will be reserved for Transitional Aged Youth, ages 14-29 (20 for formerly chronically homeless and 20 for currently homeless or at risk of homelessness). Sixty-one of the units will be subsidized. The local housing authority will provide project-based Section 8 vouchers for 21 of the units reserved for families up to 50% of AMI and 20 of the units for Transitional Aged Youth. The remaining 20 Transitional Aged Youth units will be subsidized through Santa Clara County's Rapid Rehousing program. The ground floor of the development will house a youth community center operated by the county, offering a computer room and free clothes, backpacks and hygiene products, medical services, mental health support and counseling, and parenting, educational, and employment resources and legal services. The residential portion will feature a full-time Service Coordinator and intensive case management supportive services. Residents will have access to educational programming, peer support activities, mental health care, substance use services, benefits counseling and advocacy, recreational and social activities, education classes, employment services, and referrals to third party service providers. Additionally, the construction is expected to receive a LEED Silver rating, and is GreenPoint Platinum Rated, built to sustainable and efficient environmental standards. This complex transaction included significant public finance support totaling more than \$35.7 million, including a \$15.7 million City of San Jose loan, a \$20



million County of Santa Clara loan, and another \$12.6 million in soft funding from the county for the youth community center. This development provides quality affordable housing for a particularly vulnerable population, as estimates suggest that nearly 30% of the nation's entire homeless youth population is located in California.

In 2020, CONA provided a \$500,000 loan to an Oakland CDFI that supports small business owners and their communities. The CDFI helps small business owners provide equitable jobs through access to capital and *pro bono* business advice. In 2023, CONA increased and renewed the loan in the amount of \$1 million. The Bank has also provided grant support to the CDFI since 2014.

Provided a loan of \$11.6 million to finance the acquisition of a 91-unit affordable housing development in San Diego. All units are restricted to LMI households earning up to 30%, 65% and 80% of AMI (8, 2, and 81 units, respectively). Special set-asides include eight units restricted to formerly homeless veterans. These eight units are also supported by development -based Section 8 subsidies and receive supportive services through VA San Diego Healthcare System, including assistance with the lease up and move-in process; case management; crisis resolution; group education and counseling; benefits assistance; and referrals. The property is well-located in downtown San Diego with two major public transit stops less than one mile away. This transaction addresses the critical need for affordable housing, including supportive housing for formerly homeless veterans, an especially vulnerable population.

F. Colorado

Provided a loan of \$10 million to help finance the acquisition and rehabilitation of a 78-unit affordable housing development in Boulder. A majority of units (75 out of 78) are restricted to LMI seniors earning up to 40%, 50% and 60% of AMI (15, 30 and 30 units, respectively); the remaining three units are market rate. All residents have access to high-speed WiFi, cable TV, and all utilities at no additional cost. The property manager organizes regular social activities for residents, such as yoga classes and monthly potlucks and partners with a local nonprofit to offer subsidized meals. The property is well-located, as a range of community amenities are within walking distance, including a public library, bus station and senior center. In addition to funding from CONA, this complex project involved federal historic tax credits and tax-exempt bonds from the Colorado Housing and Finance Agency. This development provides much-needed affordable housing for LMI households, and seniors (62+) in particular, in a market characterized by high occupancy rates, low vacancy rates, and lengthy waitlists for vacant units, indicating pent-up demand for affordable housing.

Provided an investment of \$4.9 million in LIHTC equity and a loan of \$4.4 million for the rehabilitation and adaptive reuse of a vacant historic school building consisting of 72 housing units, all of which are now set aside for LMI households. This was the first phase of a large redevelopment effort to convert a 70-acre former college campus into mixed uses. Of the 72 units, 18 are set aside for very low-income households earning up to 30% of AMI. Seventeen units have three or four bedrooms, making this development attractive for larger families. The Denver Housing Authority serves as property manager. This transaction was very complex, with eight additional financing sources including federal, state, municipal, and private sources. In

addition, this property is part of a multi-investor fund that includes five other properties, further increasing the required due diligence. This development addresses several community needs including increasing the stock of affordable housing for LMI households of all sizes, providing housing for very low-income households, and helping to retain the character of an existing historical site while simultaneously addressing blight.

#### G. Florida

Provided almost \$55 million in financing, including a \$29.5 million loan and \$25.3 million in LIHTC equity, for the construction of a 113-unit affordable housing development in Miami. The units will be reserved for households with incomes at or below 30%, 50% and 80% of AMI (29, 39, and 45 units, respectively). Twelve units will have three bedrooms, ideal for larger families. Sixty-eight units will benefit from Section 8 project-based vouchers. Another 20 units, restricted at 30% AMI, will have a soft set-aside for households considered homeless or having a survivor of domestic violence, a person with a disability, or a youth aging out of foster care. Property amenities include a playground, fitness center, and community room. Residents of the property will be offered supportive services including quarterly employment assistance and counseling, family support coordination (on-site programming and activities to build community), and financial management programming on topics such as budgeting, tax preparation, retirement planning, and homebuyer education. In addition to CONA's very significant financing, this complex transaction included funding from another commercial bank, state and local agencies, and the Federal Home Loan Bank. The transaction is highly responsive to the need for affordable housing, including for households with special needs.

Provided a loan of \$5 million and a LIHTC equity investment of \$13.1 million to help finance the new construction of a 30-unit affordable housing development in Tampa. All units will be restricted to LMI households earning up to 22%, 30%, 33%, 50% and 60% of AMI (3, 5, 3, 5 and 14 units, respectively). Fifteen units will be set aside for persons with intellectual or developmental disabilities. Eight units will be supported by HUD Section 8 project-based vouchers. A nonprofit organization with a long history of serving individuals with developmental disabilities will provide services to residents including, but not limited to, referrals and ongoing services to help special-needs residents maintain independent living; and ongoing services for all residents will include innovative, certificated-based job training, employment placement, life skills, and residential community living programs. In addition to the debt funding from CONA, this complex project involved public financing at the federal, state and county levels (i.e., federal LIHTCs, loans from the Florida Housing Finance Corporation, and a loan from Hillsborough County.) This development will provide much-needed affordable housing for LMI households and, in particular, persons with intellectual or developmental disabilities.

#### H. Georgia

In 2023, CONA provided two loans totaling \$13.5 million to help finance the new construction and lease-up costs of a 42-unit affordable housing development, which will be part of a larger mixed-use master-planned development that includes office and retail space. CONA also provided \$10.5 million in equity investments for this property in 2021 and 2022; this demonstrates CONA's multi-year commitment to the success of this development, which has encountered delays and higher-than-expected construction costs due to the COVID-19 pandemic.

All units will be restricted to LMI households earning up to 30%, 50%, 60% and 80% of AMI (10, 9, 14 and 9 units, respectively). Eight units will be set-aside for formerly homeless persons and supported by project-based vouchers funded by Atlanta Housing's "Haven" Program. A nonprofit organization will provide services to residents of the subsidized units including, but not limited to, case management, service plan development, clinical services, and substance abuse services; these services are funded and staffed by the Fulton County Department of Behavioral Health. The property will include 29 three-bedroom units, appropriate for larger households. In addition to funding from CONA, this complex project involved state LIHTC equity; a HOME loan from the Georgia Department of Community Affairs; and a Partners for HOME Permanent Supportive Housing Grant. This property is responsive to the need for affordable housing in a high-cost market, which the developer identified from a survey of 600 residents of the surrounding community. It will also serve the formerly homeless, in support of the Mayor's goal to reduce homelessness by building or preserving 20,000 affordable housing units by 2030.

Provided a loan in the amount of \$26.4 million to provide permanent long-term financing for the acquisition and rehabilitation of 181 units of family housing located in one high rise and 11 town-house style buildings in Atlanta. Of the total, 154 units have rent subsidized by a Section 8 HAP contract, effectively limiting rent to 30% of household income. The remaining unsubsidized units are affordable to tenants earning a maximum of 80% of AMI. The construction resulted in an increase to the unit count by one (from 180 to 181), and repairs included hazardous materials abatement and energy efficiency upgrades to doors, windows, lighting and appliances. Because of the extensive nature of the work, tenants were temporarily relocated during renovation. The development sponsor was responsible for securing decent, safe and sanitary off-site temporary housing for each tenant and paid all costs associated with the short-term relocation, including transportation to school, as necessary. Onsite social and recreational services are provided and include classes on exercise, health and nutrition, budgeting, and computer tutoring. Units range in size from one to five bedrooms, making this development attractive for families of all sizes. This complex transaction involved both the acquisition and rehabilitation of a property with tax credits, a HAP contract, and bridge loan financing provided by another lender. The financing addresses several important community needs including retaining and upgrading existing affordable housing, providing housing for low-income families, improving the energy efficiency of existing units, and providing services that improve self-sufficiency for LMI households.

Provided a loan of \$7.5 million and a LIHTC equity investment of \$11.5 million to help finance the new construction of a 60-unit mixed-income housing development. Most units are restricted to LMI households earning up to 50% and 60% of AMI (10 and 40 units, respectively; the remaining 10 units are market-rate). Two nonprofit organizations provide a unique range of services for all residents, including a social service agency that offers healthy meals, nutrition education, counseling, and public services enrollment; and a nonprofit theater company that offers animation, writing, music, acting, filmmaking, and visual arts classes. The development is considered "transit-oriented" as it is located next to a MARTA transit station, making it convenient for individuals who work in downtown Atlanta, less than 10 miles away. In addition, the property is only one light rail stop away from the Atlanta Airport, which offers numerous employment opportunities for residents at wages qualifying for both affordable and market-rate units. This development transformed a former church parking lot that was essentially underutilized real estate into much-needed affordable housing for LMI households in a market

characterized by high demand. It also contributed to the city of Atlanta's goal to create or preserve 20,000 affordable homes by 2026. CONA's funding addressed the needs for affordable housing with resident services for LMI households, and for transit-oriented developments.

#### I. Illinois

Provided a LIHTC equity investment of \$7.7 million to help finance the rehabilitation of a 107 -unit affordable housing development built in 1973, which was one of the first subsidized developments in Evanston, Illinois. The developer included funds to assist tenants with temporary relocation, as needed, during the renovations to minimize any potential negative impacts or disruptions. Almost all units (106 of 107) are restricted to LMI seniors earning up to 60% of AMI; there is one manager's unit. In addition, twelve units are reserved for persons with mobility and/or sensory impairments. A large majority of units (101 of 107) are supported by project-based Section 8 rental subsidies funded by HUD. A part-time Service Coordinator employed by the property assesses resident needs, identifies and links residents to appropriate services, and monitors the delivery of services involving activities of residents' daily living, such as eating, dressing, bathing, grooming, transferring, and home management. The property is well-located and walkable, given its location within a half mile of restaurants, retailers, pharmacies, banks, convenience and grocery stores, and downtown Evanston. In addition to funding from CONA, this complex transaction involved bonds issued by the Illinois Housing Development Authority. This development provides much-needed affordable housing for LMI households and, in particular, disabled seniors (62+), in a market characterized by strong demand as evidenced by a waiting list of over 100 applicants.

In 2020, CONA provided a \$500,000 working capital line of credit to a local CDFI whose mission is to provide flexible, affordable, and responsible financing and technical assistance for community stabilization and development initiatives that benefit LMI communities in metropolitan Chicago. The organization was created to ensure that Chicagoland CD organizations (including small and emerging organizations) would have a lender to turn to for difficult-to-underwrite developments and enterprises. The CDFI carries out its mission through three key programs that provide (1) small for-profit and nonprofit developers with the support and capital needed to acquire, rehabilitate and own 1-4 unit buildings to help stabilize low-wealth communities impacted by foreclosures; (2) technical assistance and loans for commercial development in LMI communities; and (3) fixed-rate loans for organizations engaged in community-based social service, housing, or economic development. In addition, CONA provided \$45,000 in grants to support the organization's general operations, technical assistance for small businesses, and assistance for households seeking to purchase or maintain affordable housing in LMI neighborhoods. In 2023, CONA renewed and increased the credit line to \$1.5 million. CONA's financing illustrates its willingness to originate small loans for CD purposes and addresses the need to support CDFIs with funding for general and specific CD purposes.

#### J. Louisiana

Provided a \$19.5 million loan for the redevelopment and adaptive reuse of an office building into a federally qualified health center (FQHC) in New Orleans. The project will bring affordable healthcare and community services to the neighborhood, create jobs, and make efficient use of the existing historic structure. The borrowing entity was founded in 1983 in

response to the HIV epidemic in New Orleans, and has since expanded its mission to include case management, mental health services, a meal delivery program, community prevention and education projects, and a community health center. The project will allow the borrower to relocate its operations from an inadequate and leased space into a larger, newly renovated, more efficient, owned facility. At the new facility, the borrower will have increased capacity for providing high-quality primary medical and behavioral healthcare services, health education, and supportive services. It expects to serve over 6,300 clients annually, of which approximately 80% are anticipated to be low-income individuals. The health center will be located in a moderate-income tract. This loan addresses a significant need for quality health care in New Orleans, where 41% of adults have a chronic health condition.

Provided a \$10.7 million loan and invested \$15.6 million in LIHTC equity to finance an affordable housing development in New Orleans. The borrower and project sponsor is a nonprofit firm operated by two nonprofit affordable housing developers. The transaction involves the construction and adaptive reuse of a historic building into an affordable housing development. The 46-unit development will be entirely reserved for tenants earning up to 30%, 50%, and 60% of AMI (5, 17, and 24 units, respectively). Additionally, 14 units will be set aside for households with special needs, including single parents, large families, foster parents, veterans, and households with victims of domestic violence. Residents will have access to supportive services including financial literacy training, substance abuse and mental health treatment, medical and dental care, life skills training, vocational counseling, and transportation. The development is located in a highly desirable location close to many of the city's famous restaurants, parks, historic buildings, and other popular destinations. In addition to private financing, this complex transaction received public financing support in the form of a \$3.5 million HUD HOME Program loan. This adaptive reuse development offers a sustainable solution to providing much-needed affordable housing in a city that is experiencing high rental rates and is still in the process of rebuilding its affordable housing stock following Hurricane Katrina.

Provided two loans totaling \$17.4 million and two LIHTC equity investments totaling \$20.9 million to help finance the new construction of a 110-unit mixed-income housing development in downtown Lake Charles. A majority of units (89 out of 110) will be restricted to LMI households earning up to 20%, 30%, 50%, 60%, and 80% of AMI (4, 10, 33, 34 and 8 units, respectively); there will be 21 market-rate units, which will be marketed to households earning up to 75% of AMI. Ten units will be subsidized, including six units supported by project-based voucher HUD Section 8 contracts and four units supported by HUD Section 811 Rental Assistance contracts; six of the ten subsidized units will be set aside as permanent supportive housing units. A nonprofit organization will provide services to residents including, but not limited to, daycare and afterschool programs; financial and budgeting seminars; job training and continued education; preventive healthcare programs; and coordination with local veterans service providers. In addition to funding from CONA, this highly complex financing structure involved numerous public sources including the federal Community Development Block Grant (CDBG) Disaster Recovery Program, the state of Louisiana's energy tax credit program, and the City of Lake Charles. The property also received funds from a CDFI loan fund. This development will be constructed to meet disaster-resiliency standards to withstand severe weather such as hurricanes. It will provide much-needed affordable housing for LMI households, including very low-income households earning up to 20% and 30% of AMI, in a region that has



experienced several natural disasters in recent years, persistently high poverty rates, and an acute shortage of quality affordable housing.

Provided an investment of \$9.7 million in LIHTC equity to finance a mix of new construction and rehabilitation work on a 45-unit family development for LMI households. The site, located in East Carroll Parish in CONA's Louisiana Non-Metro AA, had a vacant community center structure that was rehabilitated to become part of the overall development. Of the 45 units, three are reserved for households earning up to 20% of AMI; two for up to 30%; 13 for up to 50%; and 27 units are reserved for households earning up to 60 of AMI. Twenty-eight units are supported by HUD Section 8 subsidies, effectively limiting rent to 30% of household income. In addition, 28 units are 3- or 4- bedroom units, making this complex attractive for larger families. On-site services are provided by a local nonprofit CDC and include GED and computer training, ESL instruction, career advisement and life skills classes, interview skills training, resume writing and job readiness classes. This complex transaction is part of a syndicated investment that includes this and 20 other properties and involved multiple sources of financing. This development addresses several important community needs including increasing the stock of decent, affordable housing for LMI households, including those that are very low-income; providing housing for larger families; and providing self-sufficiency and life skills for LMI populations.

Provided a loan of \$4.5 million and a LIHTC equity investment of the same amount (\$4.5 million) to help finance the rehabilitation of a 40-unit affordable housing development in a small town in a rural part of the Bank's Shreveport AA. All units are restricted to LMI households earning up to 30%, 50% and 60% of AMI (3, 14 and 23 units, respectively). Twelve units are set aside for single-parent households. In addition, two units are set aside for low-income households earning up to 30% of AMI with a preference for veterans, disabled, and elderly persons on the public housing waiting list. A nonprofit organization provides services to residents including a local Meals on Wheels program for elderly tenants, computer training, referrals to local agencies, and tutoring for school-age children, which is especially responsive to the single-parent households. This complex development involved significant public financing including two federal loans, one from the U.S. Department of Agriculture and another from the U.S. Department of Housing and Urban Development's Home Investment Partnerships Program. This development, paired with supportive services, directly addresses the need for affordable housing, including the needs of LMI single parents and their children.

#### K. Massachusetts

Provided a \$12 million loan for the rehabilitation of two affordable housing developments in Middlesex County. The properties are located close to one another and will operate as a single entity. The developments consist of 60 total units. Eighteen units are restricted to households earning up to 30% of AMI and are subsidized with HUD project-based vouchers. Three units are restricted to households up to 50% of AMI, and are part of HUD's HOME Investment Partnerships Program, which provides grants to state and local governments to create affordable housing for low-income households. The remaining 39 units are reserved for households earning up to 60% of AMI. Additionally, 13 units are 3-bedroom, and two are 4-bedroom, providing ideal accommodations for larger families. The rehabilitation will include building accessibility upgrades and other quality of life and aesthetic improvements that will

make the units more comfortable for residents. The properties are located in a highly walkable area, near public transportation and desirable recreational and retail amenities. The sponsor is a nonprofit organization with a strong history of support and advocacy for affordable housing and social services in the area. The development is located in a high-cost area in the Cambridge market, and the preservation and modernization of existing housing is one of the City's stated housing goals in its Comprehensive Plan.

Provided a \$7 million loan for the construction of a mixed-use, 100-unit affordable housing development in Boston. Units are set aside for households earning up to 30%, 50%, 60%, and 80% of AMI (25, 33, 18, and 24 units, respectively). Forty-four units, a subset of the 30% and 50% AMI units, will be subsidized by HUD Section 8 project-based rental assistance. An additional four units will be subsidized by a state agency and set aside for persons with mental disabilities. Seventeen units will be set aside for homeless households. The development features 11 three-bedroom, 13 four-bedroom, and 5 five-bedroom units, making it ideal and comfortable for larger families. A community center will anchor the ground floor of the development and provide flexible community space, including a function hall, multi-purpose rooms, offices, and recreation areas to meet the diverse needs of residents of all ages and abilities. Additionally, a revitalized plaza space with pedestrian paths, seating areas, and additional landscaping will be provided and designed to be conducive to resident interaction and outdoor informal gatherings. The community center will serve as a site for supportive service activities offered to residents, including housing stabilization support, financial mobility, health and wellness support, job readiness coaching, counseling, clothing and food security assistance, early and school-aged educational programs for youth, community engagement and leadership opportunities, and chronic disease self-management support. The property developer is a nonprofit organization with significant experience across the northeast, midwest, and mid-Atlantic. In addition to CONA's loan, this complex transaction involved a mix of public and private funding, including a loan from another bank and Community Development Block Grant funds. In addition, the development will receive energy tax credits. The bank's support for this development addresses the need for affordable housing, including for those with special needs, in a market where incomes for LMI households are relatively flat while household costs are rising.

Provided an investment of \$10.4 million in LIHTC equity and a construction loan in the amount of \$10.5 million for the new construction of a 44-unit affordable development for LMI households. Seventeen units are specifically for low-income households and have rent subsidies provided by HUD Section 8 and the Massachusetts Rental Voucher Program (MRVP), effectively limiting rent to 30% of household income. The remaining 27 units are reserved for LMI households with incomes up to 60% of AMI. Ten units have set-asides to serve special-needs populations including homeless, mentally ill, and physically disabled persons. The development has a resident service coordinator to assist the special-needs population to identify and procure needed services from outside providers. The site, developed by a nonprofit developer, is part of the Jackson Square Redevelopment Initiative, a phased mixed-use neighborhood development to replace several existing vacant and under-utilized public and private parcels located in the area surrounding the Jackson Square MBTA Station in the Roxbury and Jamaica Plain communities of Boston. The Jackson Square redevelopment was planned and designed to promote a pedestrian-oriented community that integrates smart growth, transit-



oriented development, and green design (LEED Silver). This financing was extremely complex, employing nine other funding sources besides CONA's loan and LIHTC equity. The due diligence needed to ensure that the restrictions of each funding source were acceptable and sustainable required significant effort and expertise. This transaction addressed many identified community needs including increasing the stock of decent, affordable housing for low-income and special-needs populations; revitalizing and stabilizing a blighted area in a targeted redevelopment zone; and transit-oriented housing.

L. Michigan

Provided a loan of \$5 million and a LIHTC equity investment of \$11.7 million to help finance the rehabilitation of a 200-unit mixed-income housing development in Detroit. A majority of units (146 out of 200) are restricted to LMI households earning up to 30%, 50% and 60% of AMI (17, 25 and 104 units, respectively). The remaining 54 units are occupied by tenants with incomes that exceed 60% of AMI, as the developer decided to make these units unrestricted instead of imposing income restrictions that could lead to eviction and displacement of these tenants. One of the property's co-developers is a local nonprofit organization with a mission to connect affordable housing residents to resources that help break generational poverty; this includes programs centered around topics such as financial literacy, career development and adult education/GED assistance. This development preserves and upgrades high-quality affordable housing for LMI households, a critical need in Detroit, a city with persistently high poverty rates and an aging housing stock.

Provided NMTC financing in the amount of \$16.6 million to a Detroit-area food bank for the acquisition and rehabilitation of a warehouse into a high-capacity hub for food distribution operations, replacing two existing rented facilities. The increased space will allow the organization to take advantage of bulk donations that would otherwise be turned away, extensive space for volunteers, and 24 dock doors to improve inflow and outflow. The food bank distributes food to LMI individuals and families via 660 partner food pantries, soup kitchens, shelters, and other organizations, as well as direct-to-client initiatives, including food drop-offs at schools. It also operates a pop-up retail grocery market at 18 sites in senior- and veteran-focused communities, allowing customers to stretch their dollars further than at a traditional grocery store. Due to the pandemic, 2020 was a record year as food distribution increased by 39% over 2019. CONA's financing enabled the organization to sustain pandemic-level activity through increased space and greater efficiency. It also addressed shortfalls in the food ecosystem that limit the ability to provide LMI families with access to healthy food.

M. Minnesota

Provided a LIHTC equity investment of \$25 million to help finance the new construction of a 160-unit affordable housing development located near Downtown Minneapolis. The site is conveniently located in the popular Arts District, within walking distance to a range of amenities including schools, a grocery store, shopping center, pharmacy, bank, post office, recreational park, library, and senior/community center, as well as a bus stop with routes to Downtown Minneapolis and surrounding areas. The unit mix includes 67 three-bedroom units, making it appropriate for families. All units will be restricted to LMI households earning up to 30%, 60% and 80% of AMI (24, 100 and 36 units, respectively). Sixteen units will be subsidized, as eleven

units will benefit from project-based vouchers from the Minneapolis Public Housing Authority, and five units will target the formerly homeless and benefit from subsidies and supportive services, such as case management, job placement, life skills training, educational training and referral services, from a local nonprofit organization (via a contract with Hennepin County). In addition to funding from CONA, this complex transaction involved solar tax credits. This development will provide much-needed affordable housing for LMI households and, in particular, the homeless, which is aligned with Minnesota's statewide plan to reduce homelessness by 15 percent by 2026.

Provided a loan of \$8 million and a LIHTC equity investment of \$10 million to help fund the new construction of a mixed-income 71-unit housing development in Brooklyn Park, a suburb of Minneapolis. Most units (63 out of 71) are restricted to LMI households earning up to 30%, 50% and 60% of AMI (13, 24, and 26, respectively); the remaining 8 units are market-rate. Five units are set aside for people with disabilities and supported by development-based Section 8 subsidies. Eight units are set aside for high-priority homeless through Minnesota's Coordinated Entry System, a process that assesses and matches eligible households to housing opportunities, supported by Hennepin County's rental assistance vouchers. The unit mix includes three- and four-bedroom units and family-friendly amenities such as a playground, a community room and ample parking spots, making it suitable for larger households. Unit amenities also include high-speed internet, directly addressing a need for digital access among LMI communities. In addition to funding from CONA, this very complex development received funds from the Greater Minnesota Housing Fund, Brooklyn Park Economic Development Authority, and Hennepin County Housing and Redevelopment Authority. This development provides much-needed affordable housing in a prime location, adjacent to a community college and rail line, providing LMI households not only with high-quality affordable housing, but also with opportunities for education and jobs. This development also aligns with the City of Brooklyn Park's stated goals (per its 2040 twenty-year Consolidated Plan) to increase the supply of housing, especially for households that are cost-burdened or earning up to 50% of AMI.

#### N. Nevada

Provided a \$24 million loan and invested \$19.4 million in LIHTC equity for the construction of a senior affordable housing development in Las Vegas. All 125 units will be age-restricted to tenants 55+ earning less than 60% of the area's AMI, including five units restricted to tenants earning less than 50% AMI. Eight units will benefit from Section-8 project based vouchers, restricted to seniors 62+ earning up to 30% of AMI. The project sponsor is a well-established, nonprofit affordable housing developer. Residents will receive complimentary supportive services including transportation services via an on-site van service with minimum two-day operating schedule, recreational and educational services, an annual assessment to determine individual resident social, medical, and other needs, and a resident services coordinator for 20 hours per week. The location is well suited for its senior residents, close to public transportation, grocery-anchored shopping centers, and emergency services. The property will feature solar panels installed on the carports, making the building more sustainable and reducing energy costs. In addition to CONA's financing, this complex transaction included significant public financing commitments totaling more than \$17.7 million, along with a loan from another bank. Seniors make up 30% of all extremely low-income renter households in the state of Nevada. This development aids in reducing Las Vegas's large affordable housing gap,

and provides tailored services for seniors, both of which are stated needs in the City's 2020-2025 Consolidated Plan.

In 2022, CONA provided a loan of \$1.7 million and invested \$2 million in LIHTC equity to help finance the new construction of a 171-unit senior affordable housing development in Las Vegas. In 2023, the Bank increased its LIHTC equity investment by another \$10.7 million. Most units (130 out of 171) are reserved for low-income households earning up to 30% and 50% of AMI (4 and 126 units, respectively). Forty units will have rents affordable to moderate-income households earning up to 70% of AMI; and there is one manager's unit. In addition, 17 units (10% of total units) are set aside for veterans. The developer's nonprofit partner will provide supportive services free of charge, offered on-site, to all residents, including health and wellness screenings; doctor visits; transportation; weekly food distribution from a local food bank; employment counseling; a computer literacy program; and planned social and educational activities. This was a complex transaction that received significant public support, including a \$6 million loan from Clark County's Community Housing Fund and a \$1.4 million loan from Clark County's HOME Investment Partnerships Program (funded by the U.S. Department of Housing and Urban Development), in addition to federal LIHTCs. This development addresses a particularly acute need for affordable senior housing in Clark County, where there is a shortage of nearly 60,000 homes for low-income households.

O. Ohio

Provided a LIHTC equity investment of \$5 million to help finance the acquisition and rehabilitation of a 75-unit senior affordable housing development located five miles east of Downtown Columbus. All units are restricted to LMI seniors earning up to 60% of AMI and are supported by a HUD Section 8 Housing Assistance Payments contract. The property manager will coordinate services for residents to help connect them with other local agencies that provide a wide range of offerings, including educational classes, ride assistance, medical care, and assistance applying for Medicaid and other governmental benefits. In addition to funding from CONA, this complex transaction involved two loans from HUD. This development preserves and upgrades much-needed affordable housing for LMI households, and seniors in particular, in a market characterized by a senior population that is growing rapidly, while high occupancy rates and long waiting lists at comparable properties ranging from 18 to 60 months indicate a supply-constrained market.

In 2022, CONA provided NMTC financing in the amount of \$15.6 million for the expansion of a university medical center's emergency department in Cincinnati. The hospital's mission is to provide care for the aged, indigent, and orphaned, and it serves as a first-line resource for the community. The financing will facilitate the addition of 46,000 square feet of new emergency department space, the renovation of the existing 30,000 square-foot space, and the creation of an ICU and an observation unit. Prior to the expansion, the emergency department had been operating at an unsafe patient capacity on at least two days of each week, for the last 10 years. The physical expansion will improve patient care and accommodate patient surges. The project is expected to retain 131 existing full-time employees, create an additional 42 full-time roles, and create 150 full-time construction jobs. Jobs created and maintained will have above-average wages and benefits for hourly employees. Due to the pandemic, the medical center experienced an increase in operating expenses to protect staff, and a decrease in revenues

due to elective procedures being temporarily shut down. This caused a strain on its capitalization strategy for the development, making NMTC allocations critical in moving the development forward without deferring elements of expansion or impacting patient programs. This complex financing addressed the need for expanded healthcare for LMI families, the creation and retention of living-wage jobs, and pandemic-related assistance for a critical community facility. In 2023, CONA provided another \$10 million in NMTC financing to expand the medical center's intensive care unit. This second transaction demonstrates CONA's ongoing commitment to addressing community needs.

P. Oregon

Provided NMTC financing in the amount of \$8.8 million for the construction of Phase II of a commercial/retail development in Gresham, Oregon to create almost 200,000 square feet of space, providing much-needed goods and services to this LMI community. The development is designed to attract a wide variety of tenants providing workforce training, job placement services, education, early childhood learning, healthy food, and other services requested by the public. The overall development is part of an urban renewal plan managed by the City of Gresham's Redevelopment Commission. Phase II involves construction of Building C, occupied by a fresh food market and office space. The bottom floor is dedicated to healthy local food and entrepreneurial food vendors and was expected to create an estimated 112 jobs. One of the key tenants of the development is an SBA-certified microlender and CDFI that works with small businesses through every stage, from asset building and credit preparedness, to loans and business expansion. CONA also helped fund Phase I of this development in 2019, which involved a \$19.8 million loan secured by NMTCs for the new construction of Building A, a four-story commercial building and the substantial rehabilitation of Building D, a single-story commercial structure. This development addresses several community needs including the creation/retention of jobs for LMI individuals, assistance to and opportunities for small businesses, and access to healthy food and other critical goods and services to the residents of this community. The transaction also demonstrates CONA's commitment to funding multiple stages of a development.

Provided a construction loan in the amount of \$12.1 million and an investment of \$14.9 million in LIHTC equity for the new construction of a 56-unit affordable housing development for LMI households earning 30-60% of AMI. Of the 55 rental units (there is also a manager's unit), 20 give preference to Tribal Member households and have rent subsidies such that rent does not exceed 30% of household income. Ten units have three bedrooms, making this development suitable for larger families. The co-developer, a Portland nonprofit organization that serves Native Americans, provides on-site resident services to include life and wellness, career, and technical assistance services such as financial wellness classes, business development coaching and classes, home ownership and workforce development training, after-school and summer programs, and community engagement for all residents. This transaction was exceptionally complex with many layers of financing from state, local and municipal sources. These sources included, for example, an Indian Housing Block Grant (IHBG), a grant from the Oregon Housing and Community Services Department's Multifamily Energy Program for developments that provide weatherization and energy conservation services, and a Portland Metro Transit-Oriented Development grant to stimulate private development of high-density, affordable, and mixed-use developments near public transit. The development is located

approximately 500 feet from the Tri-Met bus line. In addition, the transaction was innovative as it was only the second in the country to combine IHBG and LIHTC funding in the same development. This transaction meets many identified community needs including affordable housing targeted to the Native American population, use of green building techniques, transit-oriented developments, and social services that include self-sufficiency training for LMI people.

Q. Texas

Provided a loan of \$16.9 million and \$18.1 million in LIHTC equity for the construction of a 128-unit senior affordable housing property in Houston. Of the 128 units, 115 will be restricted to tenants earning up to 30%, 50%, and 60% of AMI (14, 44, and 57 units respectively). The other 13 units will be at market rate. Supportive services offered to residents will include employment assistance, credit counseling, transportation assistance, social activities, education programs, and health screenings. This complex transaction also included significant public financing support at the state and local levels. It also required a modification to the community association's covenant to allow such a property to be built, and will be the first affordable housing development in the local community. According to the 2020-2024 City of Houston Consolidated Plan, "The [housing] market may be meeting the need for high-end housing, but it is falling short in addressing the need for quality affordable housing, especially housing for special needs populations." The Plan specifically speaks to the need for more senior housing, given the aging population, and this affordable housing development is a positive contribution toward meeting that need.

Provided over \$65 million in funding, including a \$28.7 million loan and \$36.9 million in LIHTC equity, for the construction of a 247-unit affordable housing development in Austin. Thirteen units will be reserved for households earning up to 30% of AMI, while the remaining 234 will be reserved for households earning up to 60% AMI. The development contains 48 three-bedroom units, and 24 four-bedroom units, making it ideal for larger families. Seventeen units will be set aside for mobility, hearing, or visually impaired persons. In accordance with a Land Use Restrictive Agreement, residents will receive onsite supportive services including educational services, health and nutrition, recreational activity, personal development, and family skills. Units will be equipped with energy-efficient refrigerators, dishwashers, HVAC system, ceiling fans, and windows, improving the efficiency of the units and reducing the impact on the environment. The developer partnership includes a local nonprofit entity, which allows the development to receive 100% property tax abatement. This complex transaction was made possible through a mix of public and private financing, including a tax-exempt loan from Freddie Mac. The complexity was further increased by the fact that CONA's debt financing amounted to 51% of a participation with another lender. As large corporate offices have moved into Austin bringing high-paying jobs, housing costs have risen considerably and many in the Austin community struggle to afford market rental prices. More than 47% of renter households in the Austin market are cost-burdened, spending more than 30% of income on rent and utilities. Developments such as this provide opportunities for households to comfortably afford housing costs and save for other expenses.

Provided a LIHTC equity investment of \$16.3 million to help finance the new construction of a 96-unit affordable housing development in Collin County. The property will replace two aging sites that were previously built as public housing in the 1950s with updated



apartments with modern, energy-efficient features as well as an onsite community center and playground. The unit mix will include 54 three-bedroom and 10 four-bedroom units, making it suitable for families. All units will be restricted to LMI households earning up to 50% and 60% of AMI (50 and 46 units, respectively). Fifty units will be subsidized; ten units will benefit from a long-term Rental Assistance Demonstration (RAD) contract and 40 units will benefit from a long-term HUD project-based voucher contract. (RAD is a HUD program designed to provide stable financing to public housing agencies to make property improvements.) All 50 subsidized units will be designated as “HOME-American Rescue Plan qualifying population” units, meaning that they must serve households that meet the definition of a qualifying population, which includes populations who are: 1) homeless; 2) at risk of homelessness; 3) fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or 4) other populations where providing supporting services or assistance would prevent the family’s homelessness or serve those with the greatest risk of housing instability. This development is highly responsive to a critical community need for affordable housing, particularly for large families and the homeless. It will also contribute to a larger initiative by the city of McKinney and the McKinney Housing Authority to revitalize the city’s housing stock and add units to the growing city.

Provided a loan of \$9.5 million and invested \$16.7 million in LIHTC equity to help finance the transformation of an old car dealership into the new construction of an 80-unit affordable housing development in Austin. All units will be reserved for LMI households earning up to 30%, 50%, 60% and 80% of AMI (10, 32, 32 and 6 units respectively). Six units will be reserved for households with special housing needs. These needs may include a broad range of populations, such as persons with alcohol or drug addictions, persons with disabilities, persons with HIV/AIDS, and several other categories approved by Texas Department of Housing & Community Affairs. The unit mix includes two- and three-bedroom units (24 and 14, respectively), making it appropriate for families. The development sponsor, a certified Women-Owned Business and state-designated Historically Underutilized Business, will provide tailored supportive services for all tenants, including financial literacy, workforce training and after school tutoring. The development received significant public financing, including a \$3.7 million soft subordinate loan from the City of Austin Rental Housing Development Assistance Program and a \$3 million construction loan from the Texas State Affordable Housing Corporation. This development provides much-needed affordable housing in a market characterized by rising rents and growing demand for a limited supply of quality housing options, especially for LMI households. The development’s location also makes it attractive in that it is located in a part of the city where affordable housing has historically been less present, contributing to greater accessibility to affordable housing dispersed throughout the city.

Provided \$18.7 million in NMTC financing for the construction of a new facility to support victims of domestic abuse in Dallas. CONA also provided \$60,000 in grants to support the center’s general operating expenses. The center is operated by an organization that offers the most comprehensive domestic violence recovery program in Dallas, including an emergency shelter; transitional housing; on-site schooling, daycare, and afterschool programming; mental health counseling; and legal support. This full continuum of care for women and children who are escaping domestic violence is provided at no cost to its clients. The new center increased the organization's overall capacity by 40% and legal service provision by 100%, assists children traumatized by domestic violence, and provides education opportunities for advocates and

therapists. The new center was estimated to create 40 or more new jobs and will retain 30 or more current jobs. This financing addresses the critical community credit need of providing crisis intervention and long-term solutions for women and children who are survivors of domestic violence. It helps to prevent homelessness by offering an alternative to those needing to escape abusive surroundings.

R. Virginia

In 2023, CONA provided a loan of \$10.5 million to help finance the acquisition and rehabilitation of an existing 216-unit family and senior tenancy, affordable housing development located in Chester, Virginia. CONA also provided a loan of \$29.4 million and a LIHTC equity investment of \$2.1 million to support this property in 2022, demonstrating CONA's ongoing commitment. All units are restricted to LMI households earning up to 50% and 60% of AMI (22 and 194 units, respectively). The original site consisted of multiple buildings containing a total of 184 family units built in 2005 and 32 senior units built in 2006. The renovated property will maintain the original structures and design of the overall site, while providing significant updates including new roofing, siding, and landscaping; repair/replacement of parking surfaces and sidewalks, gutters and downspouts; full renovations of the public spaces and amenities; and in-unit improvements such as new air conditioning units, kitchen appliances and cabinetry. The updated property will include 65 three-bedroom units and amenities such as a fitness center, playground, and recreational area, making it appropriate for families. It will also include 22 accessible and hearing/visually impaired units, making it appropriate for seniors and/or disabled persons. This development preserves and upgrades affordable housing for LMI households and, in particular, families, seniors, and special-needs populations, in a market characterized by high occupancy rates and long waiting lists.

Invested a total of \$18 million in LIHTC equity in two transactions to help finance the rehabilitation of 204 public housing units in Richmond. The public housing was converted into affordable units under the LIHTC program. All units are reserved for low-income families (below 50% of AMI) and benefit from HUD Section 8 rental subsidies that limit rent to 30% of resident income. Ninety units have two bedrooms, 72 are 3-bedroom units, 35 have four bedrooms, and seven units have five bedrooms. The units are in 48 buildings at scattered sites. The Richmond Redevelopment and Housing Authority is a co-developer and provides all tenants with supportive services such as transportation, case management, and workshops on employment, education, and health. Additional financing was provided by the Virginia Housing Development Authority. These properties are part of a national multi-investor fund containing 20 other properties around the country, and 10 other investors, further increasing the level of due diligence work required by CONA staff. This very complex transaction addresses the critical community needs for upgraded affordable housing, supportive services for low-income residents, and affordable units for larger families.

Provided NMTC financing in the amount of \$8.7 million to expand a school campus in Richmond to include additional classrooms, a gym, and a community center (including a stage and fine arts area). The development eliminated a blighted vacant lot by expanding the existing campus to include grades K-3, nearly doubling the total student population. The previously existing facility only housed grades 4-8. The development was expected to create 15 new jobs and expand after-school programming. The school, which serves LMI students, is in a low-



income census tract where the median income is just 16% of AMI and the poverty rate is 65%. This financing meets important community needs in that it provides education and after-school programs for LMI youth, transforms a blighted vacant lot into a productive community facility, and contributes to revitalization efforts in Richmond's East End.

S. Washington

Provided a LIHTC equity investment of \$14 million to help finance the new construction of a 130-unit affordable housing development in SeaTac, Washington. All units are restricted to LMI households earning up to 30%, 50% and 60% of AMI (13, 65 and 52 units, respectively). Twenty-six units will be set aside for persons with intellectual or developmental disabilities (IDD) and include a range of accessibility elements. In addition, eight of the 26 units will be subsidized by project-based vouchers funded through the King County Housing Authority to serve non-elderly persons with disabilities. A nonprofit organization with a longstanding history of serving disabled persons will occupy the ground floor of the property as its headquarters; the organization will also provide services to residents living with IDD who reside in the 26 units set aside for persons with disabilities. These services will feature individualized programming designed to support residents' housing stability, health, financial wellness, and employment success. The property's developer, one of the strongest nonprofit development and property management companies in the region, will also provide services to all residents under its "Family Services Model" which focuses on health and wellness, success in schools, financial literacy, housing stability and community participation. The development is considered "transit-oriented" as the site is located within a half-mile of a bus stop and light rail station; it is also conveniently located to other amenities such as a grocery store, shopping area, fire department, elementary school, park, childcare, and senior center. The property will also include 27 three-bedroom units targeting large families. In addition to funding from CONA, this complex project involved public financing from the Washington State Housing Trust Fund and King County. This development provides much-needed affordable housing for LMI households and, in particular, large families and tenants with intellectual or developmental disabilities, in a high-cost market with a growing renter population.

Provided \$44.9 million in financing for the construction of a six-story, mixed-use development in Seattle, providing 156 units of affordable housing, childcare, and other co-located community resources for LMI residents. CONA's financing included two separate construction loans totaling \$23.4 million, and an additional \$21.5 million in LIHTC equity. Of the 156 units, 64 are reserved for residents with incomes up to 60% AMI. The remaining 92 units are reserved for very low- income residents with incomes up to 30% AMI, supported by development-based Section 8 subsidies. Thirty-one units are set aside for persons with disabilities. The unit mix includes 25 three-bedroom and seven four-bedroom units, providing affordable housing for larger families. The development includes a childcare and early education facility that serves residents, as well as a commercial space available for use by community organizations. This transaction involved a particularly complex financial structure that leveraged significant public financing from federal, state and city levels as well as three private financial institutions (including CONA). In addition, CONA demonstrated flexibility by making an advance commitment to provide the permanent loan through Freddie Mac with a rate lock good for 30 months. This deal structure provided much-needed stability during the construction and lease-up phases. The development sponsors, which have been approved by the Seattle Public

Development Authority, have substantial experience developing and preserving affordable housing in Seattle. Rising rents in surrounding neighborhoods have priced out many residents, creating a critical need for affordable housing to stave off further displacement of LMI households. Located on the site of Seattle's first-ever publicly subsidized housing community dating back to the 1940s, this development not only continues the tradition of providing high quality affordable housing but elevates it by providing childcare and other much-needed community resources.

T. National / Outside AA

Provided a loan of \$41.6 million to a public school district in Mississippi to finance capital improvements at various schools in the district. Almost all (99.9%) of the students in the district are from LMI families. This financing was especially important due to the district's declining enrollment and, consequently, declining support from the state. The decreases in enrollment resulted from declining population in the area (due at least partly to lower birth rates) and competition from charter schools. This transaction illustrates CONA's willingness to help address critical needs in areas beyond its footprint.

Provided a \$2 million loan to a CDFI that works to improve housing conditions for the rural poor, with an emphasis on the poorest of the poor in the most rural places. The organization will utilize the loan proceeds to capitalize its lending program, which lends to affordable housing developers operating in rural communities. CONA's loan contributes to efforts to increase the supply of housing, and improve the conditions of rural communities, throughout the country.

Provided NMTC financing in the amount of \$24.9 million for the construction of a new hospital in a rural county in Mississippi. The new facility replaced an existing hospital that was old and in poor condition. The new hospital has, among other features, an emergency room, health and specialty clinics, an outpatient surgery center, and a 40-bed nursing home facility. The site is 25 miles from the nearest emergency room. The facility was replaced rather than renovated because the latter would have required difficult staging, planning, and working around existing operations. In addition, construction of a new facility was found to be cheaper, and it allowed for existing operations to continue without disruption or inconvenience during the 24-month construction period of the new facility. Without NMTC financing, the county would have needed to rely on the passing of a much larger bond issuance, which has been repeatedly unsuccessful in the past 40 years because the county is economically distressed, and the public is not inclined to support additional taxation via general obligation bond financing. CONA's financing was highly responsive to a community's need for modern health care facilities.

Provided loans totaling \$7.3 million and invested the same amount (\$7.3 million) in LIHTC equity to help finance the rehabilitation of two affordable housing properties in Louisiana and one in Mississippi. The properties have a total of 87 units, 84 of which are LIHTC units and restricted to LMI households with incomes up to 60% of AMI. All 84 LIHTC units receive subsidies from USDA Rural Development. Each property was an "occupied rehabilitation," meaning that residents were not displaced during the rehabilitation process. These properties are part of an investment fund that includes 22 other properties and nine other investors, resulting in added complexity in underwriting. The bank's financing addressed the

need for retention and upgrading of affordable housing properties, including in rural and semi-rural areas.

### Additional Information on Grants and Philanthropic Activities

#### A. New York CSA

Provided \$2.05 million in grants to support New York City's largest organization fighting poverty. CONA has supported the organization since 2017. Most recently, in 2023, CONA provided a grant of \$500,000 to holistically support young adults in the Bronx, the most impoverished county in New York State. As part of CONA's partnership with the organization, the grant will support four Bronx-based grantees, each of which addresses challenges faced by at-risk youth. The first of these grantees addresses the challenge of low bachelor's degree attainment among the City's low-income and other underserved students through comprehensive academic, counseling and holistic support over four years. The second grantee addresses the challenges faced by disconnected Bronx youth with college-access and job placement services. The third grantee is an alternative-to-incarceration program designed to provide comprehensive support to prevent youth from being reconvicted within two years of the program. The fourth grantee connects Bronx young adults to food and nutrition assistance, housing support, income support, and health-care programs. The overarching goal of CONA's \$500,000 grant is to provide a comprehensive and coordinated set of services that address the unique challenges of at-risk young adults. Over three decades, CONA's partner organization has invested more than \$3 billion in support of LMI families.

Provided \$168,000 in grants to a nonprofit organization dedicated to creating pathways to prosperity for underserved New York entrepreneurs, supporting them as they launch and grow their businesses through access to credit and financial education, among other services. The organization provides loans of \$1,000 to \$75,000 for start-up, business expansion, and refinancing. It also provides a broad range of technical assistance services including pre-loan counseling, financial literacy, business planning, post-loan counseling, and workshops. CONA's grants supported the organization's technical assistance programs. To illustrate the organization's impact, from 2017 through 2022 it provided technical assistance to 2,869 clients through 21,361 hours of training and counseling. As a result, 141 new businesses were started and 1,857 existing businesses expanded, creating 352 new full-time jobs and 233 part time-jobs, and retaining 2,936 jobs.

CONA associates provided 401 hours total of CD service to a New York nonprofit organization whose mission is to close the opportunity divide by ensuring that LMI young adults gain the skills, experiences, and support that will empower them to reach their potential in higher education and their careers. Classroom training in technical courses, and soft-skills training such as time management and networking, equip students with the attitudes, behaviors, and versatility needed to excel in the 21st century economy. Students then enter an internship with a corporate partner in order to put their classroom training into practice. The volunteer service hours, most of which were *pro bono* services provided by associates from CONA's human resources and technology areas, trained program participants on resume writing and interviewing skills. CONA also provided the organization with \$65,000 in grants. CONA's efforts served the critical community needs of workforce development and increasing self-sufficiency for the LMI population.

Provided grants totaling \$190,000 to support a New York City nonprofit organization whose mission is to aid historically disadvantaged individuals create thriving and resilient small businesses to help close economic disparities. A portion of the grants supported the organization's program that addresses the needs of vulnerable small businesses throughout all phases of a disaster, from pre-disaster preparation to post-disaster recovery, including strengthening business operations. Specifically, this portion of the grants supported COVID-19 pandemic relief and the organization's core mission to promote economic development through small business lending and technical assistance for underserved small businesses. The remainder of the grants supported the organization's technical assistance program for small businesses. In addition, CONA design associates provided 74 hours of *pro bono* service to help the organization better evaluate its customers' needs, and to identify opportunities to improve the customer experience. Community needs addressed by CONA include providing support and technical assistance for small businesses, including pandemic relief.

B. Philadelphia MMSA

Provided grants totaling \$110,000 to support a Wilmington organization that serves as a community center for LMI teens. CONA's grants support a program that provides career pathways to participants in sustainable and growing fields. The program, delivered by organization staff and partner organizations, begins with personal development and soft skills training, followed by career-specific training and work experience. Specifically, CONA's funding provides stipends for very-low income young adults to encourage participation and program completion. In 2022, the organization exceeded its goals with 172 enrolled young adults and a 90% completion rate. In addition, 90% of those who completed the program went on to work experience.

Provided a grant of \$125,000 to support the programs of the Philadelphia chapter of an organization that works to increase economic opportunities for formerly incarcerated people, in order to improve their lives and help them remain in their communities. The organization provides low-interest loans and financial coaching to formerly incarcerated people, helping them build credit and achieve their self-determined goals. CONA's funding helps address a critical need, as people who have been incarcerated face often-permanent barriers to securing transportation, housing, employment, and capital for building a business. When individuals are released from jail or prison, they are further burdened by court-ordered debt. Most are ineligible for traditional bank financing or are subject to prohibitively high interest rates. These combined hurdles limit the economic opportunity of formerly incarcerated people and prevent them from reaching their potential. As a result, some return to criminal behavior, increasing the likelihood of reincarceration and damaging the stability of their families and communities.

A CONA executive provided 241 hours of service on the Board of Directors of a Wilmington nonprofit organization that offers transformational programs that positively impact LMI individuals, families, and communities. This executive has served as a Director of the organization for over 11 years and as the Board Treasurer for eight years. Many of the hours were incurred during 2020, as the Board steered the organization through the COVID-19 pandemic. The organization's programs and services include an early learning center, along with youth development, family services, and comprehensive housing counseling programs, all of which are designed to empower LMI populations by providing them with the tools and resources

they need to be self-sustaining. The early learning center is a “5-star” (highest rating) program according to Delaware Stars for Early Success, whose mission is to assess, improve, and communicate the level of quality in early care and education and school-age settings. CONA also provided \$25,000 in grants to the organization to help support its programs. CONA’s ongoing activities demonstrate a close, long-term partnership with an organization that addresses a variety of critical needs of LMI populations.

C. Washington, DC CSA

CONA provided a total of \$330,000 in grants to an organization that serves as a business accelerator and expert network serving socially and economically disadvantaged businesses. It educates businesses on becoming bankable; equips businesses to pursue government contracts; and elevates business performance in all areas during rapid growth and expansion. Most recently, in 2023, CONA provided \$175,000 to fund a six-week program to help small businesses win federal government contracts. The program offers access to mentoring and networking, along with in-person and online training focused on the development of a compelling value proposition and a capture strategy for federal government contract awards. The program is for government contractors certified in the SBA 8(a) business development program for small and economically underserved businesses. The organization has conducted six 8(a) program sessions since 2019, with CONA providing support each year. The 125 SBA 8(a) companies that have graduated from the sessions to date reported generating \$36 million in new contract revenues.

CONA provided \$300,000 in grants to a youth organization with a mission to improve the lives of runaway, homeless, abused, and neglected at-risk youth and their families within the District of Columbia and inner-beltway communities in Prince George’s County, Maryland. The organization provides shelter, counseling, life skills training and positive youth development activities for approximately 1,500 youth and 5,000 family members each year. The organization’s services have always welcomed LGBTQ+ youth, and it has increased its efforts to provide services to this population in recent years. CONA provided a \$150,000 grant in 2023 that will enable the enhancement of these efforts. In 2022, CONA provided a \$100,000 grant to support the organization’s Emergency and Extended Transitional Housing for Homeless Youth program. CONA has also supported the organization by providing \$50,000 in grants to support financial education. In addition, CONA Data, Human Resources, and Design associates provided 529 hours of pro bono services to the youth organization to automate, streamline, and improve the organization’s programs.

Provided grants totaling \$214,000 in support of a Baltimore nonprofit organization whose mission is to restore the history and prosperity of neighborhoods and create inclusive and equitable communities where all residents have access to opportunity. It accomplishes this mission by rebuilding homes and fostering enduring community relationships. Since 2008, the organization has invested over \$114 million in homes and developments that revitalize communities without displacing people. These investments have provided decent homes to hundreds of families in need. Of CONA’s \$214,000 in grants, \$75,000 supported the predevelopment of scattered-site affordable housing in Baltimore. Another \$50,000 helped fund the revitalization of East Baltimore’s Johnston Square neighborhood. The remainder of



the funds supported other organization initiatives, including another scattered-site development. In addition, CONA associates provided eight hours of financial and homebuyer education for the organization's clients. The bank's support addressed the critical needs of affordable housing and financial and homebuyer education for LMI populations.

Provided grants totaling \$700,000 to support the local chapter of a national nonprofit organization whose mission is to advance economic equity through rigorous training in technology careers and to connect skilled talent to leading businesses. It believes a thriving workforce starts with equitable access to education. The organization focuses on motivated and curious adults who are unemployed or underemployed, providing technical and business skills to launch successful careers in technology. In response to the impact the COVID-19 pandemic had on LMI women, the organization launched a virtual software engineering apprenticeship. The training is delivered remotely and on a modified schedule, providing flexibility and support for parents or others with caregiving responsibilities. The bank took a leadership role in the program by providing seed funding of \$400,000. The remaining \$300,000 in grant funds supported general operations and program expansion. In addition to grant funding, CONA provided 223 hours of CD service support for participants in the organization's various programs, helping them with mock interviews, resume preparation, and informational interviews. Of the 223 hours, 114 represented pro bono service provided by CONA technology and human resources associates. As an illustration of the organization's impact, in 2022 the national organization supported more than 4,500 learners and alumni on their journeys. In addition, 80% of the national organization's graduates from 2021 have launched careers earning nearly three times their pre-training wage. CONA's comprehensive efforts have helped address the need for workforce development and self-sufficiency skills for LMI populations.

CONA partnered with a school district to deliver computer science skills to six middle schools. The bank recognizes that the pathway to a career in computer science begins with education in the early years, yet access to early opportunities in computer science is limited. A study published in December 2020 found that while 47% of high schools in the United States offer computer science education, the majority are not in LMI communities. Even where computer science courses are available, the number of minority and female students enrolled in those courses remains disproportionately low. In response, CONA continued to provide significant resources to Capital One Coders, a signature program designed to teach valuable computer science skills. Launched in 2014, the program connects Capital One technologists with students at a critical period in their development. Together they explore mobile app development, web design, artificial intelligence, cybersecurity, and other emerging technologies through engaging, hands-on mentorship. During the four-year period from 2020 through 2023, CONA technology associates provided 13,608 hours of pro bono assistance, working with students from schools that primarily serve LMI populations. Many of these hours were provided virtually during the pandemic.

#### D. Arizona

Provided grants totaling \$228,500 to a Phoenix nonprofit organization whose mission is to drive economic and political empowerment for traditionally underserved people. It accomplishes this by offering programs that help small and emerging businesses, and by helping individuals and families achieve self-sufficiency by providing accessible healthcare, affordable



housing, quality education, access to meaningful work, and political representation. A majority (\$206,000) of the grants supported the organization's CDFI, whose mission is to build stronger communities by providing access to affordable capital through nontraditional small business financing resources. The CDFI is committed to addressing the lack of access to affordable capital and provides economic opportunities for small and emerging small businesses to start and grow. The remaining portion of CONA's grants (\$22,500) supported an innovative pilot project to provide youth aged 17- 24 with the opportunity to explore STEM-focused careers through virtual reality headsets. CONA's funding addresses the needs for capital for small and emerging small businesses and for workforce development for LMI youth.

CONA technology associates provided 242 hours of *pro bono* service to benefit a Phoenix nonprofit financial counseling agency that helps people transform their financial situation with one-on-one guidance to pay off debts, regain financial independence, and save for the future. Most of the organization's clients are LMI. An industry pioneer and leader, it has supported consumers in financial distress since 1987. Bank associates helped develop technology applications for the organization.

#### E. California

CONA provided grants totaling \$182,053 to an organization that strives to combat poverty, prevent homelessness and end financial and housing crises in Los Angeles. The organization integrates effective financial capability, housing, and supportive services that are essential for LMI individuals and families to achieve economic inclusion, mobility and, ultimately, financial security. CONA's funding supports financial counseling for individuals and families that seek to establish or repair their credit. Services include helping clients identify and access responsible financial products and services, establish or improve their credit, increase their savings, and lower their debt. Clients also have access to housing and supportive services and the organization's Volunteer Income Tax Assistance (VITA) program for free tax preparation. In addition, CONA Brand and Human Resource associates provided 119 hours of *pro bono* service to enhance the organization's brand positioning and human resource policies to attract new talent, donors, and community members who could benefit from their services. CONA associates also provided six hours of financial education in both English and Spanish for organization clients.

CONA provided a total of \$115,000 in grants to a CDC with a mission to provide a comprehensive array of social welfare and community development services to assist LMI individuals and other persons in need, and to contribute to community revitalization and cultural preservation in the Little Tokyo neighborhood in Los Angeles. Grants totaling \$80,000 will provide funding for a resident services support program, which provides bilingual case management, employment preparedness, childcare referrals and financial wellness programs to empower people to achieve greater self-sufficiency. In addition to these services, the Program assists clients with their deferred rent and connects clients to landlords to establish payment plans. The provision of these services is intended to reduce the number of evictions and allow more families to maintain their housing. The remaining \$35,000 of CONA's grant funds supported a small business program and pandemic emergency relief.

Provided \$145,000 in grants to the San Francisco chapter of a national nonprofit housing organization that creates stable, vibrant, and healthy communities by developing, financing, and operating affordable, program-enriched housing for LMI families, seniors, and people with special needs. CONA's most recent grant, for \$50,000 in 2023, supports a program designed to increase housing and financial stability for at-risk, low-income, homeless residents living in the organization's affordable housing communities in San Francisco. Recognizing that housing alone cannot address complex challenges, the organization also provides comprehensive resident services including a focus on housing and financial stability, health and wellness, and education. CONA has supported the San Francisco organization since 2019.

In 2023, CONA provided a \$50,000 grant to a CDFI that makes small business loans ranging from \$5,000 to \$100,000 to financially marginalized entrepreneurs. The CDFI's loans offer affordable rates and include a restorative approach, which includes modifications on a case-by-case basis if the business runs into challenges. The organization also offers business consulting and training. CONA's 2023 funding supports small businesses in Oakland. Previously, during the period 2020 through 2022, CONA provided \$60,000 in grants to support the CDFI's programs, including pandemic response, in San Francisco and Oakland.

In 2022 and 2023, CONA provided a total of \$90,000 in grants to a nonprofit health system to support its workforce training program in Placer County. The program trains LMI individuals to enter the healthcare field in areas such as business data analysis for healthcare administration. In addition, CONA associates provided a total of 11 hours of financial education for LMI clients of the health system.

#### F. Colorado

CONA associates provided 201 hours of CD service, and CONA made \$65,000 in grants, to support a Denver nonprofit organization whose mission is to create sustainable housing opportunities for LMI households through outreach, education, and housing development. The services involved providing financial education in various subjects including understanding credit reports, savings success, and tax basics. The grants supported the organization's post-purchase counseling and homeownership retention program. CONA's support addressed the community need for housing stability for LMI households.

Provided a grant of \$50,000 to the Boulder chapter of a nonprofit organization that provides opportunities for Native Americans to develop financial assets and create wealth by assisting in the establishment of strong, permanent institutions and programs for all Native American communities. As a CDFI, it provides Native American communities with the tools and capital support required for real and sustainable job creation, small business development, commercial real estate development, and affordable housing. The organization also offers basic banking services and financial literacy training to underbanked Native Americans. This grant helped the CDFI provide COVID-19 relief for Native Americans in the AA, a critical need. In addition, CONA provided \$100,000 in grants to support the parent organization's national financial education and related programs.

#### G. Florida

Provided \$175,000 in grants to the Miami chapter of a nonprofit organization dedicated to helping LMI entrepreneurs build successful businesses that provide for their families and improve their communities. The organization offers a variety of programs involving financial education, mentoring, and access to capital. Of CONA's total grant funding, \$120,000 supported these programs. The remaining \$55,000 supported the organization's efforts to provide COVID-19 relief to small businesses. CONA's support addresses the community need to support underserved small businesses, including during the pandemic.

CONA associates dedicated 285 hours of *pro bono* service to benefit an organization that provides food and other services to LMI individuals and families in the Tampa area. Of these hours, CONA data scientists provided 208 hours to help the organization identify its clients' behavior patterns. The remaining 77 hours were devoted by bank technology associates who conducted an external network vulnerability test for the organization. CONA also provided \$80,000 in grants to support the organization's mobile pantries and its workforce development program for individuals facing barriers to employment. CONA's support addresses the need to provide food and other necessities to LMI populations.

#### H. Georgia

Provided a \$1 million grant to a foundation whose mission is to drive economic progress through public policy, advocacy, and political engagement. CONA's grant funded the organization's program that supports underserved small businesses and emerging entrepreneurs in Fulton County. The funds were used to support curriculum development and technical assistance for the organization's clients. CONA's very substantial grant helped address the need to support underserved small businesses and entrepreneurs.

CONA associates from human resources, technology, and other areas provided 1,412 hours of virtual *pro bono* service to benefit the clients of an organization that empowers promising LMI, underrepresented young people, including first-generation college students and students of color, with the skills, confidence, experiences and networks necessary to transition from college to strong first jobs, which lead to meaningful careers and lives of impact. Through partnerships with universities and employers, the organization implements innovative career teaching and learning into the undergraduate experience for these students. The CONA associates helped students with workforce development training, specifically career mentoring and mock interviews. CONA's very substantial *pro bono* services addressed the need for career development support for LMI young adults.

#### I. Illinois

Provided \$125,000 in grants to a social service organization that supports LMI populations with child and elder services, employment training, family counseling, and housing and financial education. The organization's objective is that all clients become thriving residents of the greater Chicago community. CONA's funding supported the organization's secured credit card program, which is specifically designed to help participants improve their credit and savings as well as their overall financial literacy. The program is supported by a suite of employment and training programs that further help LMI residents achieve a higher standard of living and a more balanced family budget.

Provided \$250,000 in grants to a nonprofit organization with a mission to create community ownership and build community wealth among LMI individuals and families living in southwest Chicago and suburban Melrose Park. CONA has supported the organization since 2018. Most of CONA's funding provided support for a program that combats the displacement of LMI families by increasing and sustaining homeownership and wealth. The program includes financial wellness education and coaching, affordable lending products, and realty services. The remainder of CONA's funding supported the organization's development of 45 permanently affordable housing units.

CONA associates provided 5,847 hours of CD service for a Chicago nonprofit organization that supports inner-city schools. The organization accomplishes its mission by providing scholarships, operational improvements, academic programs, and leadership development with the goal of strengthening schools and whole communities and preparing students for life-long success. Almost all (5,808) of the CD service hours were *pro bono* services provided by CONA technology associates to teach coding skills to LMI students served by the organization. The remaining 39 hours involved financial education provided by CONA associates to LMI students. Many of the service hours were delivered virtually during the pandemic. In addition, CONA provided the organization with \$253,000 in grants to support various programs and the organization's pandemic emergency fund to facilitate virtual learning. These efforts addressed important community needs of increasing financial education and STEM-related learning opportunities for LMI youth, and pandemic support for nonprofit organizations and their clients.

#### J. Louisiana

Provided a \$50,000 grant to a New Orleans organization whose mission is to respond to the affordable housing needs of women who are single and head of a household by building affordable, tiny homes. CONA's grant will directly support a home build, which will be sold to an LMI individual at a price far below market rate. The proceeds from the sale of the house will be used to build another home and to fund the organization's educational programs.

CONA associates provided a total of 803 hours of financial education for school-age children in the Baton Rouge area. The children were students from schools, or clients of nonprofit organizations, that primarily serve children from LMI families. The CONA associates presented a program that makes financial education fun, engaging, and connected to real life.

Provided \$300,000 in grants to a nonprofit health system that serves Louisiana. A majority of the grant funds support the organization's workforce development program to close the nursing shortage in Louisiana by creating more opportunities for aspiring nurses of all backgrounds. The organization partners with colleges, universities, and high schools around the state to identify nursing candidates. This innovative program, the only of its kind in the state, is a free, four-year dual enrollment program that provides students from various parishes the opportunity to earn college requirements for Licensed Practical Nurse (LPN) programs. The program launched in 2023 with a cohort of 20 students. Trainees complete coursework and clinical requirements equivalent to other state-approved LPN programs. In addition to the intensive healthcare and medical coursework, trainees complete "impact training" provided by the health system, which includes workplace ethics training, communications, and problem-

solving strategies. In addition to supporting the LPN program, CONA helped fund a program that trains both incumbent workers and job seekers from non-traditional or under-skilled entry level career pathways for roles in the healthcare industry. In addition, CONA associates provided financial education training for the organization.

Since 2006, CONA has supported a local foundation with a mission to drive positive impact through philanthropy, leadership, and action in the greater New Orleans region. The foundation provides grants, guidance, and technical assistance to area nonprofits that serve a variety of needs for the underserved. Key among the initiatives the foundation supports is workforce development. CONA made a total of \$625,000 in grants to the foundation during the years 2020-2023 to support workforce development and job creation and retention, and relief efforts related to the COVID-19 pandemic and Hurricane Ida. A key program focused on retraining workers from the hospitality and other tourism-related industries who were hit hard by the pandemic. The foundation and its partners identified areas where there was a shortage of qualified employees and created a program to provide training in those skill sets (e.g., construction, healthcare and childcare). CONA's partnership with this foundation addressed critical and urgent CD needs of a community that had been devastated by natural disasters and the pandemic.

#### K. Massachusetts

In 2023, CONA provided a \$75,000 grant to a Cambridge CDC with a mission to promote equity by creating access to stable housing and building pathways to economic opportunity. The organization's programs include affordable housing, education, job training, and comprehensive support services. Its adult training program, Career Connect, is an intensive, nine-month education and training program that helps adults develop knowledge and skills in the biomedical and technology fields. Its Financial Opportunity Program provides free on-site and mobile programming in tax preparation, credit education and asset building. The bank's \$75,000 grant supports the Career Connect and Financial Opportunity Programs. CONA provided the CDC with additional grants from 2020 through 2023 totaling \$135,000, including \$25,000 to support the Financial Opportunity Program and \$110,000 to support job training. In addition, through 99 hours of pro bono engagement, CONA's Communications team developed a content and channel strategy for the CDC and held a media training session for its executive committee.

CONA has partnered since 2015 with a Boston organization that empowers communities to access and use digital tools to overcome barriers and advance lives. Its programs teach digital skills, provide the opportunity for program graduates to receive a new computer, and help participants acquire low-cost, high-quality internet service. The bank has provided the organization with a total of \$804,875 in grants since December 31, 2019. Of this amount, \$444,875 supported its virtual learning program. Another \$100,000 was in the form of capacity-building grants to help the organization build for the future. The remaining \$260,000 supports the organization's programs and operations. In addition, CONA associates provided 18 hours of financial education (including three hours virtually during the pandemic) for organization clients. During 2023, 74% of students leveraged their digital skills and tools to improve their grades; and 54% of graduates got a new or better job, had a pay raise, entered a work training or new education program, or started a business. The bank's very substantial



assistance to the organization addressed the critical community needs of (1) closing the digital divide by providing hardware, internet access and web skills training to the LMI community, and (2) enabling nonprofit organizations to continue providing their services during the COVID-19 pandemic.

In 2023, CONA provided a \$75,000 grant to a CDC whose mission is to transform the lives and amplify the voices of Boston residents who have been excluded from prosperity. The organization develops affordable housing, provides services that help people build on their strengths, and helps small businesses formalize, stabilize, and grow. The bank's funding will be used to provide individualized technical assistance to small businesses and aspiring entrepreneurs in Boston and adjacent communities. The vast majority of the organization's clients have fewer than 20 employees, with 80% employing fewer than five individuals. Common challenges include limited business networks, poor or limited credit, limited access to capital, linguistic barriers, and demographic and market challenges. During the 2020-2022 period, CONA provided an additional \$110,000 to support the organization's small business services and pre-development of a 58-unit affordable housing complex. In addition, CONA technology associates devoted 211 hours of pro bono service to strengthen the organization's fundraising and reporting abilities.

L. Michigan

Provided \$150,000 to a microloan fund to support underserved entrepreneurs who cannot qualify for a CDFI loan or mainstream financing sources. The mission of the fund is to provide access to capital to historically underserved populations and/or populations located in LMI neighborhoods in Detroit, Hamtramck, and Highland Park who have been excluded from traditional and alternative capital sources. The fund's mission includes small business education, building credit scores, and encouraging financial stability that will help aspiring entrepreneurs to transition to mainstream banking. The fund provides access to capital to small businesses in the form of loans ranging from \$5,000 to \$50,000. It also offers pre-loan technical assistance for aspiring entrepreneurs that includes but is not limited to business plan development, the pre-loan application process, understanding financial statements and the need for projections, and financial education to existing and emerging underserved entrepreneurs. CONA's funds have supported counseling, financial education and training services for small businesses.

Provided \$70,000 in grants to support the workforce development program of a nonprofit organization in Detroit. The program includes skills building, education, career counseling, and retention support. The organization's mission is to enhance the quality of life, success, and self-sufficiency of individuals and families in Detroit. One of the many ways the organization accomplishes its mission is by providing a broad range of programs and services such as workforce development, affordable and supportive housing, homeownership services, small business development, financial coaching, and adult literacy. In addition, CONA associates provided *pro bono* services by conducting mock interviews for clients of the organization.

M. Minnesota

A CONA associate serves on the Board of Directors of a nonprofit organization that partners with parents or guardians, volunteers, and others in the community to create and support

one-to-one mentoring relationships with children and teens. It aims to help each child achieve higher aspirations, greater confidence, better relationships, and educational success; and to avoid risky behaviors. Most of the youth served by the organization are from LMI families. CONA has also provided the organization with \$85,000 in grants. One grant for \$20,000, made early in the COVID-19 pandemic, helped equip the organization's staff with the tools they needed to provide virtual programming. The remainder of the grant funds supported mentoring programs. CONA's activities have helped address the needs for pandemic relief and support for LMI children and teens.

CONA has provided \$100,000 in grants to support a nonprofit organization that provides affordable housing for LMI families in the St. Cloud area. It seeks to make simple, decent, affordable shelter for all people a priority. A portion of CONA's grants supported the organization's general operations during the COVID-19 pandemic, and the remainder supported the construction of residential properties. In addition, CONA associates have provided 117 hours of volunteers services for the organization. Of these hours, 100 involved *pro bono* service by CONA technology associates who helped the organization evaluate the cost-effectiveness of various technology platforms. In addition, CONA associates provided 17 hours of financial education for the organization's clients. These classes covered money basics, budgeting, and smart spending. CONA's activities addressed the need for affordable housing, combined with financial education, for LMI households.

#### N. Nevada

CONA associates provided 219 hours of virtual CD service to support a nonprofit organization that is a nationwide leader in information technology service delivery and education exclusively for the nonprofit sector. Through one of its programs, the organization also helps young adults train for entry-level technology jobs. The CD services were technology-focused career training for LMI young adults in the AA, and 204 of the hours were *pro bono* services provided by CONA specialists in technology and human resources. In addition, CONA provided a \$25,000 grant to support the organization's vocational training and job placement programs in the Las Vegas AA. CONA's activities helped address the need for technology workforce training for LMI populations.

In 2022 and 2023, CONA provided a total of \$73,000 in grants to a Las Vegas organization that assists LMI families and individuals in overcoming barriers and attaining self-sufficiency through direct services, training, and referrals to community resources. It responds to the needs of the poor, the homeless, and those in crisis who come to the organization as a place of last resort. CONA's grants supported a center for homeless youth operated by the organization. In addition, CONA associates provided 77 hours of virtual *pro bono* service to benefit clients of the organization. Bank associates helped the organization's clients with interviewing skills and resume writing. CONA's actions helped address the critical need for services for the homeless and others in crisis.

#### O. Ohio

In 2022 and 2023, CONA provided a total of \$45,000 in grants to a Columbus organization that supports the Central Ohio community by helping people find good jobs;



supporting older adults and caregivers in navigating the challenges of aging; providing services for refugees.; connecting people to community resources; empowering family self-sufficiency through financial counseling; and engaging volunteers. CONA's grants will support 600 clients in obtaining new employment and 100 in obtaining emergency financial assistance in order to maintain housing stability. The organization offers wraparound services while utilizing its workforce programs to eliminate barriers that keep clients from achieving family stabilization. Its integrated service delivery brings interdisciplinary staff together to collaborate on client needs and goal setting, resulting in life-changing impact.

CONA technology associates provided 168 hours of pro bono service for a Cincinnati nonprofit organization whose mission is to promote individual self-sufficiency and community economic development by stimulating and supporting entrepreneurship among LMI people. The organization is a partnership between human service agencies, local banks, and other businesses. It provides financial education, business coaching, and financing for entrepreneurs. The CONA associates helped the organization complete a project by providing expertise in data integration, data access, and data reporting. The bank's support addresses the need to promote economic development for LMI populations.

P. Oregon

From 2020 through 2023, CONA provided \$122,500 in grants to a Portland CDC that strengthens the community by providing affordable housing, home ownership and small business support, economic advancement, and educational opportunities. A portion of CONA's funds supported a program that provides one-on-one business support services including access to capital, financial coaching, branding, marketing, and connections to direct sales opportunities. Another portion funded micro-grants for small businesses served by the organization, awarded according to priority based on need for financial assistance. The remainder of the grant funds supported the organization's launch of a mortgage lending program for first-time home buyers, and expansion of its Individual Development Account program. To illustrate the organization's impact, during the 2020-2022 evaluation period its business support program provided 3,069 business advising hours for 70 entrepreneurs; 15 entrepreneurs were connected to direct sales opportunities; and 20 entrepreneurs were connected with COVID-19 relief assistance. CONA's funding addressed the community's needs for support for small businesses and microenterprises, promoting homeownership, and encouraging savings to improve financial stability for LMI populations.

CONA provided 49 hours of virtual CD service and made \$55,000 in grants to support the Portland chapter of a nonprofit organization that empowers women to achieve economic independence by providing a network of support, professional attire, and development tools to help them thrive in work and in life. Rather than underwriting a specific program, the grants were flexible and provided general operating support during the COVID-19 pandemic and helped fund the organization's key programs. Twenty-seven of the volunteer hours involved *pro bono* service provided by CONA associates who helped organization clients with resume-writing and interviewing skills. The remaining 22 CD service hours supported the organization's Virtual Financial Education Program, a six-week program jointly created by CONA and the organization. This virtual program was tailored to meet the needs of participants during the

pandemic. These efforts were highly responsive to the community's needs to increase financial education for the LMI community (primarily women heads-of-household) and access to employment assistance.

Q. Texas

Provided grants totaling \$130,000 to a Dallas nonprofit organization that provides vehicle selection assistance and coaching to help LMI individuals and families overcome transportation barriers so they can get to work, lead healthier lives, and avoid predatory lending. The organization helps people improve their credit and purchase fuel-efficient, reliable cars, financing them through its loan fund with a low-cost loan. CONA's funding supported financial coaching and vehicle selection, as well as a pilot apprenticeship program for people underrepresented in the vehicle repair and service field.

Provided a \$200,000 grant to a Houston organization whose mission is to unlock opportunity by connecting families in underserved communities to affordable internet service and computers, and delivering digital skills training. CONA's grant supports a digital skills training program designed to engage LMI adults, including those 65 and over. CONA's efforts address the critical need to close the digital divide.

Provided a \$25,000 grant to a Community Development Corporation (CDC) that offers housing opportunities, financial counseling, supportive services, and referrals to create stable, self-sufficient LMI families in southeast Texas. The CDC has development contracts with several cities, owns an affordable rental complex, and has been overseeing a downtown revitalization program. CONA's grant supports the maintenance of the CDC's affordable rental units.

A CONA executive dedicated 73 hours to serving on the Board of Directors of a nonprofit organization whose mission is to close the hunger gap in North Texas by providing access to nutritious food. In addition, CONA provided \$142,000 in grants to support the food bank's programs, including but not limited to COVID-19 relief and weekend food distribution for school children. Further, CONA technology associates provided 50 hours of *pro bono* service helping the organization determine proper levels of user access to its applications.

CONA legal associates provided 954 hours of *pro bono* service to benefit the clients of an Austin nonprofit organization that advocates for immigration justice through educating communities, mobilizing volunteers, and legal mentoring. CONA's attorneys helped families gain asylum and resident status. CONA's substantial efforts addressed the need to provide assistance and stability for new immigrants.

R. Virginia

CONA is a founding board member and supporter of a Richmond nonprofit business incubator and entrepreneurial hub where innovators can learn, collaborate, and grow. Founded in 2019, the organization supports startups and innovators with an engaged community, holistic programs, targeted resources, and dynamic workspace to help them reach their full potential and positively impact Virginia's economic landscape. The incubator serves startup companies and supports them with an expansive network of mentors, investors, corporate partners, and donors.

CONA associates provided a total of 1,957 CD service hours to benefit the organization and its clients. Eighty-two of the hours were in the form of board service provided by a CONA technology executive. The remaining hours involved providing small business technical assistance for incubator clients, including 401 *pro bono* hours provided by associates from CONA's technology and digital product management areas. Most of the services were performed during the pandemic and were therefore delivered virtually. CONA demonstrated a high degree of leadership by serving as a founding board member and supporter of the organization. CONA also provided \$250,000 in grants to support the organization's operations and programs, including during the COVID-19 pandemic. To illustrate the organization's impact, during 2022 (1) it served 3,130 entrepreneurs and 173 companies; (2) its 46 post-revenue startup members (those that have begun to generate sales and are working through the stages of efficiency and scale) had a total of \$111 million in revenue, a 41% increase from 2021; and (3) the organization provided \$450,000 in grants to support entrepreneurs from underrepresented groups. CONA's very substantial efforts have addressed the need to support startup businesses, including during the pandemic.

During the period 2020 through 2023, CONA provided \$650,000 in grants to a nonprofit community-based organization that works to ensure high-quality affordable housing for LMI residents of metropolitan Richmond. The organization, a longstanding partner of Capital One, combines long-term solutions in affordable housing with ongoing support services to revitalize neighborhoods. One of the grants, for \$500,000, enabled the organization to provide three years of free internet access and related training for all 823 residents (474 households) of one of its affordable housing communities for seniors. The other grants helped the organization deliver comprehensive support services for residents of another affordable housing development. In addition to grant funding, associates from CONA's Design team devoted 158 hours of *pro bono* service in 2023 to help the organization analyze the efficiency of its scholarship program. This program provides financial assistance to adult residents of the organization's rental communities seeking higher education. CONA's ongoing support of this nonprofit partner has addressed the critical community needs of closing the digital divide and increasing on-line access for LMI senior populations, and comprehensive support services for LMI households.

Two CONA associates provided a total of 743 hours of service on the Board of Directors of a local nonprofit organization whose mission is to assist individuals and families experiencing homelessness to secure and maintain a home again. In support of this mission, each family's unique needs are matched with the best housing solution. These programs include emergency shelters, bridge housing, and permanent supportive housing. The organization operates two full-time shelters providing temporary housing and case management for families and individuals experiencing a housing crisis. The board services were provided by two CONA associates, including one executive, at different times during the evaluation period. In that capacity, they assisted with numerous projects such as COVID-19 relief, fundraising, and the search for a new executive director. In addition, CONA provided \$61,092 in grants to support one of the emergency shelters. CONA's very substantial efforts addressed several important community needs including the provision of housing and services for the homeless, pandemic relief, and capacity building for nonprofit organizations.

S. Washington

Provided grants totaling \$115,000 to a nonprofit organization that empowers individuals with limited resources to improve their lives through small business ownership. In support of this mission, the organization provides education and technical assistance to microenterprises and aspiring small businesses. CONA's funding supported the organization's COVID-19 response program, general operations, and technical assistance program, and addressed the community need to support development of small businesses, including those started by LMI entrepreneurs.

CONA associates provided 176 hours of *pro bono* service in their field of expertise (Data) to support an organization dedicated to providing credit and debt counseling and financial education to consumers in order to help them make sound financial decisions and find debt solutions to improve their financial futures. A large majority of the organization's clients are LMI. In delivering these services, bank associates helped the organization by recommending and designing a data pipeline and central store for ongoing reporting needs. CONA's efforts address the community need for credit and debt counseling and financial education for LMI consumers.

T. National / Outside AA

From 2020 through 2023, CONA provided \$2.9 million in grants and 580 *pro bono* service hours to improve college access for LMI students nationally. This multi-year effort started during the COVID-19 pandemic, which exacerbated the phenomenon of "summer melt," when high school graduates cancel their plans to attend college before classes begin. A major barrier to improving college access, particularly for LMI and first-generation students, involves a lack of information, in part due to overloaded school counselors who juggle caseloads of nearly 500 students per counselor, on average. Students' lack of awareness about financial aid options and the overall cost of college contributes to low completion rates of the Free Application for Federal Student Aid (FAFSA) form and billions of dollars in federal student aid left on the table each year. Capital One responded to this critical need by investing in a free virtual assistant powered by artificial intelligence that served approximately 773,000 LMI and first-generation students across the country from 2020 through 2022. Capital One associates also volunteered 580 *pro bono* hours to help optimize the virtual assistant's technology. Early results demonstrated the effectiveness of this intervention, including an engagement rate (i.e., the percentage of students who sent at least one message to the virtual assistant) of 62.7%, significantly higher than the average of 15% for similar interventions; and 18,000 hours saved that traditionally would have been spent consulting with a college advisor. Capital One, in partnership with several community organizations, has continued the positive momentum generated by the program's promising early results by expanding the virtual assistant and continuing to refine the technology to ensure equitable access to different groups of students, including English language learners and students of color. These efforts demonstrate CONA's innovation in addressing the problem of college access at scale; its responsiveness, in tailoring the technology to meet the needs of specific student populations, with a focus on LMI and first-generation students; and its thought leadership in the field of education and technology, in partnering with research institutions to publish white papers and share the program's learnings to further expand its impact and improve its effectiveness.

During the COVID-19 pandemic, CONA provided grants totaling \$1,029,521 to a nonprofit organization that feeds the hungry through a nationwide network of food banks,

pantries, and meal programs. CONA's funding supported the organization's pandemic response efforts.

**APPLICATION**  
**to the**  
**OFFICE OF THE COMPTROLLER OF THE CURRENCY**  
**by**  
**CAPITAL ONE, NATIONAL ASSOCIATION**  
**for prior approval to merge with**  
**DISCOVER BANK**  
**pursuant to**  
**the Federal Deposit Insurance Act,**  
**12 U.S.C. §§ 1828(c) and 1831u, and**  
**the National Bank Act, 12 U.S.C. §§ 24, 36(d), 215a-1 and**  
**12 CFR part 5**

**March 20, 2024**

**INTERAGENCY BANK MERGER ACT APPLICATION**

Check all that apply:

<b>Type of Filing</b>	<b>Form of Transaction</b>	<b>Filed Pursuant to</b>
<input checked="" type="checkbox"/> Affiliate/Corporate Reorganization	<input checked="" type="checkbox"/> Merger	<input checked="" type="checkbox"/> 12 U.S.C. 1828(c)
<input type="checkbox"/> Combination with Interim Depository Institution	<input type="checkbox"/> Consolidation	<input checked="" type="checkbox"/> 12 U.S.C. 215, 215a-c
<input type="checkbox"/> Non-affiliate Combination	<input type="checkbox"/> Purchase and Assumption	<input type="checkbox"/> 12 U.S.C. 1815(a)
<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Branch Purchase and Assumption	<input checked="" type="checkbox"/> Other: <u>12 U.S.C. 24,</u> <u>36(d) &amp; 1831u</u>
	<input type="checkbox"/> Other _____	

**Applicant Depository Institution**

<u>Capital One, National Association</u> Name		<u>OCC Charter # 13688</u> <u>FDIC Cert # 4297</u> Charter/Docket Number
<u>1680 Capital One Drive</u> Street		
<u>McLean</u> City	<u>VA</u> State	<u>22102</u> Zip Code

**Target Institution**

<u>Discover Bank</u> Name		<u>FDIC Cert # 5649</u> Charter/Docket Number
<u>502 E. Market Street</u> Street		
<u>Greenwood</u> City	<u>DE</u> State	<u>19950</u> Zip Code

**Resultant Institution (if different than Applicant)**

<u>N/A</u> Name		<u>Charter/Docket Number</u>
<u>Street</u>		
<u>City</u>	<u>State</u>	<u>Zip Code</u>

**Contact Person**

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## **Request for Confidential Treatment**

Confidential treatment is being requested under the federal Freedom of Information Act, 5 U.S.C. § 552 (the “FOIA”), and the implementing regulations of the Office of the Comptroller of the Currency (the “OCC”), for the information contained in the Confidential Exhibits Volume to this application (the “Confidential Materials”). The Confidential Materials include, for example, non-public pro forma financial information and information regarding the business strategies and plans of (1) Capital One Financial Corporation (“COFC”), Vega Merger Sub, Inc. (“Merger Sub”) and Capital One, National Association (“CONA”) and (2) Discover Financial Services (“Discover”) and Discover Bank (“Discover Bank”), and other information regarding additional matters of a similar nature, which is commercial or financial information that is both customarily and actually treated as private by COFC, Merger Sub, CONA, Discover and Discover Bank and provided to the government under an assurance of privacy. Certain information in the Confidential Materials also includes confidential supervisory information, which is protected from disclosure. None of this information is the type of information that would otherwise be made available to the public under any circumstances. All such information, if made public, could result in substantial and irreparable harm to COFC, Merger Sub, CONA, Discover and Discover Bank. Other exemptions from disclosure under the FOIA may also apply. In addition, investors and potential investors could be influenced or misled by such information, which is not reported in any documents filed or to be filed in accordance with the disclosure requirements of applicable securities laws, as a result of which COFC, Merger Sub, CONA, Discover and Discover Bank could be exposed to potential inadvertent violations of law or exposure to legal claims. Accordingly, confidential treatment is respectfully requested for the Confidential Materials under the FOIA and the OCC’s implementing regulations.

Please contact Rosemary Spaziani (212-403-1342) or Richard K. Kim (212-403-1354) before any public release of any of this information pursuant to a request under the FOIA or a request or demand for disclosure by any governmental agency, congressional office or committee, court or grand jury. Such prior notice is necessary so that COFC, Merger Sub, CONA, Discover and Discover Bank may take appropriate steps to protect such information from disclosure.

## PRELIMINARY STATEMENT

### Introduction

Capital One, National Association (“CONA”) is hereby submitting this application (the “OCC Application”) to the Office of the Comptroller of the Currency (the “OCC”), respectfully requesting approval to merge Discover Bank (“Discover Bank”), a Delaware state-chartered non-member bank, with and into CONA, with CONA as the surviving institution (the “Bank Merger”). CONA’s parent holding company, Capital One Financial Corporation (“COFC” or the “Company”) will acquire Discover Financial Services, the parent company of Discover Bank, through a merger of Vega Merger Sub, Inc. (“Merger Sub”), a wholly owned merger subsidiary of COFC, with and into Discover, with Discover continuing as the surviving corporation (the “First Step Merger”). Immediately following the First Step Merger and as part of a single, integrated transaction, Discover will merge with and into COFC, with COFC continuing as the surviving corporation (the “Second Step Merger”). Immediately following the Second Step Merger, Discover’s wholly-owned bank subsidiary, Discover Bank, will merge with and into COFC’s wholly-owned bank subsidiary, CONA, with CONA continuing as the surviving bank (the “Bank Merger,” and together with the First Step Merger and the Second Step Merger, the “Proposed Transaction”). A copy of the Agreement and Plan of Merger on February 19, 2024 (the “Agreement”), for the Potential Transaction is in Exhibit 1.

CONA is submitting this OCC Application to the OCC for approval of the Bank Merger, pursuant to 12 U.S.C. §§ 215a-1, 1828(c) (the “Bank Merger Act”) and 1831u (“Section 1831u”), and 12 CFR part 5. CONA is also seeking permission, pursuant to 12 U.S.C. §§ 36(d) and 1831u(d) and 12 CFR part 5, to retain and operate the main office of Discover Bank as a licensed branch of CONA.

In addition, CONA is seeking OCC permission to retain and operate as operating subsidiaries Discover Bank’s subsidiaries, pursuant to 12 U.S.C. § 24 and 12 CFR § 5.34. More detailed information about the subsidiaries of Discover Bank is provided below.

As of December 31, 2023, CONA had total consolidated assets of approximately \$475.6 billion and total deposits of approximately \$374.2 billion. CONA was well-capitalized as of December 31, 2023. As of December 31, 2023, Discover Bank had total consolidated assets of \$149.4 billion and total consolidated deposits of \$112.6 billion. Discover Bank was well-capitalized as of December 31, 2023.

The Proposed Transaction will substantially enhance Capital One’s ability to distribute its broad suite of consumer and business banking products and services, and better position the combined organization to compete with the largest banking organizations in the United States. Capital One will scale and leverage the benefits of its eleven-year technology transformation across all of Discover’s businesses and the Discover payments networks to provide customers and merchants expanded products and services within Capital One’s robust risk management framework. These investments in the Discover payments networks also promise to promote competition and financial stability by deconcentrating these already concentrated markets.

## Executive Summary

With this OCC Application, CONA is seeking the OCC's prior approval for the Bank Merger and permission, upon consummation of the Bank Merger, to: (1) retain and operate the main office of Discover Bank as a branch of CONA; and (2) retain the subsidiaries of Discover Bank as operating subsidiaries of CONA. As noted, the Bank Merger will occur immediately following the Second Step Merger.

For all the reasons discussed herein, CONA submits that the Bank Merger and OCC Application satisfy each of the criteria that the OCC is required to consider. The discussion in this Preliminary Statement focuses on the required factors and considerations under the Bank Merger Act and its implementing regulations, in light of the overlapping criteria under the relevant regulatory provisions governing the Related Transactions.

In acting on this OCC Application, the OCC must consider the requirements for an interstate transaction, the statutory limit on deposit concentrations, the financial and managerial resources and future prospects of the institutions involved and their effectiveness in combatting money laundering, the competitive effects of the Bank Merger, the extent to which the transaction would result in greater or more concentrated risks to the stability of the U.S. banking or financial system, the effects of the Bank Merger on the convenience and needs of the communities to be served, and the relevant banks' records of performance under the Community Reinvestment Act of 1977 (the "CRA").

The Bank Merger would meet the requirements for an interstate banking transaction under Section 1831u. For purposes of that provision, the home state of CONA is Virginia and the home state of Discover Bank is Delaware. The Bank Merger would result in CONA controlling less than 3% of deposits nationwide – far less than the 10% nationwide deposit cap under Section 1831u. In addition, the Bank Merger would be consistent with relevant deposit cap concentration limits, age limits and community reinvestment statute requirements for a permissible interstate transaction.

CONA and COFC are financially strong and well-managed and are committed to maintaining their strong and prudent financial, operating and risk profiles upon consummation of the Proposed Transaction. They have ample financial and managerial resources to consummate the Proposed Transaction and successfully integrate Discover Bank and its subsidiaries.

CONA and Discover Bank, and their respective parent bank holding companies, are each well-capitalized. CONA and Discover Bank, and their respective parent bank holding companies, have capital ratios well in excess of the minimum capital ratios required for well-capitalized status. On consummation of the Proposed Transaction, the capital and liquidity resources of CONA and COFC would remain well above regulatory requirements and supervisory expectations. CONA and COFC would continue to maintain prudent capital and liquidity planning and associated risk management practices, including capital and liquidity stress testing programs.

Capital One will continue to have strong managerial resources and risk management systems to continue operating in a safe and sound manner and complete a successful integration

of Discover. Capital One has a robust risk management program in place, including for capital, liquidity, credit, market, operational and compliance risks. To assist in the decision-making process for the Proposed Transaction and planning for a successful integration, CONA and COFC management led a comprehensive due diligence review of all lines of business and functional areas of Discover and Discover Bank, including credit, compliance, risk management, Bank Secrecy Act/anti-money laundering (“BSA/AML”), cyber security, liquidity, operations, human resources, finance, internal audit and legal. A summary of key findings is included as Confidential Exhibit A.

Capital One has implemented and maintains a strong and effective compliance risk management program, including for compliance with the BSA and other AML laws; sanctions restrictions issued by the U.S. Department of Treasury’s Office of Foreign Assets Control (together, “BSA/AML/Sanctions Compliance”); and fair lending and other consumer protection laws (“Consumer Compliance”). Capital One also has a strong Enterprise Risk Management Framework that is applied across all risk categories and all three Lines of Defense to ensure effective risk identification, management and reporting. Capital One will begin to apply its Risk Management Framework and policies to Discover’s businesses and risk management functions immediately upon closing, and will fully integrate Discover’s risk management functions into Capital One’s programs through a comprehensive integration plan.

The Proposed Transaction will not substantially lessen competition in any market. To the contrary, it promises to promote competition in two significant segments of the financial services industry – debit and credit card networks – that would meaningfully benefit from the injection of investment that COFC promises to bring. The parties do not overlap in any local banking market as defined by the Federal Reserve Banks, and competition for deposits nationwide will remain robust after the Bank Merger.

The Bank Merger will similarly not lessen competition with respect to credit card issuing. Share and concentration levels for credit card issuing are well below safe harbor thresholds and the industry is intensely competitive and dynamic – in part due to the ease with which issuers and consumers can switch among products and services. In fact, the Proposed Transaction will increase competition among credit and debit networks by strengthening Discover’s payments networks to the benefit of the network users (both cardholders and merchants), thereby facilitating more robust competition against Visa and Mastercard, the two leading operators of debit and credit networks.

Following the Proposed Transaction, CONA’s pro forma assets will be approximately \$640 billion, which is still less than one-third of the average domestic assets held by each of the four largest U.S. banks.

In addition, the Proposed Transaction would not pose any significant risk to the stability of the U.S. banking or financial system. Capital One is a highly diversified financial services provider based in the United States, subject to the oversight of the Federal Reserve and the OCC. Both CONA and Discover Bank provide traditional banking services, for which there are numerous competitors in all cases. Upon consummation of the Bank Merger, Capital One would

be less than one-third of the average size of the four largest U.S. banks<sup>1</sup> and would remain a Category III banking organization for regulatory purposes; and its globally systemically important bank (“GSIB”) score would remain well below the threshold to be considered systemically important. CONA’s insured deposits would be approximately 79% of its total deposits, which is expected to be the highest insured deposit percentage amongst the 10 largest U.S. banks. Moreover, while the Proposed Transaction would result in adjustments to Capital One’s overall resolution planning, it would not complicate any resolution process in the event of serious financial distress.

The resulting institution will benefit the convenience and needs of the communities served by CONA and Discover Bank, including their customers, communities and employees, by combining two organizations with strong customer-oriented cultures and compatible business models. Both CONA and Discover Bank have a strong commitment to serving the needs of their communities as demonstrated by each bank’s strong CRA performance record, as well as each organization’s ongoing community engagement activities. Moreover, CONA is committed to integrating Discover Bank and its activities into Capital One’s risk, compliance and CRA framework. Both organizations are committed to supporting the needs of historically underrepresented groups and continue to innovate solutions to support diversity within their businesses and each of their respective geographies. There are no planned branch closures in connection with the Proposed Transaction and Discover Bank customers will have access to a broader set of financial products and services, including, but not limited to, full service digital banking products and a robust network of 259 branches (as of June 2024, reflecting previously determined actions unrelated to the Proposed Transaction), and 55 Capital One Cafés (as of June 2024, reflecting previously determined actions unrelated to the Proposed Transaction). CONA has a long and proud history of innovation designed to benefit the consumer, and its flagship 360 Checking account is Bank On certified. CONA was also the first major bank to completely eliminate overdraft fees.

Based on the foregoing and as explained in more detail below and in the exhibits to the OCC Application, the Bank Merger and related transactions will satisfy all of the factors the OCC must consider and, accordingly, this OCC Application is fully consistent with approval and should be approved as soon as possible.

## **The Companies and the Banks**

### **Capital One, National Association**

CONA is a national bank with its headquarters and main office in McLean, Virginia. CONA is a wholly owned subsidiary of COFC and currently operates licensed, domestic branches in seven states (Connecticut, Louisiana, Maryland, New Jersey, New York, Texas and Virginia) and the District of Columbia. CONA offers a broad spectrum of financial products and services directly to consumers, small businesses and commercial clients, including retail and commercial deposits, credit cards, auto loans, small business and commercial loans and cash management services.

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<sup>1</sup> Based on consolidated asset size as of December 31, 2023.



Capital One also offers products and services outside of the United States principally through COEP, an indirect subsidiary of CONA organized and located in the United Kingdom, and through a branch of CONA in Canada. Both COEP and the Canadian branch of CONA have the authority to provide credit card loans.

As of December 31, 2023, CONA had total consolidated assets of approximately \$475.6 billion and total consolidated deposits of approximately \$374.2 billion.

CONA exceeds the requirements to be “well capitalized” under the regulations of the OCC.<sup>2</sup> As of December 31, 2023, CONA had a Common Equity Tier 1 risk-based capital ratio of 13.1%, Tier 1 risk-based capital ratio of 13.1%, a total risk-based capital ratio of 14.3% and a leverage ratio of 10.3%.

For additional information regarding CONA, please refer to Exhibit 2 for the public portions of the Consolidated Report of Condition and Income for CONA for the quarter ended December 31, 2023.

### **Capital One Financial Corporation**

COFC is a Delaware corporation and the top-tier holding company for the Capital One organization, a leading financial services provider headquartered in McLean, Virginia.

Established in 1994, Capital One is a diversified financial services provider with a history of strong and sustainable financial performance that strategically positions it for growth across its core businesses. Capital One offers a broad array of financial products and services to consumers, small businesses and commercial clients through digital channels, branch locations, cafés and other distribution channels. Capital One has continued to bring technological innovations to the world of finance by being one of the first large enterprises to move entirely to the public cloud.

Capital One is registered as a bank holding company under the BHC Act and a financial holding company under the Gramm-Leach-Bliley Act amendments to the BHC Act. COFC operates through CONA, its national bank subsidiary, and other nonbank subsidiaries. Capital One’s international activities are performed primarily through Capital One (Europe) plc (“COEP”), an indirect subsidiary of CONA that provides consumer lending products in the United Kingdom, and Capital One Bank (Canada Branch), a foreign branch office of CONA that provides consumer lending products in Canada.

At December 31, 2023, COFC had total assets on a consolidated basis of approximately \$478.5 billion, consolidated total deposits of approximately \$348.4 billion, and consolidated total shareholders’ equity of approximately \$58.1 billion. Capital One exceeds the requirements to be “well capitalized” under the Federal Reserve’s regulations for bank holding companies.<sup>3</sup> As of December 31, 2023, COFC had, on a consolidated basis, a Tier 1 risk-based capital ratio of

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<sup>2</sup> See 12 CFR § 6.4(b)(1).

<sup>3</sup> See 12 CFR § 225.2(r)(1).

14.2%, a total risk-based capital ratio of 16.0%, a leverage ratio of 11.2%, and a common equity tier 1 risk-based capital ratio of 12.9%.

COFC's common stock trades on the New York Stock Exchange under the symbol "COF" and is included in the S&P 500 Index.

### **Discover Bank**

Discover Bank is a Delaware state-chartered nonmember bank that is a wholly owned direct subsidiary of Discover. Discover Bank is regulated by the Federal Deposit Insurance Corporation ("FDIC") and the Delaware State Bank Commissioner. Discover Bank offers Discover-branded credit cards to individuals and small businesses, as well as home and personal loans, related add-on products, and obtains deposits from customers directly or through affinity relationships. Discover previously provided student loans, but stopped accepting new applications for private student loans as of February 1, 2024. Discover is targeting to complete the sale of its student loan business in the second half of 2024 but the sale process remains in the early stages. Discover Bank has a single retail location at its main office address in Greenwood, Delaware, and operates as a direct bank on a national basis. As a direct bank, Discover Bank offers and services its lending and deposit products and services nationwide primarily through use of digital channels, telephone, print materials, email, arrangements with third parties, and direct mail channels.

As of December 31, 2023, Discover Bank had \$149.4 billion in assets representing 98.6% of Discover's assets on a consolidated basis. The asset portfolio primarily consists of \$119.1 billion in net loan receivables, with net credit card receivables representing 79.4% of the net loan portfolio and 63.3% of total assets. Discover Bank had total liabilities of \$136.6 billion, of which deposits accounted for approximately \$112.6 billion. Discover Bank earned \$2.6 billion in net income for the year ending December 2023, which represents approximately 90.1% of Discover's consolidated net income. For additional information regarding Discover Bank, please refer to [Exhibit 3](#) for the public portions of the Consolidated Report of Condition and Income for Discover Bank for the quarter ended December 31, 2023.

### **Discover Financial Services**

Discover is a Delaware corporation, bank holding company and financial holding company, headquartered in Riverwoods, Illinois. Discover provides digital banking and payment services through its subsidiaries, including Discover Bank, and had total consolidated assets of approximately \$151.5 billion and total deposits of approximately \$109.0 billion as of December 31, 2023. Discover operates vertically integrated global payments networks.

As part of its payment services, Discover, through its subsidiaries, operates the Discover Network, the PULSE network ("PULSE") and Diners Club International ("Diners Club"), collectively known as the "Discover Global Network." The Discover Network processes transactions for Discover-branded credit and debit cards and provides payment transaction processing and settlement services. PULSE operates an electronic funds transfer network, providing financial institutions issuing debit cards on the PULSE network with access to ATMs domestically and internationally, as well as merchant acceptance throughout the United States

for debit card transactions. Diners Club is a global payments network of licensees, which are generally financial institutions, that issue Diners Club branded charge cards and/or provide card acceptance services. Discover provides Diners Club licensees with payment processing and settlement services for transactions as well as a centralized service center and technological services.

## **Terms of the Proposed Transaction**

### **Merger Agreement and Bank Merger Agreement**

Concurrently with the execution of the Agreement, CONA and Discover Bank entered into an Agreement and Plan of Merger providing for the Bank Merger to occur following the effectiveness of the First Step Merger and the Second Step Merger and subject to the approval of the OCC and all other necessary authorizations and approvals. A copy of the Agreement is provided in Exhibit 1 and a copy of the Bank Merger Agreement is provided in Exhibit 4.

In the Proposed Transaction, there will be three mergers. First, Merger Sub will merge with and into Discover, with Discover continuing as the surviving corporation to effectuate the First Step Merger. Immediately following the First Step Merger, and as part of a single, integrated transaction, the Second Step Merger will occur in which Discover will merge with and into COFC, with COFC continuing as the surviving corporation and, following the Second Step Merger, the separate corporate existence of Discover will cease. Immediately following the Second Step Merger, the Bank Merger will take place in which Discover Bank will merge with and into CONA, with CONA continuing as the surviving entity and the separate corporate existence of Discover Bank will cease to exist.

Each outstanding share of Discover Common Stock will be converted into the right to receive the Exchange Ratio. Each share of Discover preferred stock will be automatically converted into the right to receive one (1) share of the applicable series of new COFC preferred stock and each outstanding Discover depositary share will be automatically converted into a new COFC depositary share. Each Discover RSU award that is outstanding immediately prior to the effective time will be converted into a COFC RSU award, with the number of shares underlying such award adjusted based on the Exchange Ratio. Each such COFC RSU award will otherwise continue to be subject to the same terms and conditions (including vesting terms) as applied to the corresponding Discover RSU award. Each Discover PSU award that is outstanding immediately prior to the effective time will be converted into a COFC cash-based award in respect of an amount in cash equal to the product of (i) the total number of shares subject to the Discover PSU award, with the number of shares of Discover Common Stock determined based on the greater of target and actual performance through the last quarter ending simultaneously with or prior to the effective time for Discover PSU awards for which as of the effective time more than one year of the performance period has elapsed, and target performance for Discover PSU awards for which as of the effective time one year or less of the performance period has elapsed, multiplied by the product of the Exchange Ratio and the average of the closing sale prices of COFC Common Stock for the five full trading days ending on the day preceding the closing date. Each converted COFC cash-based award will otherwise continue to be subject to the same terms and conditions (including service-based vesting terms) as applied to the

corresponding Discover PSU award. See the summary of terms of the Proposed Transaction provided in Exhibit 5.

On consummation of the Proposed Transaction, the subsidiaries of Discover Bank will become subsidiaries of CONA (“Bank Subsidiaries”) and the other direct and indirect subsidiaries of Discover will become direct or indirect subsidiaries of COFC. In Exhibit 6, and Exhibit 7 please find: (i) the current organizational structure of Discover and (ii) the current organizational structure of COFC, respectively. A pro forma organizational chart of COFC is provided in Confidential Exhibit B.

Resolutions approving the Proposed Transaction by COFC’s Board of Directors and resolutions of the Board of Directors of CONA approving the Bank Merger and the filing of the related regulatory filings, as well as the related consent of COFC as the sole stockholder of CONA approving the Bank Merger, are provided in Exhibit 8, Exhibit 9 and Exhibit 10, respectively. Stockholder consent of COFC, as the sole stockholder of Merger Sub, and resolutions of Merger Sub’s Board of Directors approving the First Step Merger are provided in Exhibit 11 and Exhibit 12, respectively.

Joint resolutions of the Boards of Directors of Discover and Discover Bank approving the Proposed Transaction, including the Bank Merger, and the filing of the Bank Merger application, as well as the related consent of Discover as the sole stockholder of Discover Bank, are provided in Exhibit 13 and Exhibit 14, respectively.

On February 22, 2024, COFC filed a Current Report on Form 8-K announcing the Proposed Transaction in connection with entering into the Agreement, which is provided in Exhibit 15. The Agreement contains customary representations and warranties from both COFC and Discover, and each party has agreed to customary covenants, including, among others, covenants relating to (1) the conduct of its business during the interim period between the execution of the Agreement and the Proposed Transaction closing, (2) its obligations to call a meeting of its stockholders to, in the case of Discover, adopt the Agreement and the transactions contemplated thereby (the “Discover Stockholder Approval”), and, in the case of COFC, approve the issuance of shares of COFC Common Stock constituting the consideration to be received by Discover common stockholders in the Mergers, in accordance with applicable New York Stock Exchange rules and regulations (the “Capital One Stockholder Approval”) and, subject to certain exceptions, for the Board of Directors of each of COFC and Discover to recommend that its stockholders vote in favor of such approvals, and (3) its non-solicitation obligations relating to alternative acquisition proposals.

### **Required Approvals**

In addition to the OCC Application, applications to regulatory agencies will include:

- An application to the Federal Reserve by COFC and Merger Sub, requesting approval to acquire Discover and thereby Discover Bank, pursuant to sections 3(a)(3) and (5)

of the BHC Act, and section 225.15 of Regulation Y (the “FRB Application”);<sup>4</sup>

- A notice to the Federal Reserve by COFC under section 4(c)(8) of the BHC Act to acquire nonbanking activities and companies as part of the Proposed Transaction; and
- An application to the Delaware State Bank Commissioner for prior approval to acquire control of Discover Bank immediately prior to the Bank Merger, pursuant to Title 5 Del. C. § 843, and for a waiver of the 30% state deposit concentration limit pursuant to Title 5 Del. C. § 795H.

In addition, Capital One and Discover will submit appropriate filings or notices of the Proposed Transaction to any state or foreign regulatory bodies that may be required in connection with the Proposed Transaction.

### **Public Notice**

The form of newspaper notice for the OCC Application is provided in Exhibit 16. Notice will be published in each of: (1) *Washington Post*, a newspaper of general circulation in McLean, Virginia, the community in Fairfax County, Virginia in which the headquarters of COFC and the main office of CONA are located and (2) *The News Journal*, a newspaper of general circulation in Greenwood, Delaware, the city in which the main office of Discover Bank is located. Copies of the publication affidavits from those newspapers will be provided to the OCC once they become available.

### **Factors for OCC Review**

#### **I. Interstate Banking Requirements**

Section 1831u, as added by The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, as amended, permits the OCC to authorize mergers between insured banks with different home states, subject to certain requirements. For purposes of this provision, CONA’s home state is Virginia, the state in which its main office is located.<sup>5</sup> Discover Bank’s home state is Delaware, the state in which its main office is located.<sup>6</sup>

Approval of an application to engage in an interstate merger transaction under Section 1831u is subject to certain requirements and conditions set forth in Sections §§ 1831u(a)(5) and 1831u(b). These conditions relate to: (1) compliance with state filing requirements; (2) compliance with state-imposed age limits, subject to Section 1831u’s limitations; (3) compliance with nationwide concentration limits and, to the extent applicable, state concentration limits; (4) community reinvestment compliance; (5) adequacy of capital and management skills; and (6) surrender of the charter, upon request, after the transaction. The Bank Merger satisfies or will satisfy all of these conditions to the extent applicable.

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<sup>4</sup> 12 U.S.C. §§ 24, 36(d), 1828(c) and 1831u; 12 CFR §§ 5.33 and 5.34. This OCC Application will also cover the operating subsidiaries of the Bank Merger.

<sup>5</sup> 12 U.S.C. § 1831u(g)(4)(A)(i).

<sup>6</sup> 12 U.S.C. § 1831u(g)(4)(A)(ii).



**Compliance with State Filing Requirements.** The Bank Merger will comply with applicable state filing requirements. An acquiring bank in an interstate merger transaction must (1) comply with the filing requirements of any state that will become a host state as a result of the transaction and (2) submit a copy of the application to the state bank supervisor of the host state.<sup>7</sup> Discover Bank has its main office in Delaware and that location will become a branch of CONA upon consummation of the Bank Merger. Accordingly, Delaware will become a “host state” as a result of the Bank Merger. As discussed above, an application is being filed with the Delaware State Bank Commissioner for prior approval for COFC and Merger Sub to acquire control of Discover Bank immediately prior to the Bank Merger, pursuant to Title 5 Del. C. § 160. CONA will also comply with any other Delaware state filing requirements and it will send a copy of the OCC Application to the Delaware State Bank Commissioner.

**Age of the Acquired Bank.** Under Section § 1831u(a)(5), the OCC may not approve a merger if the effect would be to permit “an out-of-State bank or out-of-State bank holding company to acquire a bank in a host State that has not been in existence for the minimum period of time, if any, specified in the statutory law of the host State,” subject to a cap of five-years.<sup>8</sup> Discover Bank was established as a Delaware state-chartered trust company in 1911 (under the name of Greenwood Trust Company). That institution converted to a Delaware state-chartered credit card bank in 1985 and changed its name to Discover Bank in 2000. Accordingly, the bank has been in existence much longer than five years. Therefore, the OCC is authorized under Section 1831u(a)(5) to approve the Bank Merger regardless of any state law age requirements.<sup>9</sup>

**Nationwide Concentration Limit.** Section 1831u(b)(2)(A) provides that an interstate acquisition may not be approved, if, upon consummation, the applicant would control “more than 10% of the total amount of deposits of insured depository institutions in the United States” (“nationwide deposits”).<sup>10</sup> As of December 31, 2023, CONA and Discover Bank had nationwide deposits totaling \$374.2 billion and \$112.6 billion, respectively. Upon consummation, COFC would be holding \$486.9 billion, which is less than 3% of nationwide deposits as of December 31, 2023 and, thus, would be well under the nationwide deposits concentration limit.<sup>11</sup>

**Statewide Concentration Limit.** Section 1831u(b)(2)(B) has provisions regarding state concentration limits. However, this provision is inapplicable both because (a) the Bank Merger involves affiliated banks<sup>12</sup> and (b) this is an “initial entry” by CONA into Delaware as it does not currently have a licensed branch in the state.<sup>13</sup> Accordingly, the OCC is authorized to approve the Bank Merger under Section 1831u’s statewide concentration limit provision.

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<sup>7</sup> 12 U.S.C. § 1831u(b)(1). The term “host State” means, “With respect to a bank, a State, other than the home State of the bank, in which the bank maintains, or seeks to establish and maintain, a branch.” 12 U.S.C. § 1831u(g)(5).

<sup>8</sup> 12 U.S.C. § 1831u(a)(5)(A).

<sup>9</sup> Delaware does not have a state age requirement of more than five years.

<sup>10</sup> 12 U.S.C. § 1831u(b)(2)(A).

<sup>11</sup> Calculation represents Total Liabilities Before Exclusions less Total Allowable Exclusions plus Interest Accrued and Unpaid on Deposits aggregated for all FDIC-insured banks and thrifts and reported on their Consolidated Report of Condition and Income for the quarter ended December 31, 2023. As of December 31, 2023, banks and thrifts held \$17.7 trillion in adjusted domestic deposits.

<sup>12</sup> See 12 USC 1831u(b)(2)(E).

<sup>13</sup> See 12 USC 1831u(b)(2)(B)(i) (the statewide concentration limit applies only where the resulting bank already has a branch in the state where the acquired branch has a branch).

However, it is worth noting that for the purposes of the statewide concentration limit, CONA's operational facility that accepts and reports internet-based deposits is located in Delaware. Even if the statewide concentration limit were applicable, the Bank Merger would comply with the limitation. Section 1831u(b)(2) has two subparagraphs that place limits on statewide deposit concentrations in applicable transactions:

- Section 1831u(b)(2)(B) ("Subparagraph B") provides that an interstate merger may not be approved if (1) any bank involved in the transaction (including all insured depository institutions that are affiliates of any such bank) has a branch in any state in which any other bank involved in the transaction has a branch and (2) the resulting bank (including all insured depository institutions that would be affiliates of the resulting bank), upon consummation of the transaction, would control 30% or more of the total amount of deposits in any such state.<sup>14</sup>
- Section 1831u(b)(2)(C) ("Subparagraph C") provides that state law caps on the total amount of deposits in the state that a single banking organization may hold must also be complied with, provided that the cap does not discriminate against out-of-state banking organizations.<sup>15</sup>

Discover Bank's home state is Delaware and it does not have a branch in any other state. Discover Bank operates a digital bank and accepts deposits nationwide. CONA has a location in Delaware, which is an operational facility and accepts deposits<sup>16</sup> via the CONA website from customers nationwide. As of December 31, 2023, approximately 64% of CONA's deposits are attributable to its location in the State of Delaware for purposes of Section 3(d) of the BHC Act.

As of June 30, 2023, CONA and Discover Bank had deposits totaling \$224.2 billion and \$101.2 billion, respectively, booked in these Delaware locations. Thus, reflecting that both CONA and Discover Bank book deposits from customers nationwide at locations in Delaware, on a combined basis, CONA would hold approximately \$325.4 billion or 64.9% of the \$501.4 billion total amount of the reported deposits of insured depository institutions in Delaware.<sup>17</sup> Although on a combined basis, CONA would exceed 30% of the deposits in Delaware, Section 1831u(b)(2)(D) ("Subparagraph D") provides that the OCC may approve an application for an interstate merger transaction without regard to the concentration limit in Subparagraph B if *either*: (a) there is a State statute, regulation, or order which has the effect of permitting a bank or bank holding company to control more than 30% of total deposits of all insured depository institutions in the State ("Exception A"); *or* (b) the transaction is approved by the appropriate State bank supervisor of such State and the standard on which such approval is based does not

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<sup>14</sup> 12 U.S.C. §1831u(b)(2)(B).

<sup>15</sup> 12 U.S.C. §1831u(b)(2)(C).

<sup>16</sup> While this CONA location is not a branch, it is conservatively assumed that an operational facility that accepts deposits is deemed to be a branch solely for the purposes of Section 3(d)'s state concentration limit.

<sup>17</sup> Importantly, (a) less than 1% of CONA's deposits that are booked in Delaware and (b) slightly over 1% of the Discover Bank deposits that are booked in Delaware are owned by depositors who provide CONA and Discover Bank, respectively, with a primary address in the State of Delaware. Counting only these Delaware-based depositors, CONA would hold slightly over \$3 billion in deposits, representing less than 2% of Delaware deposits on an adjusted basis (i.e., deducting CONA's and Discover Bank's non-Delaware-based depositors from the denominator as well).



have the effect of discriminating against out-of-State banking organizations (“Exception B”). As discussed below, both Exception A and Exception B apply in this case.

As discussed above, applications to regulatory agencies will include an application to the Delaware State Bank Commissioner for prior approval to acquire ownership or control of Discover and Discover Bank immediately prior to the Bank Merger, pursuant to Title 5 Del. C. § 844, and for a waiver of the 30% state deposit concentration limit pursuant to Title 5 Del. C. § 795H. Therefore, provided such approval from the Delaware State Bank Commissioner is received, the Proposed Transaction would comply with Exception B.

Further, Delaware state law expressly authorizes the State Banking Commissioner to approve a proposed transaction that would result in a banking organization that holds more than 30% of the deposits in the state.<sup>18</sup> Accordingly, Delaware law permits a bank or bank holding company to control a more than 30% of total deposits of all insured depository institutions in Delaware with the approval of the Delaware Banking Commissioner. Accordingly, provided that approval of the Proposed Transaction by the Delaware State Bank Commissioner is received, the Bank Merger would also comply with Exception A.

Accordingly, even if the state concentration limit is applicable, the OCC is authorized to approve the Bank Merger under Section 1831u’s state concentration limit provision.

***Community Reinvestment Act Compliance.*** Section 1831u requires the OCC to consider an applicant’s record under the CRA and take into account its record of compliance under state community reinvestment laws.<sup>19</sup> CONA currently has an overall CRA rating of “Outstanding” and Discover Bank currently has an overall CRA performance rating of “Satisfactory.” Detailed information about the CRA compliance records of CONA and Discover Bank are in the *Commitment to the CRA* section below. CONA and Discover Bank are in compliance with applicable state community reinvestment statutes and related requirements.<sup>20</sup>

***Capital and Managerial Conditions.*** The Bank Merger will comply with Section 1831u’s capital and managerial conditions. Section 1831u requires that each bank involved in the Bank Merger be “adequately capitalized” as of the date the merger application is filed and that the responsible agency determines that the resultant bank will be “well capitalized” and “well managed.”<sup>21</sup> Each of CONA and Discover Bank is “well capitalized” and the resultant bank will be “well capitalized” and “well managed.” Please see the discussion below in the *Introductory Statement—Financial and Managerial Resources and Future Prospects* section and the exhibits referenced therein.

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<sup>18</sup> See 5 Del. C. § 843(b).

<sup>19</sup> See 12 U.S.C. § 1842(d)(3).

<sup>20</sup> Discover Bank has its main office in Delaware, which does not have a state CRA law. CONA has branches in three jurisdictions (i.e., Connecticut, the District of Columbia and New York) that have enacted state CRA statutes. See CT Gen. Stat. § 36a-30; D.C. Code § 26-431; N.Y. Banking Law § 28-b. To the extent that they are applicable to CONA, CONA is in compliance with such CRA laws.

<sup>21</sup> 12 U.S.C. § 1831u(b)(4).

***Conclusion under Section 1831u.*** The Bank Merger would satisfy each of the conditions for an interstate acquisition under the Section 1831u.<sup>22</sup> Accordingly, the OCC is permitted to approve the Bank Merger.

## **II. Financial and Managerial Resources and Future Prospects**

In acting on the OCC Application, the Bank Merger Act requires the OCC to consider the financial and managerial resources and future prospects of the organizations involved. The Bank Merger represents a strategic transaction to increase Capital One's product offerings to better serve its and Discover's customers.

Capital One will benefit from the compatible business lines and diversification of customers and geographies acquired through the Proposed Transaction. The Proposed Transaction will introduce the Discover Global Network to Capital One. Currently, Discover processes approximately 5% of total debit purchase volume and 4% of total credit purchase volume in the United States. Capital One expects to utilize its strong credit card issuance platform to drive increased volume to the Discover Global Network, which, coupled with expected additional investments in the Discover Global Network, position the Discover Global Network to compete more effectively with Visa, Mastercard, and Amex.

Capital One, including CONA, has strong financial, capital, liquidity and managerial resources, including a robust risk management framework ("RMF"), that will enable it to consummate the Proposed Transaction, successfully integrate the operations of Discover into Capital One and Discover Bank into CONA, and ensure the continued safe and sound operation of Capital One, including CONA, going forward.

Senior management of Capital One will continue to take steps to ensure that COFC and CONA maintain suitable capital planning, liquidity management, managerial resources, corporate governance, enterprise risk management programs, compliance and technological infrastructure commensurate with its size, complexity, risk profile, and scope of operations and otherwise meet the Federal Reserve's and OCC's supervisory expectations. As a Category III organization under the Federal Reserve's prudential standards for large bank holding companies (Regulation YY, 12 CFR part 252), COFC has already been subject to enhanced prudential supervisory standards, including the Supplementary Leverage Ratio, Countercyclical Capital Buffer requirements of the banking agencies' regulatory capital rules, company-run capital stress testing and single counterparty credit limits, as well as the liquidity coverage ratio requirement (the "LCR") and net stable funding requirement (the "NSFR") and resolution planning requirements.<sup>23</sup> COFC has satisfactorily met all these requirements and standards and will continue to have the governance, infrastructure and systems to meet all the relevant regulatory requirements and supervisory expectations for a Category III banking organization. Furthermore, the Proposed Transaction will have the effect of bringing the assets, liabilities and

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<sup>22</sup> As part of these conditions, the charter of Discover Bank will be surrendered on consummation of the Bank Merger.

<sup>23</sup> See Prudential Standards for Large Bank Holding Companies, Savings and Loan Holding Companies, and Foreign Banking Organizations, 84 *Fed. Reg.* 59032 (Nov. 1, 2019).

operations of the Discover organization under the heightened requirements applicable to Category III organizations, described above.

Based on all the information below and in the exhibits, it is evident that the financial, managerial and future prospects factors that the OCC must consider all support approval of the this OCC Application.

**A. Financial, Capital and Liquidity Strength**

Since January 1, 2020, the federal banking agencies' capital and liquidity rules classify all banking organizations with \$100 billion or more in total consolidated assets into one of four categories (Category I, II, III or IV), based on the banking organization's asset size and risk profile, with the most stringent capital and liquidity requirements applicable to Category I firms and the least restrictive requirements applying to Category IV firms. Based on this regulatory framework, COFC currently qualifies as a Category III organization. Following the Proposed Transaction, COFC will have approximately \$646 billion<sup>24</sup> in total consolidated assets and will remain well under \$75 billion in cross-jurisdictional activity. For additional information on cross-jurisdictional activities see "*Financial Stability Risk Considerations – Cross-Border Activity.*" Capital One would become subject to Category II standards if it has \$700 billion or more in total consolidated assets or \$75 billion or more in cross-jurisdictional activity, each as measured based on the average for the four most recent calendar quarters.<sup>25</sup> Accordingly, upon consummation of the Proposed Transaction, the combined organization will continue to be a Category III firm. Capital One understands the additional regulatory requirements applicable to Category II firms and will be prepared to meet such additional requirements to the extent future growth results in Capital One exceeding the applicable thresholds for classification as a Category II firm.

**Capital.** Capital One employs comprehensive and rigorous capital planning and capital stress testing programs, and the acquired operations of Discover will be covered by these effective programs. The respective capital and leverage ratios of COFC, CONA, Discover and Discover Bank exceed the minimum ratios necessary for "well capitalized" status and, on consummation of the Proposed Transaction, the capital ratios and leverage ratios of COFC and CONA are projected to exceed the required minimum levels necessary for "well capitalized" status and meet supervisory expectations. The Proposed Transaction is expected to result in a holding company and bank with stronger financial and operating metrics, and increased profitability and scale that will permit the combined organization to better compete against the largest banking organizations and larger regional banking organizations in the United States. For more detailed information on the current, pro forma and projected financials, capital ratios and asset quality of COFC and CONA, please see Exhibit 17 and Confidential Exhibit D.

**Liquidity.** COFC and CONA are subject to the LCR as implemented by the Federal Reserve and OCC (the "LCR Rule").<sup>26</sup> The LCR Rule requires each of COFC and CONA to

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<sup>24</sup> This pro forma total consolidated asset amount includes Discover's student loan portfolio. As discussed below, Discover is targeting to complete the sale of its student loan business prior to the consummation of the Proposed Transaction.

<sup>25</sup> 12 CFR §§ 252.2 and 252.5.

<sup>26</sup> 12 CFR § 50 (OCC) and 12 CFR § 249 (Federal Reserve).

hold an amount of eligible high quality liquid assets that equals or exceeds 100% of its respective projected adjusted net cash outflows over a 30-day period, each as calculated in accordance with the LCR Rule. As a Category III institution with less than \$75 billion in weighted average short-term wholesale funding, COFC's and CONA's total net cash outflows are subject to an outflow adjustment percentage of 85%. The LCR Rule requires each of COFC and CONA to calculate its respective LCR daily.

The NSFR requires COFC and CONA to maintain an amount of available stable funding, which is a weighted measure of a company's funding sources over a one-year time horizon, calculated by applying standardized weightings to equity and liabilities based on their expected stability, that is no less than a specified percentage of its required stable funding, which is calculated by applying standardized weightings to assets, derivatives exposures and certain other items based on their liquidity characteristics. As a Category III institution, COFC and CONA are each required to maintain available stable funding in an amount at least equal to 85% of its required stable funding.

Capital One maintains a robust liquidity risk management program and manages liquidity risk at the consolidated company level to help ensure that it (1) can obtain cost-effective funding to meet current and future obligations under both normal "business as usual" and stressful circumstances, and (2) maintains an appropriate level of contingent liquidity. Management monitors liquidity through a series of early warning indicators that may indicate a potential market or Capital One-specific liquidity stress event, performs liquidity stress tests over multiple time horizons with varying levels of severity, and maintains a contingency funding plan to address a potential liquidity stress event. Capital One's liquidity guidelines and liquidity-related risk limits are established at an enterprise level, as well as managed and monitored at various entity levels, including CONA. Capital One's liquidity risk management program will cover the acquired operations of Discover and Discover Bank on consummation of the Proposed Transaction. Substantial focus has been placed by regulators, the markets and, the banks themselves on a bank's level of insured deposits in absolute terms and relative to total deposits. On a pro forma, Capital One's insured deposits would be approximately 79% of its total deposits, which is expected to be the highest insured deposit percentage amongst the 10 largest U.S. banks.

**Resolution Planning.** COFC is a Category III organization for purposes of the Federal Reserve's resolution planning requirements and CONA is an insured depository institution with more than \$50 billion in total assets that is subject to the FDIC's resolution planning requirements.<sup>27</sup> Following consummation of the Proposed Transaction, COFC will continue to be a Category III organization, subject to the Federal Reserve's resolution planning rules, and CONA will continue to be subject to the FDIC's resolution planning rules.

Capital One does not expect that the Proposed Transaction will make COFC or CONA materially more difficult to resolve if they fail or experience financial distress. The Proposed Transaction does not involve the acquisition or assumption of complex assets or liabilities. Although Capital One will have a larger asset base after consummation of the Proposed Transaction, approximately 99% of the combined organization's total assets will be held by or

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<sup>27</sup> See 12 CFR § 360.10.

through CONA. The introduction of the new operations, legal entities, and activities related to the Discover Global Network is not expected to increase the relatively low level of complexity of Capital One's operations from a resolution standpoint, especially given that the Discover Global Network could be viewed as a standalone and marketable asset.

Capital One anticipates that its existing resolution planning processes and governance framework, including ongoing enhancements designed to address regulatory rules and expectations, are appropriate to incorporate Discover, including the Discover Global Network, into Capital One's resolution and recovery planning strategy. Discover's most significant business lines and the significant majority of its assets and liabilities consist of activities at Discover Bank, namely credit card lending and direct banking. Capital One has extensive existing operations, expertise and experience, including extensive resolution planning experience with respect to those activities. The services provided by the Discover Global Network to CONA's material entities and core business lines will be appropriately mapped and evaluated as part of Capital One's resolution strategy. Capital One is currently evaluating the impact of the Proposed Transaction on its resolution plans and resolution strategy, and expects to submit interim updates to its resolution plans within a reasonable timeframe following the consummation of the Proposed Transaction.

## **B. Managerial Resources**

COFC and CONA have diverse, highly accomplished and experienced Boards of Directors and senior executive management teams, which provide them with outstanding managerial resources to ensure their safe and sound operation.

### **Boards of Directors**

**COFC and CONA.** The COFC and CONA Boards of Directors and management will evaluate the proposed composition of the Boards of COFC and CONA following the Proposed Transaction, considering the appropriate size, skill sets, geographic representation, diversity as well as other governance considerations. The Board of COFC will add three members of the Discover Board of Directors and expand from 12 to 15 directors. These individuals will be named at a later date. The current directors of COFC and CONA are set forth in Exhibit 18.

The independent directors of the COFC Board (the "Independent Directors"), each year in conjunction with the Board of Directors' self-assessment, evaluate the continued effectiveness of its leadership structure in the context of Capital One's specific circumstances, culture, strategic objectives, and challenges.

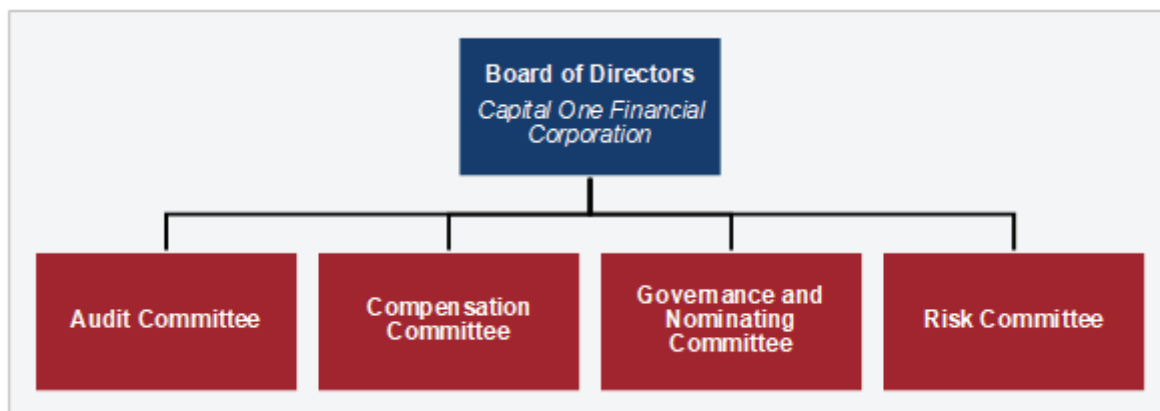
The Board of Directors has determined that the existing leadership structure with a combined Chairman/CEO and a Lead Independent Director provides the most effective governance framework and allows Capital One to benefit from Mr. Fairbank's talent, knowledge, and leadership as the founder of Capital One and allows him to use the in-depth focus and perspective gained in running Capital One to effectively and efficiently lead the Board. As CEO, Mr. Fairbank oversees Capital One's day-to-day operations and strategic planning, and as Chairman of the Board he leads the Board in its oversight role, including with respect to strategic matters and risk management.



COFC and the Board of Directors also benefit from an active and empowered Lead Independent Director who provides strong, independent leadership for the Board. Recognizing the importance of independent perspectives to the Board to balance the combined Chairman and CEO roles, Capital One appropriately maintains strong independent and effective oversight of its business and affairs through its Lead Independent Director; fully-independent Board committees with independent chairs that oversee Capital One’s operations, risks, performance, compliance and business strategy; experienced and committed directors; and regular executive sessions.

The COFC Board of Directors currently have four standing committees: (i) Audit Committee, (ii) Risk Committee, (iii) Governance and Nominating Committee, and (iv) Compensation Committee. The standing committees of the COFC Board of Directors also act as committees of the CONA Board of Directors. In addition, the CONA Board of Directors has another standing committee, the Trust Committee, which oversees the wind-down of the legacy wealth management and trust activities of CONA. Each committee chair provides recurring reports to the Board regarding its discussions and activities.

### **COFC Board Committee Structure**

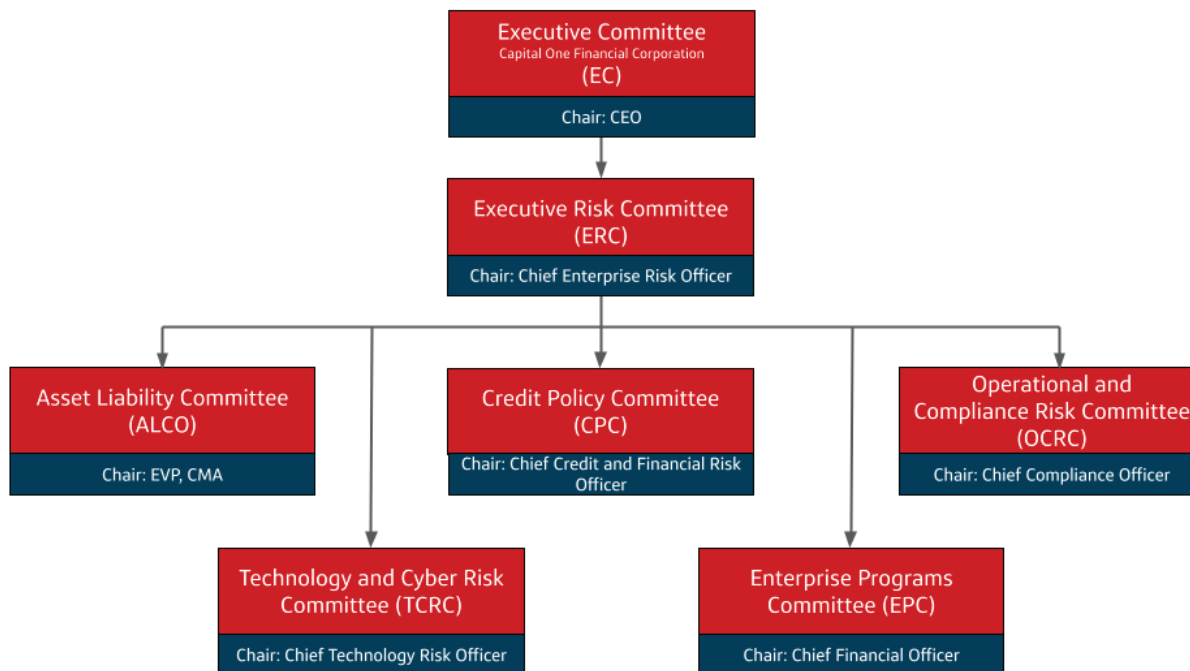


### **Management**

Capital One does not anticipate material changes to the management structure and team of COFC or CONA. Mr. Fairbank will remain Chairman and Chief Executive Officer of COFC and Chairman, President and Chief Executive Officer of CONA. The current Senior Executive Officers of COFC and CONA are set forth in [Exhibit 19](#). As part of the integration planning, the management structure and team will be reviewed for any appropriate changes.

As part of its management structure, Capital One has senior management committees, which are governance forums established to advise and assist the CEO and other accountable executives, as subject matter expert advisory panels, in the management of Capital One’s strategy, financial results, business operations, compliance with laws and regulations (including those pertaining to consumer protection), and enterprise risk matters, including the Company’s performance against risk appetites and limits. The senior management committee structure is an important part of Capital One’s broader governance framework.

## Senior Management Committee Structure



### **1. Governance Structure**

Capital One is dedicated to strong and effective corporate governance that provides the appropriate framework for the COFC and CONA Boards of Directors to engage with and oversee the management of the organization. Robust and dynamic corporate governance policies and practices are the foundation of an effective and well-functioning Boards, and are vital to preserving the trust Capital One has built with its stakeholders, including customers, stockholders, regulators, suppliers, associates, communities, and the general public.

The COFC and CONA Boards of Directors and its committees are accountable for oversight of Capital One's business affairs and operations. In carrying out this responsibility, among other things, the Boards and their committees oversee management's development and implementation of the Company's (i) corporate culture; (ii) corporate strategy; (iii) financial performance and associated risks; (iv) the enterprise-wide RMF, including cybersecurity and technology risk; (v) succession planning for the Company's CEO and other key executives; (vi) compensation policies and practices; and (vii) policies, programs, and strategies related to Environmental, Social, and Governance matters.

The COFC and CONA Boards of Directors and their committees regularly review and approve key governance policies and plans. The Corporate Governance Guidelines adopted by the COFC and CONA Boards of Directors formalize Capital One's key corporate governance practices and facilitate efficient and effective Board oversight. The Guidelines enable the COFC and CONA Boards of Directors to engage in responsible decision-making, work with management to pursue Capital One's strategic objectives and promote the long-term interests of its stockholders. The Corporate Governance Guidelines embody many of Capital One's long-



standing practices, policies, and procedures, which collectively form a corporate governance framework that promotes the long-term interests of its stockholders, promotes responsible decision-making and accountability, and fosters a culture that allows the COFC and CONA Boards of Directors and management to pursue Capital One's strategic objectives.

To maintain and enhance independent oversight, the COFC and CONA Boards of Directors regularly reviews and refreshes its governance policies and practices as changes in corporate strategy, the regulatory environment and financial market conditions occur, and in response to stakeholder feedback and engagement.

The COFC and CONA Boards of Directors has also adopted Capital One's Code of Conduct, which applies to Capital One's directors, executives and associates, including Capital One's CEO, CFO, Principal Accounting Officer, and other persons performing similar functions. The Code of Conduct reflects Capital One's commitment to honesty, fair dealing, and integrity, and guides the ethical actions and working relationships of Capital One's directors, executives, and associates.

The COFC and CONA Boards of Directors receive both initial and ongoing training and education to ensure they remain current on the industry and relevant developments. Additional information on director training is provided in Exhibit 20.

Capital One's governance framework is supported by policies, standards, and procedures across the enterprise, including a Corporate Governance Framework Policy approved by the COFC and CONA Boards of Directors. These policies, standards, and procedures are designed to capture how Capital One's governance operates in each function and to support a culture of good corporate governance. The governance framework also incorporates legal entities to ensure oversight meets legal and supervisory expectations. Capital One's policies, standards, and procedures are regularly reviewed and updated to support continued effectiveness.

Capital One's governance structure is designed to ensure that its business is conducted in compliance with all legal and regulatory requirements and, where appropriate, taking into consideration entity-level requirements, e.g., the OCC Heightened Standards. As part of the integration process, Capital One will maintain its governance framework in order to continue providing strong and effective oversight of the combined operations.

## **2. Employees**

Acquiring and investing in great talent is a key competitive differentiator for Capital One, and Capital One is dedicated to a successful transition for both Capital One and Discover employees. Through the course of the integration, workforce planning will be done to evaluate the combined organization as synergies and efficiencies are identified while retaining and investing in key destination talent.

## **3. Integration Planning and Experience**

Capital One's leadership is dedicated to ensuring that the integration of Discover into the Capital One organization is well-planned and effectively managed and implemented. Capital One conducted extensive due diligence on Discover. Capital One's management led a cross-

divisional team who conducted a thorough review of Discover's lines of business, and functional areas, including human relations, finance, internal audit, legal and risk management, including credit, compliance, operational and market risks. A summary of the due diligence conducted by Capital One is provided in Confidential Exhibit A. Capital One is an experienced acquirer, having completed over 40 acquisitions over the last 15 years, and will devote significant management resources to the full integration of Discover with and into Capital One. Capital One will plan to operate its disciplined integration process, focused on deploying enterprise-wide processes and capabilities and managing risk at all stages.

Key to the execution of a seamless integration, Capital One has committed some of its most senior executives to the integration process, who will be accountable for delivering a timely closing and well managed integration. Specifically, Capital One has established an Integration Leadership Team ("ILT") and supporting integration management office ("IMO") that will support the integration effort across the enterprise. The ILT reports to Capital One's General Counsel, the Integration Executive Officer, who is overseeing all integration activities beginning immediately and continuing through the estimated two-year post-closing integration period. The Integration Executive Officer reports directly to COFC's Chief Executive Officer. The ILT will provide regular reporting to the Board and appropriate Board and Management committees on the status of the integration, work streams and associated risks. In addition, leadership will provide regular integration updates to local examination representatives, including to representatives of the Federal Reserve and OCC. For additional information on Capital One's ILT, see Confidential Exhibit D.

The ILT has senior representatives of Capital One's business lines and its Risk, Human Resources, Legal, Finance, Technology, Cyber and Audit functions. Subject to certain information sharing restrictions, each workstream is responsible for conducting a gap assessment and developing a detailed project plan and timeline and supporting communication of information and decisions about the integration across relevant stakeholders. The broad, cross-functional integration team has commenced the integration efforts and defining of end-state destinations across all of the impacted businesses and enterprise teams. The current integration timeline is scheduled to be materially completed within two years following the closing of the Proposed Transaction.

For additional information on Capital One's integration plan, see Confidential Exhibit E.

#### **4. Risk Management**

Capital One dedicates significant resources to Risk Management and maintains a robust RMF, including coverage of liquidity and funding, credit, market, operational (including data and technology), strategic, reputational, and compliance risks. The RMF is rooted in the Risk Appetite Statement for Capital One, which is established by the COFC and CONA Boards of Directors and sets forth the high-level principles that govern risk taking at Capital One. The Risk Appetite Statement defines the Boards of Directors' tolerance for certain risk outcomes at an enterprise level and enables senior management to manage and report within these boundaries. This Risk Appetite Statement is also supported by specific risk appetite statements for each risk category as well as metrics and qualitative factors and, where appropriate, Board Limits and Board Notification Thresholds. Capital One's Risk Appetite Statement and

associated metrics will be reviewed with the COFC and CONA Boards of Directors and adjusted to reflect necessary changes, upon integration of Discover’s businesses (e.g., Card Concentration). For additional information on Capital One’s current Risk Appetite Statement, see Confidential Exhibit F.

The RMF is codified in the Enterprise Risk Management Policy, which is reviewed and approved at least annually by the Board of Directors. Capital One maintains a robust structure of policies and supporting documents, which collectively establish clear and specific risk management requirements, commensurate with Capital One’s complexity, size, and risk profile.

Risk Officer Structure

Capital One utilizes a dual Chief Risk Officer (“CRO”) structure. The Chief Enterprise Risk Officer (“CERO”), oversees Compliance Risk, Operational Risk, Reputation Risk, and Strategic Risk, and leads the Enterprise Risk Management function. The Chief Credit and Financial Risk Officer (“CCFRO”), oversees Credit Risk, Liquidity Risk, and Market Risk and leads the Model Risk Management function.

Each CRO reports directly to the CEO and Risk Committee Chair, has unrestricted access to the Board and its committees, is responsible for Risk Committee planning and debriefing interactions with the Chair, and holds membership in all Senior Management Committees. In addition, the CCFRO provides administrative oversight to the Credit Review function, which independently reports to the Risk Committee of the Board.

Lines of Defense

The RMF sets consistent expectations for Capital One’s “Three Lines of Defense” model, which defines the roles, responsibilities and accountabilities for taking and managing risk across Capital One. Accountability for overseeing an effective RMF resides with COFC’s Board of Directors either directly or through its committees. CONA has adopted COFC’s RMF as permitted by the OCC’s Heightened Standards.

	First Line	Second Line	Third Line
	Identifies and Owns Risk	Advises & Challenges First Line	Provides Independent Assurance
Key Responsibilities	Identify, assess, measure, monitor, control, and report the risks associated with their business.	Independent Risk Management (“ <u>IRM</u> ”): Independently oversees, challenges, and assesses risk taking activities for the First Line.	Provides independent and objective assurance to the Board of Directors and senior management that the systems and governance processes are designed and working as intended and that the RMF is appropriate for the size, complexity, and risk profile of Capital One.

The First Line consists of any line of business or function that is accountable for risk-taking and is responsible for: (1) engaging in activities designed to generate revenue or reduce expenses; (2) providing operational support or servicing to any business function for the delivery of products or services to customers; or (3) providing technology services in direct support of first line business areas. Each Capital One line of business or First Line function must manage the risks associated with their activities, including identifying, assessing, measuring, monitoring, controlling, and reporting the risks within its business activities consistent with the RMF.

The Second Line consists of two types of functions: IRM and support functions that are centers of specialized experts (“Support Functions”). IRM oversees risk-taking activities and assesses risks and issues independent of the First Line. IRM functions play a central role in defining the risk management standards that guide the risk taking activities of the First Line, in addition to providing effective challenge to first line risk taking activities. IRM is responsible for designing and updating the RMF; setting policies and standards for risk identification, assessment, measurement, monitoring, control, and reporting by the First Line; identifying and assessing material aggregate risks consistent with Capital One’s risk appetite; establishing and adhering to enterprise risk policies that include concentration risk limits; and monitoring the risk profile relative to the approved risk appetite. No First Line executive may oversee an IRM unit. IRM functions provide effective challenge across the relevant risk categories to the first line of defense and, when appropriate, certain activities conducted by support functions. Support Functions include Human Resources, Accounting and Legal, which leverage their skills and expertise to advise Capital One across all lines of defense in performing their respective activities or in identifying, assessing, measuring, monitoring, controlling, and reporting the risks associated with business activities owned by the First Line.

The Third Line is comprised of Capital One’s Internal Audit and Credit Review functions. The third line provides independent and objective assurance to senior management and the Board that the first and second lines of defense have systems and governance processes which are well-designed and working as intended and that the RMF is appropriate for the size, complexity, and risk profile of Capital One. Additionally, in carrying out its responsibilities, the third line maintains a complete and current inventory of Capital One’s material processes, product lines, services, and functions, and assesses the risks, including emerging risks, associated with each, which collectively provide a basis for the audit plan. No First Line executive may oversee any Internal Audit or Credit Review units. Third Line functions provide effective challenge and determine how and when effective challenge is conducted, including the evidentiary requirements.

### Elements of the RMF

The RMF consists of the following nine elements:

- *Governance and Accountability.* The RMF sets the foundation for the methods for governing risk taking and the interactions within and among the three lines of defense. Capital One’s risk governance structure and culture of accountability is a core focus to effectively and consistently oversee the management of risks across the Company. The Board of Directors, CEO, and management team establish the tone at the top regarding the culture of the Company, including management of risk, which is

reinforced throughout the various levels of the organization. Senior Management Committees are governance forums established to assist the CEO and other management team accountable executives in the management of the strategy, financial results, business operations, and enterprise risk management for Capital One.

- *Strategy and Risk Alignment.* Capital One's strategy is informed by and aligned with its risk appetite, from development to execution, including how initiatives may impact Capital One's overall risk profile. The strategy is developed with input from teams in the First, Second, and Third Lines, as well as the Board of Directors.
- *Risk Identification.* The First Line is responsible for identifying risks, including concentration and emerging risks, across the relevant risk categories associated with their current and proposed business activities and objectives. IRM and certain Support Functions, where appropriate, provide effective challenge in the risk identification process. IRM is also responsible for identifying material aggregate risks on an ongoing basis.
- *Assessment, Measurement and Response.* Risks are assessed to understand their severity and likelihood of occurrence under both normal and stressful conditions. Risk severity is measured through modeling and other quantitative estimation approaches, as well as qualitative approaches, based on management judgment. As part of the risk assessment process, the First Line also evaluates the effectiveness of the existing control environment and mitigation strategies. Management determines the appropriate risk response, which may include implementing new controls, enhancing existing controls, developing additional mitigation strategies to reduce the impact of the risk, and/or monitoring the risk. These risk assessments and mitigation strategies are challenged by the Second Line.
- *Monitoring and Testing.* Management monitors risks to ensure alignment with Capital One's risk appetite and to evaluate how the risk is affecting Capital One's strategy, business objectives and resilience. The First Line is required to evaluate the effectiveness of risk management practices and controls through testing and other activities. IRM and Support Functions, as appropriate, assess the First Line's evaluation of risk management, which may include providing effective challenge, performing independent monitoring, or conducting risk or control validations.
- *Aggregation, Reporting and Escalation.* Capital One's risk aggregation processes aggregate risk information from lower levels of the business hierarchy to higher levels to determine material risk themes across the Enterprise and provide a comprehensive view of performance against risk appetite. Material risks are reported to the Risk Committee of the Board of Directors and the appropriate senior management committees no less than quarterly.
- *Capital and Liquidity Management (including stress testing).* Capital One's risk management practices inform key aspects of Capital One's capital planning, including the development of stress scenarios, the assessment of the adequacy of

post-stress capital levels, and the appropriateness of potential capital actions. In assessing its capital adequacy at both COFC and CONA, Capital One identifies how and where its material risks are accounted for within the capital planning process. Monitoring and escalation processes exist for key capital thresholds and metrics to continuously monitor capital adequacy. Prudent balance sheet management is a critical component of Capital One's overall business strategy as it enables management to manage risk and allows Capital One to achieve its long-term financial objectives. Capital One identifies and manages funding and liquidity risks that could affect its earnings, balance sheet strength, and investor confidence. Capital One also manages its liquidity position to satisfy regulatory requirements.

- *Risk Data and Enabling Technology.* Risk data and technology are utilized for risk reporting and to monitor changes to Capital One's risk profile. Core governance and risk systems are used as the systems of record to monitor risks, controls, issues, and events and support the analysis, aggregation, and reporting capabilities across the risk categories.
- *Culture and Talent Management.* The RMF relies on the culture, talent, and skills of Capital One's employees. Every associate at the Company is responsible for risk management; however, associates with specific risk management skills and expertise within the first, second, and third lines of defense are critical to execute appropriate risk management across the enterprise.

## Enterprise Risk Management and Categories of Risk

### *Enterprise Risk Management*

Capital One devotes significant resources to maintaining and continuously improving the company's Risk Management Capabilities. A key component of its Risk Management system is the Enterprise Risk Management function and the role it plays in developing, implementing, maintaining, and monitoring adherence to the RMF and the supporting Enterprise Risk Management Policy.

Capital One's Enterprise Risk Management function is led by the Head of Enterprise Risk Management and reports directly to the CERO as well as maintains a seat on the senior leadership team of the Credit and Financial Risk Management organization. The Enterprise Risk Management function is responsible for the following:

- Setting enterprise guidelines and frameworks to support the identification, assessment, measurement, monitoring, controlling, and reporting of risks including concentrations of risk.
- Establishing enterprise risk management governance and strategy; providing advice to the three lines of defense, as the advice relates to enterprise risk management; and communicating significant risk management trends and insights from the enterprise level.



- Conducting oversight, including review and challenge by providing effective challenge; independently monitoring enterprise risk management activities; and independently escalating enterprise risk management gaps and issues.
- Driving risk aggregation, including maintaining a complete and current inventory of material risks; and analyzing and independently assessing the Enterprise Risk Profile across all categories.
- Driving holistic reporting of risk to senior management and the Board through the Enterprise Risk Profile report and other reporting.
- Administering, monitoring, and supporting enterprise-wide communication of the Risk Appetite Program.

The Enterprise Risk Management function fulfills these responsibilities through the establishment of processes and capabilities which support the Enterprise Risk Management Framework.

Capital One applies its RMF to protect itself from the major categories of risk that it is exposed to through its business activities. Capital One has seven major categories for the management of risk, as described below.

Categories of Risk	
Compliance	The risk to current or anticipated earnings or capital arising from violations of laws, rules or regulations. Compliance risk can also arise from nonconformance with prescribed practices, internal policies and procedures, contractual obligations or ethical standards that reinforce those laws, rules or regulations
Credit	The risk to current or projected financial condition and resilience arising from an obligor's failure to meet the terms of any contract with the Company or otherwise perform as agreed
Liquidity	The risk that the Company will not be able to meet its future financial obligations as they come due, or invest in future asset growth because of an inability to obtain funds at a reasonable price within a reasonable time
Market	The risk that an institution's earnings or the economic value of equity could be adversely impacted by changes in interest rates, foreign exchange rates or other market factors
Operational	The risk of loss, capital impairment, adverse customer experience or reputational impact resulting from failure to comply with policies and procedures, failed internal processes or systems, or from external events
Reputation	The risk to market value, recruitment and retention of talented associates and maintenance of a loyal customer base due to the negative perceptions of internal and external constituents regarding the Company's business strategies and activities



Strategic	The risk of a material impact on current or anticipated earnings, capital, franchise or enterprise value arising from the Company’s competitive and market position and evolving forces in the industry that can affect that position; lack of responsiveness to these conditions; strategic decisions to change the Company’s scale, market position or operating model; or, failure to appropriately consider implementation risks inherent in the Company’s strategy
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*Compliance Risk Management*

Capital One recognizes that compliance requirements for financial institutions are increasingly complex and that there are heightened expectations from financial services regulators and customers. In response, Capital One continuously evaluates the regulatory environment and proactively adjusts its compliance program to fully address these requirements and expectations.

Capital One’s Compliance Management Program establishes expectations for determining compliance requirements, assessing the risk of new product offerings, creating appropriate controls and training to address requirements, monitoring for control performance, and independently testing for adherence to compliance requirements. The program also establishes regular compliance reporting to senior business leaders, the executive committee and the Board of Directors.

The Chief Compliance and Ethics Officer is responsible for establishing and overseeing Capital One’s Compliance Management Program. Business areas incorporate compliance requirements and controls into their business policies, standards, processes and procedures. They regularly monitor and report on the efficacy of their compliance controls and Compliance periodically independently tests to validate the effectiveness of business controls. The Chief Compliance and Ethics Officer also oversees the company’s Ethics Office, which administers the Code of Conduct and provides training and guidance to ensure the company meets its high expectations for ethical behavior and business practices.

*Credit Risk Management*

Capital One recognizes that it is exposed to changes in credit quality driven by economic cycles, market pressures and other factors. Consequently, the Company follows robust risk management practices designed to ensure its credit portfolio is resilient to economic downturns and other drivers of changing credit performance. The tools Capital One relies on in this endeavor include customer selection, underwriting, monitoring, remediation, and portfolio management. In unsecured consumer loan underwriting, Capital One generally ensures lending decisions are resilient to higher credit losses than those prevailing at the time of the underwriting. In commercial underwriting, Capital One generally requires strong cash flow, collateral, covenants, and guarantees. In addition to sound underwriting, Capital One continually monitors its portfolio and takes steps to collect or work out distressed loans.

The CCFRO, in conjunction with the Chief Credit Officers, for each line of business, is responsible for establishing credit risk policies and procedures, including underwriting and hold

guidelines and credit approval authority, and monitoring credit exposure and performance of Capital One's lending-related transactions. The Chief Credit Officers are responsible for evaluating the risk implications of credit strategy and the oversight of credit for both the existing portfolio and any new credit investments.

Capital One's credit policies establish standards in five areas: customer selection, underwriting, monitoring, remediation and portfolio management. The standards in each area provide a framework comprising specific objectives and control processes. These standards are supported by detailed policies and procedures for each component of the credit process. Starting with customer selection, Capital One's goal is to generally provide credit on terms that generate above hurdle returns. Capital One uses a number of quantitative and qualitative factors to manage credit risk, including setting credit risk limits and guidelines for each of its lines of business. Capital One monitors performance relative to these guidelines and reports results and any required mitigating actions to appropriate senior management committees and its Board of Directors.

### *Liquidity Risk Management*

Capital One recognizes that liquidity risk is embedded within its day-to-day and strategic decisions. Liquidity is essential for banks to meet customer withdrawals, account for balance sheet changes, and provide funding for growth. Capital One has acquired and built deposit gathering businesses and actively monitors its funding concentration. Capital One manages liquidity risk, which is driven by both internal and external factors, centrally and establishes quantitative risk limits to continually assess liquidity adequacy.

The CCFRO, in conjunction with the Head of Liquidity, Market and Capital Risk Oversight, is responsible for the establishment of liquidity risk management policies and standards for governance and monitoring of liquidity risk at a corporate level. Capital One assesses liquidity strength by evaluating several different balance sheet metrics under severe stress scenarios to ensure it can withstand significant funding degradation. Results are reported to the Asset Liability Committee monthly and to the Risk Committee no less than quarterly. Capital One also continuously monitors market and economic conditions to evaluate emerging stress conditions and to develop appropriate action plans in accordance with its Contingency Funding Plan and Recovery Plan.

Capital One uses internal and regulatory stress testing and the evaluation of other balance sheet metrics within its Liquidity Framework to confirm that the firm maintains a fortified balance sheet. Capital One relies on a combination of stable and diversified funding sources, along with a stockpile of liquidity reserves, to effectively manage liquidity risk. Capital One maintains a sizable liquidity reserve of cash and cash equivalents, high-quality unencumbered securities and investment securities and certain loans that are either readily marketable or pledgeable. Capital One also continues to maintain access to secured and unsecured debt markets through regular issuance.

### *Market Risk Management*

Capital One recognizes that interest rate and foreign exchange risk are present in its business due to the nature of its assets and liabilities. Market risk is inherent from the financial instruments associated with Capital One's business operations and activities including loans, deposits, securities, short-term borrowings, long-term debt and derivatives. Capital One manages market risk exposure, which is principally driven by balance sheet interest rate risk, centrally and establishes quantitative risk limits to monitor and control its exposure.

The CCFRO, in conjunction with the Head of Liquidity, Market, and Capital Risk Oversight, is responsible for the establishment of market risk management policies and standards for the governance and monitoring of market risk at a corporate level. The market risk position is calculated and analyzed against pre-established limits. Capital One uses industry accepted techniques to analyze and measure interest rate and foreign exchange risk and performs sensitivity analysis to identify its risk exposures under a broad range of scenarios. Results are reported to the Asset Liability Committee monthly and to the Risk Committee no less than quarterly.

Management is authorized to utilize financial instruments as outlined in Capital One's policy to actively manage market risk exposure. Investment securities and derivatives are the main levers for the management of interest rate risk. In addition, Capital One also uses derivatives to manage foreign exchange risk.

### *Operational Risk Management*

Capital One recognizes the criticality of managing operational risk on both a strategic and day-to-day basis and that there are heightened expectations from its regulators and customers. Capital One has implemented appropriate operational risk management policies, standards, processes and controls to enable the delivery of high quality and consistent customer experiences and to achieve business objectives in a controlled manner.

The Chief Operational Risk Officer ("CORO"), in collaboration with the Chief Technology Risk Officer ("CTRO"), is responsible for establishing and overseeing Capital One's Operational Risk Management Program. Both the CORO and CTRO report to the CERO. The program establishes practices for assessing the operational risk profile and executing key control processes for operational risks. These risks include topics such as internal and external fraud, cyber and technology risk, data management, model risk, third-party risk management, country risk, payments risk, and business continuity. Operational Risk Management and Technology Risk Management enforce these practices and deliver reporting of operational risk results to senior business leaders, the executive committee and the Board of Directors.

### *Reputation Risk Management*

Capital One recognizes that reputation risk is of particular concern for financial institutions and, increasingly, technology companies, in the current environment. Areas of concern have expanded to include company policies, practices and values and, with the growing use of social and digital platforms, public corporations face a new level of scrutiny and channels for activism and advocacy. The heightened expectations of internal and external stakeholders

have made corporate culture, values and conduct pressure points for individuals and advocates voicing concerns or seeking change. Capital One manages both strategic and tactical reputation issues and builds relationships with government officials, media, community and consumer advocates, customers and other constituencies to help strengthen the reputations of both Capital One and the industry. Capital One's actions include implementing pro-customer practices in its business and serving low- to moderate-income ("LMI") populations and communities in its market area consistent with a quality bank and an innovative technology leader. The Executive Vice President, Head of External Affairs is responsible for managing Capital One's overall reputation risk program. Day-to-day activities are controlled by the frameworks set forth in the Reputation Risk Management Policy and other risk management policies.

### *Strategic Risk Management*

Capital One recognizes that strategic risk is present within its business and strategy. Capital One monitors risks for the impact on current or future earnings, capital growth or enterprise value arising from changes to the Company's competitive and market positions, including as a result of evolving forces in the industry. Additionally, Capital One monitors timely and effective responsiveness to these conditions, strategic decisions that impact the Company's scale, market position or operating model and failure to appropriately consider implementation risks in the Company's strategy. Potential areas of opportunity or risk inform the Company's strategy, which is led by the Chief Executive Officer and other senior executives. The CERO, in consultation with the CCFRO, oversees the identification and assessment of risks associated with the Company's strategy and the monitoring of these risks throughout the year.

Capital One's Strategic Risk Management Policy, processes and controls encompass an ongoing assessment of risks associated with corporate or line of business specific strategies. These risks are managed through periodic reviews, along with regular updates to senior management and the Board.

### Key Risk Management Strengths

Capital One maintains several key risk management processes that operate across risk categories including: Capital Management, Balance Sheet Management, Model Risk Management, Technology Risk Management, and Data Risk Management.

### *Capital Management*

The prudent management of capital is one of Capital One's highest priorities. Capital One's capital must be sufficient to support the business plans and risk profiles of its business activities to absorb adverse shocks (systemic as well as idiosyncratic) and to protect against unexpected losses. Capital is vital to the Company's continued operation and ability to lend to creditworthy businesses and consumers, both in normal market environments and in periods of market stress and uncertainty. Capital One actively manages capital adequacy and ensures appropriate transparency with its Board and senior management through ongoing monitoring, reporting, and supporting analysis.

Capital Adequacy Process Framework. Capital One's Capital Policy codifies its Capital Adequacy Process ("CAP") Framework, which ensures COFC's and CONA's capital adequacy

and resilience to potential uncertainties, consistent with the risk appetite, capital targets, and capital goals established by its Board. Capital One's CAP framework establishes the oversight roles and responsibilities for governance bodies and senior management, as well as the internal control framework that defines the roles for the Company's three lines of defense across the CAP components. These internal controls ensure adherence to policies and procedures, and support the integrity of the Company's capital projections. Capital One monitors and reports to senior management and the COFC and CONA Boards of Directors current and projected capital ratios against defined targets, goals, and composition objectives for both COFC and CONA. Capital One's capital goals, capital targets, and respective triggers are determined using internal stress testing, regulatory requirements (i.e., the Stress Capital Buffer, Federal Reserve minimums, and the Prompt Corrective Action framework), and market considerations. The Capital Policy also establishes the Company's destination capital level, which represents the level of capital at which management expects to operate in the long term.

**Capital Planning and Stress Testing.** Capital One develops its capital plan under the Federal Reserve's capital plan rules. Capital One's Capital Plan describes the development and review of capital forecasts under Bank Holding Company and supervisory baseline and stress scenarios, and planned capital actions over the planning horizon. Capital One's Capital Plan is updated and approved by its Board of Directors at least annually (more frequently if there are material changes to its risk profile, balance sheet, or anticipated capital levels). As part of capital planning and stress testing, Capital One develops capital forecasts to assess how to maintain a capital base and structure that adequately supports its risk exposures. While common equity is Capital One's predominant form of capital, the firm assesses opportunities to supplement or replace a portion of its common equity base with additional forms of capital (e.g., Tier 2 capital) to optimize its capital structure, adhere to regulatory requirements and to manage the associated costs based on need. The issuance, redemption, or repurchase of common equity, non-cumulative perpetual preferred securities, or Tier 2 capital instruments is included in Capital One's Capital Plan and requires the prior approval of its Board of Directors.

Capital One's planned capital actions are consistent with effective capital distribution limitations, ensure that the Company maintains sufficient capital to protect against identified risks, satisfies regulatory capital requirements, and enables asset growth (as allocated through its managerial capital process).

### *Balance Sheet Management*

Prudent balance sheet management is a critical component of Capital One's overall business strategy as it enables management to manage risk and allows the Company to achieve its long-term financial objectives. Capital One is exposed to liquidity risk primarily through its involvement in the traditional banking activities of taking deposits and extending loans and lines of credit, as well as through its utilization of the capital markets to raise funding. Capital One identifies and manages funding and liquidity risks that could affect its earnings, balance sheet strength, and investor confidence. The Company also manages its liquidity position to satisfy regulatory requirements.

The Company implements its liquidity management philosophy through the Liquidity Adequacy Framework (the "Liquidity Framework"). The Liquidity Framework enables Capital



One to meet its liquidity goal of maintaining a fortified balance sheet that is resilient to uncertainties that may arise because of systemic and/or idiosyncratic liquidity events. The Liquidity Framework also enables the Company to manage its liquidity in accordance with current requirements and prospective regulatory guidance.

Corporate governance, monitoring, and oversight across the three lines of defense form the foundation that ensures the integrity of liquidity management at Capital One. Additionally, the Liquidity Framework comprises the governing principles that apply to the management of liquidity. These principles are used to monitor, measure, and report liquidity risk; to develop funding and investment strategies that enable the Company to maintain an adequate level of liquidity to support its businesses and satisfy regulatory requirements; and to protect the Company from a broad range of liquidity events should they arise.

### *Model Risk Management*

Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. Model risks may have various causes, including erroneous implementation, model underperformance, catastrophic breakdown, or gradual degradation. Inappropriate use may occur when models (even sound models) are used in ways that are inconsistent with the original intent or assumptions, used outside of their range of applicability, or when combined with other models with which they interact or depend. Balancing the materiality of model risk along with the business decision it supports, models are expected to be reliable, fall within reasonable performance expectations, and be conceptually as well as technically sound. Capital One establishes and monitors risk appetite metrics for model risk through specific model governance and model validation processes.

Model risk that exceeds established metrics and limits is reported to the CCFRO and, where appropriate, to the relevant Risk Steward to assess if the model risk compromises the ability to operate within the relevant risk appetite and to determine if escalation to the Board of Directors is needed.

Capital One mitigates model risk by establishing the Model Risk Management Framework. Capital One's Model Risk Management Framework manages model risk by specifically addressing the (i) identification of models and their risk through the inventory process, acquisition, and general model governance activities; (ii) quantification of risk for all three model components (i.e., information input, processing, and reporting) through validation; (iii) activities on development, deployment, ongoing monitoring, and changes to the model; (iv) mitigation of model risk through effective challenge and critical analysis by objective, informed parties who can identify model risks, limitations, and assumptions and produce appropriate changes; and (v) acceptance of the remaining model risk by the relevant model owner.

Model risk is addressed within the scope of Operational Risk reporting to the Operational and Compliance Risk Committee on a quarterly basis and reported to the Board within the Integrated Risk Management report at least twice a year. Model risks that exceed Board risk appetite limits or notification thresholds are reported to the Board in line with Enterprise Risk Management policies, standards, and procedures.

### *Technology Risk Management*

Strong Technology Risk Management is critical for Capital One to achieve its business objectives, reliably meet the expectations of customers, and deliver a Cybersecurity risk is a particularly critical subset of technology risk, as Capital One is entrusted with the safeguarding of its customers' sensitive information, including sensitive personal information. The second-line CTRO is responsible for overseeing the technology and cybersecurity risk. Within Capital One's taxonomy, these risks are a subset of operational risk. Given their importance, however, the CTRO is organizationally a peer to the CORO. The first line has also established a strong central cybersecurity function, led by the Chief Information Security Officer (the "CISO"). The CISO establishes and manages the enterprise-wide Information Security Program under the oversight of the CTRO. While no organization can eliminate cybersecurity and technology risk entirely, Capital One devotes significant resources to mitigate such risks.

### *Data Management Risk Management*

Capital One also recognizes the importance of managing the risks associated with data management. These risks include data not being readily available, data usages not being properly understood, data having errors, or data being improperly shared, destroyed, or retained. Capital One's Information Data Management Policy defines data management risk and the roles and processes to mitigate the risks. The First Line Divisional Data Risk Officers primarily manage these risks at the divisional level and Enterprise Data Risk Management is the Second Line oversight function.

### Integration of Discover into the Capital One RMF

Immediately upon closing, Capital One will begin to apply its RMF to Discover's businesses and risk management functions. In parallel, Capital One will start a process to integrate Discover's existing risk management functions directly into their counterparts or equivalents at Capital One. In those instances where Capital One does not currently have an equivalent risk management function (e.g., for the Discover Global Network, discussed below), Capital One will establish such a function with appropriate executive oversight and merge the relevant Discover risk management function into it upon the consummation of the Proposed Transaction.

Capital One expects that this integration will occur in phases and result in one, cohesive and comprehensive Risk Management system for the combined entity operating under uniform Capital One policies, standards and expectations. During the integration period, Capital One will mitigate the risks related to the transition to a single risk management framework through the implementation of a comprehensive integration plan. The integration plan will seek to prioritize the highest risk areas first as well as provide a means for monitoring, reporting and escalating progress against the plan.

With respect to the Discover Global Network, Capital One's risk management strengths provide a strong foundation for integration. Capital One recognizes that conducting full risk oversight related to the Discover Global Network will require Capital One to expand its risk management capabilities. In particular, Capital One intends to establish, prior to integration,



dedicated teams that will oversee the Discover Global Network's risk management upon consummation of the Proposed Transaction. These teams will include dedicated staff with relevant industry experience and expertise across operational risk management, technology risk management compliance and other Second Line teams.

As a part of the integration activities, Capital One will evaluate Discover's current risk management approach to the Discover Global Network, ensuring continuity of oversight during the transition while developing plans to elevate risk management practices where necessary. This evaluation will include an assessment of the talent and skill sets in all three Lines of Defense to oversee and manage these risks consistent with Capital One's Enterprise Risk Management Framework, across applicable risk management categories, and risk appetite. Additionally, Capital One will conduct detailed risk assessments of Discover Global Network, including critical processes, infrastructure, and products. These risk assessments will result in risk mitigation activities where appropriate, and will inform Capital One's enterprise-level assessments of material risk and risk appetite performance.

In light of Discover's present status as a Category IV bank and its public regulatory enforcement orders, Capital One believes this integration of Discover into Capital One's RMF will require sustained focus, investment and effort. In particular, Capital One believes it will need to materially strengthen and enhance Discover's existing risk management functions, and in particular compliance, to comply with both Capital One's internal standards and those of its regulators. Capital One anticipates that this improvement will include extensive work to address outstanding remediation under the two orders and possible future supervisory findings.

Capital One has designated a team of risk officers to prepare for integration and coordinate where appropriate with Discover officials. This team will be responsible for integration planning pre-close and integration execution upon close. As part of the pre-close integration planning, Capital One intends to engage in preliminary assessments of Discover's risk management programs, policies, standards, staffing, and areas of focus. Capital One further intends to use these assessments to develop preliminary plans for integration, including plans for initial program enhancements and remediation of the relevant Discover functions upon close. Where permissible, Capital One will seek Discover's assistance to better understand Discover's existing compliance and risk management programs and activities.

For additional information on Capital One's integration planning, see Confidential Exhibit E.

### **3. Compliance**

Capital One manages compliance risk through its Compliance Management Program ("CMP"), as established by its Compliance Management Policy ("Compliance Policy"). The CMP, as outlined in the Policy, provides an enterprise-wide approach to compliance risk management and oversight that creates and supports a culture of compliance throughout the Company. Capital One's CMP is designed to ensure that Capital One appropriately identifies, manages, and oversees all compliance risk – including consumer compliance, fair lending, and AML risk – through sound governance, rigorous controls and transaction testing, advice and effective challenge to the First Line and staff functions, and timely risk escalation. The program

also establishes regular compliance reporting to senior business leaders, the executive committee, and the Board of Directors.

The Chief Compliance and Ethics Officer is responsible for establishing and overseeing the CMP and leads the Compliance & Ethics (“C&E”) department. C&E is staffed by compliance leaders and professionals with expertise in regulatory risk management, testing, investigations, ethics, and data. The C&E organization fulfills IRM risk activities as a Second Line function that advises and effectively challenges the First Line and staff operations under Capital One’s Enterprise Risk Management Framework.

The First Line and staff operations are accountable for complying with laws and regulations and incorporating compliance requirements and controls into their business policies, standards, processes, and procedures. They regularly monitor and report on the efficacy of their compliance controls; as a second line IRM function, C&E independently tests to validate the effectiveness of first line business controls. Additionally, C&E advises the first line on applicable regulatory requirements, compliance risks related to new and changed products, and the assessment and remediation of issues and events. C&E both advises and effectively challenges the first line in their development and enhancement of products, processes and procedures to ensure they maintain effective control oversight and support adherence to compliance requirements.

For additional information on Capital One’s Compliance Management Policy, please see Confidential Exhibit G.

### Culture of Compliance

Capital One’s culture is built on two core values: Excellence and Do the Right Thing. To promote these values, Capital One’s Code of Conduct (“Code”) memorializes a commitment to comply with applicable laws, regulations and internal policies governing conduct and operations. Following these policies helps to ensure that honesty, fair dealing, and integrity are hallmarks of Capital One’s business dealings. By adhering to the Code, associates live Capital One’s values and ensure that Capital One is recognized for modeling the highest standards of business conduct in everything it does. The Code is more than just a set of “do’s and don’ts.” It provides guidance, practical information, and resources that help enhance Capital One’s relationships with its customers, each other, and all of the people that play a role in Capital One’s success.

The Board of Directors reviews and approves the Code. The Ethics Office, which is managed by the Chief Compliance and Ethics Officer, has day-to-day responsibility for administering the Code and managing Capital One’s Ethics program. In addition, the Ethics Office is responsible for managing the Ethics Line, which is a confidential reporting tool operated by an independent third party. Reports may be submitted to the Ethics Line online or through a call center that operates 24 hours a day, seven days a week. Ethics Line complaints may be submitted anonymously, and phone calls are not recorded.

All newly hired associates receive the Code with their employment offer and, within their first 30 days, must complete a 30-minute interactive computer-based training course where they

agree to comply with the Code and demonstrate their understanding of its content. Thereafter, all associates are required to complete the Code training annually and agree to comply with the Code and all related policies, standards, and procedures.

Doing the right thing includes speaking up. Capital One expects all associates to immediately report any suspected or potential violations of law, the Code, the company's policies, or other actions inconsistent with Capital One's values. Associates may report concerns to their manager, the Associate Relations team in Human Resources, the Ethics Line, or to the Ethics Office. Raising concerns within Capital One does not prevent associates from reporting the same concerns to law enforcement or the relevant government entity if there is a suspected or potential violation of law. Further, Capital One prohibits retaliation against any individual for making good faith claims regarding possible violations of law, the Code or other Company policies. Capital One also prohibits retaliation against any individual for participating in or cooperating with any investigation.

In addition, as discussed in Risk Management above, Capital One expects the integration to require a substantial amount of investment in the Risk Management team and related infrastructure to ensure a successful transition. Capital One has historically invested in maintaining a strong CMP and continually enhances its practices. For examples of recent enhancements to the CMP, see Confidential Exhibit H.

#### Oversight, Escalation and Reporting

Compliance risk reporting is foundational in supporting Capital One's Board of Directors and senior management committee members in executing their compliance risk oversight responsibilities. The Compliance Policy and Compliance Risk Reporting Standard outline the process for compliance reporting. Through the CMP, C&E supports the enterprise's adherence to Capital One's compliance risk appetite by tracking and producing data that corresponds to Compliance Risk Appetite Metrics (as well as informational metrics) that are reported to senior management and the Risk Committee of the Board of Directors. In addition, the charter of the Audit Committee requires the Chief Compliance and Ethics Officer to discuss the annual assessment of the Corporation's enterprise-wide compliance program, including management's corrective actions to address any deficiencies. The update is provided at the joint Risk and Audit Committee meeting held in July each year.

Quarterly, Compliance produces the Compliance Update within the Integrated Risk Management Report ("IRMR") for the Risk Committee of the Board of Directors and senior management through the Operational and Compliance Risk Committee. Further, Compliance produces an annual update within the IRMR for the Audit Committee of the Board of Directors, in accordance with its charter responsibilities. Compliance also provides divisional quarterly compliance reports to the Division Risk Oversight Committees ("ROCs"), consistent with the Senior Management Committee Standard. For functions that are not formally governed by a ROC, Compliance evaluates and reports any material issues to the Chief Compliance and Ethics Officer, CERO, and Board via the IRMR.

As required by regulation and/or at the discretion of the Chief Compliance and Ethics Officer, additional reports may be produced by Compliance to inform the Board, a Board

Committee, and/or senior management on compliance specific topics (e.g., Regulation O, Annual Swap Dealer Report, policy renewals, etc.).

In addition, Compliance contributes risk analysis for other risk reporting provided to Capital One's Board of Directors, such as the Enterprise Risk Profile ("ERP") within the IRMR. The CERO submits the ERP to the Risk Committee of the Board of Directors and senior management Executive Risk Committees. Compliance also contributes risk appetite metrics and annual risk narratives via Enterprise Risk Management's Executive Committee Risk Scorecard. The risk scorecards are organized by Executive Committee members to evaluate risk-taking performance for their respective business areas.

### Risk Assessments

Compliance performs and challenges First Line risk assessments at the divisional, business unit, and process and product level to provide a formal, independent perspective on compliance risk. Compliance also conducts Targeted Compliance Risk Assessments, which assess specific areas of risk, or areas required to be assessed by statute, regulatory guidance, or internal policies. Compliance performs the following risk assessments independently of those conducted by the respective business units: AML/Economic Sanctions, Fair Lending, Identity Theft Red Flags, and Anti-Bribery/Anti-Corruption.

### Fair Lending

Capital One's enterprise-wide consumer Fair Lending Compliance Management program (the "Fair Lending program") works within the CMP framework, as provided in Capital One's Fair Lending Compliance Policy, and includes components specifically designed to manage fair lending risk.

The Fair Lending program has five primary components. First, it requires lending businesses to have an oversight committee dedicated to fair lending that includes business executives and Compliance and Legal experts; these committees meet regularly to review and discuss fair lending risks and issues. The second and third components are independent risk assessment processes beyond the standard risk assessments executed by the first line. The first is a fair lending assessment of models, policies, segmentations, and any other criteria used by credit or deposit businesses to make marketing, underwriting, pricing, or other decisions about customer outcomes. The second is an annual report written by the Fair Lending Compliance team that assesses the fair lending risk in each business and for the enterprise.

Fourth, in addition to these independent risk assessments, the Fair Lending Data Analysis Standard provides guidelines for identifying areas of heightened fair lending risk for targeted analyses according to an annual schedule. Pursuant to this process, the Fair Lending Compliance team conducts statistical analyses in areas, for example, where Capital One associates exercise judgment or discretion in making lending decisions, in order to assess the extent of potential fair lending risk. These statistical analyses include the use of regression analysis when appropriate, as well as a manual review of matched pairs, to understand if similarly situated applicants received different decisions. Fifth, the fair lending program has fair lending training, with content specific to different job families, taken by all associates in lending divisions.

For additional information on Capital One’s Fair Lending program, please see Confidential Exhibit I.

### Complaint Management

Complaint management at Capital One is executed under the framework established by Compliance and outlined in the Enterprise Complaints Operating Standard (“ECO Standard”). The ECO Standard sets guiding principles for the management and governance of the operational, compliance, and reputational risk posed by complaints. Within the ECO Standard, a clear division of responsibilities and strong collaboration between First Line and Second Line is established in order to ensure consistent and timely complaint handling, as well as accurate and timely complaint reporting and analysis for senior management. Primary activities for the business consist of the maintenance of complaint intake channels, handling processes, analysis, reporting, monitoring, and training. Primary activities for Compliance include the testing businesses for adherence to the ECO Standard, the review of specific complaints routed to Compliance from the business complaints teams for assessment of regulatory risk exposure, and the management of relationships with regulators.

### **III. Anti-Money Laundering Compliance Record**

The Bank Merger Act requires that, in considering an application under the Bank Merger Act, the OCC shall “take into consideration the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities.”<sup>28</sup>

Capital One, including CONA, maintains a strong BSA/AML and Sanctions compliance program (the “AML Program”). The AML Program is based on five pillars: internal policies, procedures and controls; designation of an AML officer; employee training; independent testing; and customer due diligence. The AML Program is intended to ensure that Capital One complies with applicable laws, rules, regulations, and supervisory guidance related to anti-money laundering, counter-terrorist financing and economic sanctions risks and controls; ensure that Capital One is identifying and managing these risks and controls through sound governance and oversight, and operating in a manner consistent with its business strategy and risk appetite; and protect Capital One’s business and reputation, as well as the broader financial system, from financial crime and/or activities prohibited by law or regulation.

The COFC and CONA Boards of Directors and senior management prioritize the important objectives associated with maintaining the integrity of the financial system as a whole, protecting national security, and making appropriate referrals to law enforcement. The AML Program is administered in a safe and sustainable manner, and is sufficiently staffed with appropriately trained and knowledgeable professionals across the BSA/AML and Sanctions ecosystem.

Capital One maintains a written BSA/AML/Sanctions policy (including a Customer Identification Program) approved by the COFC Board of Directors and a Board-appointed BSA Compliance and Sanctions Officer (“Chief AML Officer”), who possesses the necessary

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<sup>28</sup> 12 U.S.C. § 1828(c)(11).



knowledge, authority and resources to effectively execute all assigned duties. The Chief AML Officer is supported by an experienced, knowledgeable and competent team of AML, Sanctions, Risk Management and Technology leaders and professionals. The AML Program's execution approach aligns with Capital One's enterprise-wide defined risk and control framework components, as defined by the COFC Enterprise Risk Management Policy, consistent with heightened standards, and leverages all three lines of defense.

In addition, Capital One continues to invest in further advancing its AML Program, with a focus on rigor, adaptability, and sustainability. The AML Program is also taking an innovative approach to meeting compliance obligations at scale through technology investments in machine learning for transaction monitoring, next-generation customer risk rating processes, and modern investigator platforms.

Capital One applies a continuous improvement approach, and designs and enhances controls to ensure adherence with both legal requirements and each applicable entity's defined business strategy and risk appetite; this continuous improvement approach applies to COFC's AML Program, as well. All Capital One associates and contractors are required to complete enterprise-wide AML/Sanctions training annually. Specific BSA/AML/Sanctions Compliance training courses tailored to roles, responsibilities and business segments are required for relevant associates and contractors. Training is also provided annually to the Board of Directors. In addition, relevant information, including Suspicious Activity Reporting information, is regularly provided to senior management and the COFC Boards of Directors.

Between consummation of the Proposed Transaction and systems conversion, CONA will aim to execute on integration activities promptly. The BSA/AML/OFAC compliance risk of the combined entity will be a point of focus in this interim period. CONA will ensure prompt oversight through the establishment and execution of business monitoring and compliance oversight of the AML processes supporting the Discover portfolio, risk assessments and testing, ongoing AML compliance advice and training as appropriate, and management of issues and escalations consistent with Capital One risk management practices.

Based on all the information above and in the exhibits, it is evident that Capital One employs a comprehensive and effective BSA/AML Program, which supports approval of the OCC Application.

#### **IV. Competitive Effects**

The Bank Merger Act prohibits the OCC from approving a proposed merger or acquisition if it would substantially lessen competition in any banking market, unless the agency determines that the anticompetitive effects of the proposal are clearly by the probable effect of the proposal in meeting the convenience and needs of the communities to be served.<sup>29</sup> At the time the Bank Merger is consummated, Discover Bank and CONA would be affiliates and, therefore, a competitive effects review by the OCC should be unnecessary. However, the competitive effects analysis that is being provided in the FRB Application is included below to

demonstrate that the Proposed Transaction, including the Bank Merger, would not result in any significantly adverse impact on competition in any relevant banking market.

In evaluating the competitive effects of a proposed merger or acquisition between financial institutions, the federal banking agencies, in consultation with the Antitrust Division of the Department of Justice (“DOJ”), considers all facts in the record. In particular, the Federal Reserve considers the number and strength of competitors that will remain in each relevant market, the relative shares of those competitors, market concentration levels and any increase in those levels as a result of the transaction, and other relevant characteristics of each market.

As a preliminary screen to identify transactions that “clearly do not have significant adverse effects on competition,” the banking agencies and DOJ calculate post-merger concentration levels as measured by the Herfindahl-Hirschman Index (the “HHI”) and the post-merger shares of the combined firm.<sup>30</sup> Applying these screens, transactions that do not result in (1) both a post-merger HHI of over 1,800 and an HHI increase of more than 200 points; or (2) a post-merger share of 35% are unlikely to warrant further review.<sup>31</sup>

As discussed further in Exhibit 21 and Confidential Exhibit J, the Proposed Transaction will not substantially lessen competition in any market. Concentration and share levels for the Proposed Transaction are well below safe harbor thresholds in all markets in which the parties compete:

U.S. (2023)	Change in HHI	Post-Merger HHI	Combined Share
Deposits	3	405	2.8%
Checking Account Deposits	0	440	1.1%
Savings Account Deposits	4	593	3.5%
Credit Card Purchase Volume	74	1,226	13.6%
Credit Card Outstanding Balances	178	1,060	19.0%

With respect to banking, there is no overlap in any local banking market. The only relevant geographic market in which to analyze banking competition between the parties is nationwide. In this context, the parties are small players holding less than 3% of deposits whether measured as a whole, by checking account, or savings account deposits, and the Proposed Transaction will cause de minimis changes in concentration levels for these products. The combined Capital One-Discover will continue to face robust competition for deposits from, in some cases, substantially larger banking institutions such as JPMorgan Chase, BOA, Wells Fargo, Citigroup, and U.S. Bancorp, as well as digital-first financial institutions like Chime Financial, SoFi Technologies, Ally Financial, EverBank Financial, Synchrony Financial, and

<sup>30</sup> Dept. of Just., 1995 Bank Merger Guidelines (“Bank Merger Guidelines”), (1995), <https://www.justice.gov/sites/default/files/atr/legacy/2007/08/14/6472.pdf>.

<sup>31</sup> See Board of Governors of the Fed. Res. Sys., Banking Information & Regulation, *FAQs* (Oct. 9, 2014), <https://www.federalreserve.gov/bankinfo/reg/competitive-effects-mergers-acquisitions-faqs.htm>.



Varo Money, eliminating any possibility that the Proposed Transaction will substantially lessen competition in any banking market.

The Proposed Transaction will similarly not substantially lessen competition with respect to credit card issuance. Credit card issuing is a highly competitive and fragmented industry. Despite exponential purchasing growth, concentration levels have declined in the last decade, demonstrating the competitive and dynamic nature of the industry.<sup>32</sup> Credit card issuers can and do readily adjust, change, and add to their credit card portfolios to attract consumers, and consumers can and do readily add and switch among credit cards. At the same time, new payment and lending solutions, such as “Buy Now, Pay Later,” have entered the payments and lending landscape, competing with credit card issuers for consumers’ share of wallet and acting as significant competitive constraints. The Proposed Transaction will not alter these competitive dynamics. The merged Capital One-Discover will lower its combined costs and continue to compete with the plethora of credit card issuers including JPMorgan Chase, Citibank, BOA, U.S. Bancorp, Wells Fargo, Amex, Barclays, and Synchrony Bank, and the Proposed Transaction will increase consumers’ overall access to credit, given Capital One’s more inclusive underwriting standards.

With respect to payments networks, the Proposed Transaction will *deconcentrate* the marketplace and greatly improve competition. Capital One does not own or operate any payments network. Vertically integrating with Discover’s payments networks will add scale to these credit and debit networks—which respective market shares are in long-term decline—making the networks less costly to operate on a marginal basis and more attractive to consumers and merchants. The combination will also allow Capital One to lower its transaction-related costs and to reinvest those dollars in improved banking products and services, including investments into the payments networks to reduce fraud, improve dispute resolution processes, and lessen information sharing friction to the benefit of consumers and merchants. These network investments will allow Capital One to further scale the networks, improve the actual and perceived acceptance of the networks, and create a credible alternative to the Visa, Mastercard, and Amex payments networks, which dominate the industry today.

In view of the above and as further detailed in Exhibit 21 and Confidential Exhibit J, the competitive considerations of the Proposed Transaction are consistent with approval of the Application.

## **V. Financial Stability Risk Considerations**

Pursuant to the Bank Merger Act, the OCC must consider in every application whether the Proposed Transaction would result in greater or more concentrated risks to the stability of the U.S. banking or financial system.<sup>33</sup> As discussed below, the Proposed Transaction will not increase systemic risk to the U.S. banking or financial system. Instead, the Proposed Transaction would result in a stronger banking organization that is better positioned to compete both with the largest banking organizations and the larger regional banking organizations in the United States.

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<sup>32</sup> See Exhibit 21, n. 55.

<sup>33</sup> 12 U.S.C. § 1842(c)(7).

The Federal Reserve, and to a lesser extent, the OCC, have delineated five metrics through which it has assessed the financial stability factors (“Financial Stability Factors”).<sup>34</sup> Many of the metrics considered by the Federal Reserve seek to measure an institution’s activities relative to the U.S. financial system. These metrics include:

- the size of the resulting banking organization;
- the availability of substitute providers for any critical products and services offered by the resulting firm;
- the interconnectedness of the resulting firm with the banking or financial system;
- the extent of the cross-border activities of the resulting firm; and
- the extent to which the resulting firm contributes to the complexity of the financial system.

Also interwoven into the agencies’ analysis is the relative degree of difficulty of resolving the resulting firm if it were to experience financial distress. The Federal Reserve has noted that the opaqueness and complexity of an institution’s internal organization are relevant to resolvability aspects of the banking organization.<sup>35</sup> A banking organization that can be resolved in an orderly manner is less likely to inflict material damage to the U.S. financial system or economy. The Federal Reserve has noted in its approvals that these categories are not exhaustive and additional categories could impact its decision-making.

An analysis of these Financial Stability Factors and consideration further demonstrates that the Proposed Transaction would not result in any risk to the stability of the U.S. banking financial system.

These Financial Stability Factors are similar to the categories of systemic indicators used by the Federal Reserve to identify banking organizations that should be considered GSIBs and to calculate the capital surcharge applicable to a GSIB, as well as the general categories of indicators collected in the Federal Reserve’s FR Y-15 reports (Banking Organization Systemic Risk Report). As of December 31, 2023, COFC had a Method 1 GSIB score of 25.35. COFC’s pro forma Method 1 GSIB score as of the same date – and reflecting its proposed combination with Discover – would be only 33.00, an increase of only 7.65 points.

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<sup>34</sup> See *Capital One Financial Corporation*, FRB Order No. 2012-2 (Feb. 14, 2012) (the “Capital One Order”). See also, e.g., *First Citizens Bancshares, Inc.*, FRB Order No. 2021-12 (Dec. 17, 2021); *The PNC Financial Services Group, Inc.*, FRB Order No. 2021-04 (May 14, 2021); *Huntington Bancshares Incorporated*, FRB Order No. 2021-07 (May 25, 2021); *BB&T Corporation*, FRB Order No. 2019-16 (Nov. 19, 2019); *CIT Group, Inc.*, FRB Order No. 2015-20 (July 19, 2015); Letter to Jason J. Cabral, Esq. from Stephen A. Lybarger, CRA Decision #2017-186 (Oct. 16, 2017); *CIT Group, Inc.*, FRB Order No. 2015-20 (July 19, 2015); Letter to Joseph M. Otting from Stephen A. Lybarger (July 21, 2015) (OCC approval of CIT Bank’s acquisition of OneWest Bank, N.A.); OCC Corporate Decision #2012-05 (April 2012); *The PNC Financial Services Group, Inc.*, 98 Fed. Res. Bull. 16 (2012).

<sup>35</sup> E.g., *BB&T Corporation*, FRB Order No. 2019-16 (Nov. 19, 2019).

Thus, following the Proposed Transaction, COFC would remain far below the threshold score (130) necessary to be considered a GSIB under 12 CFR § 217.402.

Please see Exhibits 22 and 23 for copies of the public portion of COFC's and Discover's FR Y-15 reports, as of December 31, 2023, respectively. Please also see Confidential Exhibit K for, as of December 31, 2023, a pro forma GSIB score for COFC and a pro forma FR Y-15, which reflects Discover's operations.

In addition, COFC is a Category III organization, while Discover is currently not. As a result of the Proposed Transaction, the assets and liabilities of these companies, including the assets and liabilities of Discover acquired in the Proposed Transaction, would become subject to the Supplementary Leverage Ratio and the Countercyclical Capital Buffer requirements of the banking agencies' regulatory capital rules, as well as the LCR and NSFR requirements that apply to COFC as a Category III firm.<sup>36</sup>

A more detailed analysis of the Proposed Transaction under each of the Financial Stability Factors is discussed below.

**Size.** The Financial Stability Factor relating to size and availability of substitute providers of critical products may be informed by other aspects of the BHC Act's requirements, namely compliance with: (1) antitrust standards, (2) the 10% national deposit cap for certain interstate acquisitions,<sup>37</sup> and (3) the 10% national liabilities cap.<sup>38</sup> The Proposed Transaction is consistent with the federal banking agencies' precedent reviewing the competitive effects of mergers, and the Proposed Transaction does not come close to approaching either the national deposit cap or national liabilities cap. Accordingly, as a threshold matter, the Proposed Transaction is not likely to pose a risk to the financial stability of the U.S. banking or financial system based on size metrics.

COFC accounts for only approximately 2.0% of total adjusted domestic deposits of all insured banks and thrifts in the United States, as of December 31, 2023.<sup>39</sup> The deposits of Discover to be assumed account for only 0.6% of total adjusted domestic deposits. The pro forma total deposits of COFC, as of December 31, 2023, would represent only 2.6% of adjusted domestic deposits. This is far less than the domestic deposit concentrations of the largest banks in the United States, for example, as of December 31, 2023: JPMC – 11.6%; BOA – 10.1%; Wells Fargo – 8.1%; and Citigroup – 4.4%.

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<sup>36</sup> The Federal Reserve has previously noted that the expansion of more stringent prudential standards to the assets and liabilities acquired as part of a Proposed Transaction is a favorable consideration under the financial stability factor. See Morgan Stanley/E\*Trade Order, FR Order 2020-05 at p. 23 (Sept. 30, 2020), <https://www.federalreserve.gov/newsevents/pressreleases/files/orders20200930b1.pdf>.

<sup>37</sup> See 12 U.S.C. § 1842(d).

<sup>38</sup> See 12 U.S.C. § 1852.

<sup>39</sup> Calculation represents Total Liabilities Before Exclusions less Total Allowable Exclusions plus Interest Accrued and Unpaid on Deposits aggregated for all FDIC-insured banks and thrifts and reported on their Consolidated Report of Condition and Income for the quarter ended December 31, 2023. As of December 31, 2023, banks and thrifts held \$17.7 trillion in adjusted domestic deposits.

Capital One’s pro forma total consolidated assets would be less than the total asset size of the seven largest U.S. banking organizations as of December 31, 2023.<sup>40</sup> The pro forma total assets of COFC on consummation of the Proposed Transaction would be approximately \$646 billion as of December 31, 2023, and represent only approximately 2.7% of the total assets of the U.S. banking system<sup>41</sup> and a significantly smaller share of the total assets of the U.S. financial system. As noted, on a pro forma basis, COFC would only hold approximately 2.3% of total liabilities on a national basis, as of December 31, 2023.<sup>42</sup> This percentage is far less than the nationwide liabilities concentrations of the four largest banking organizations, as of December 31, 2023: BOA – 7.7%; JPMC – 6.9%; Wells Fargo – 5.0%; and Citigroup – 5.4%.

In addition, when the pro forma asset size of COFC is measured using the total exposures of COFC and Discover, as defined for purposes of the size indicators section of the Federal Reserve FR Y-15 report, it becomes even clearer that the Proposed Transaction would not result in systemic risk under the size factor. Indeed, this approach demonstrates even more accurately than total assets the extent to which the combined company poses less systemic risk than those banking organizations that have been classified as U.S. GSIBs. In evaluating a bank holding company’s total exposures, the relevant measures include its total derivatives, securities financing transactions, other on-balance sheet exposures and other off-balance sheet exposures. Based on the Form FR Y-15 report of COFC and the Form FR Y-15 report of Discover (“Discover FR Y-15”) as of December 31, 2023, on a pro forma basis, COFC would have total exposures of \$752.6 billion, which is approximately one-third of the average total exposures of \$2.2 trillion for the U.S. GSIBs as of that same date.<sup>43</sup>

For all these reasons, the Proposed Transaction should not raise systemic concerns under the size factor.

**Substitutability.** The substitutability factor recognizes that a banking organization is more systemically important if it provides important products and services that customers would have difficulty replacing if the banking organization were to fail. In the United States, COFC and Discover offer primarily retail and commercial deposit products, credit cards, payment services, consumer and commercial loan products and treasury management services. Additionally, although the Discover Global Network provides payment services, substitutability

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<sup>40</sup> Based on December 31, 2023 FR Y-9C reports of bank holding companies.

<sup>41</sup> The amount of total assets of the U.S. financial system is conservatively approximated by using total assets of FDIC-insured banks and thrifts, as of December 31, 2023, which was \$23.7 trillion.

<sup>42</sup> This percentage is estimated using the method of calculation in the Federal Reserve’s Regulation XX, 12 CFR part 251, and the amount of Total Liabilities in effect through June 30, 2024, stated by the Federal Reserve. *See* 88 Fed. Reg. 38054 (Jun. 12, 2023), Announcement of Financial Sector Liabilities, Federal Reserve System Docket No. OP-1808 (June 12, 2023), <https://www.federalregister.gov/documents/2023/06/12/2023-12389/announcement-of-financial-sector-liabilities>.

<sup>43</sup> The pro forma total exposures of the combined company were calculated based on the total exposures of such activities reported on the COFC and Discover FR Y-15 reports (as of December 31, 2023). The total exposures as the U.S. GSIBs were: JPMC – \$4.6 trillion, BOA – \$3.8 trillion, Citigroup – \$3.0 trillion, Wells Fargo – \$2.3 trillion, The Goldman Sachs Group, Inc. (“Goldman Sachs”) – \$2.0 trillion, Morgan Stanley – \$1.5 trillion, Bank of New York Mellon – \$438.9 billion and State Street Corporation (“State Street”) – \$318.0 billion as of that same date.

is not a concern given the substantial size of other payment providers such as Visa, Mastercard, and Amex.

None of the products or services of Capital One or Discover can be regarded as highly specialized or “critical” financial products or services that are available from only a small number of providers. The fact that the Proposed Transaction would have little effect on financial stability is reinforced by an evaluation of the substitutability indicators of the FR Y-15 report. In evaluating a bank holding company’s substitutability, the relevant measures include a banking organization’s total payments activity, amount of assets under custody and underwriting activity. Based on the COFC FR Y-15 report and the Discover FR Y-15 Report (each as of December 31, 2023), COFC had total payments activity of \$1.3 trillion and, on a pro forma basis, this would increase to \$1.8 trillion as a result of the Proposed Transaction. Furthermore, Capital One’s total assets under custody and underwriting activity would remain nearly unchanged at \$4.9 billion. Each of the resultant pro forma values are only a fraction of the average activity totals reported by the U.S. GSIBs.<sup>44</sup>

For all these reasons, the Proposed Transaction would not raise financial stability risk concerns under the substitutability factor.

**Interconnectedness.** In evaluating systemic risk, the Federal Reserve evaluates the interconnectedness of a banking organization because the failure of a bank to meet payment obligations to other banks can accelerate the spread of financial contagion when the banking organization is highly interconnected with other financial firms. As underscored by the discussion above, the Proposed Transaction would not materially increase the interconnectedness of the U.S. banking or financial system.

Neither Capital One nor Discover currently engages in business activities or participates in markets to a degree that would pose significant risk to other institutions in the event of financial distress at Capital One in the future. Moreover, the Proposed Transaction would not cause Capital One to add any critical services or to increase its interconnectedness to other firms or markets such that they would pose a significant risk to the financial system in the event of financial distress. Instead the Proposed Transaction will enable Capital One to provide payment services and grow its retail banking services. Therefore, the Proposed Transaction would not increase the interconnectedness of the combined organization in any meaningful manner.

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<sup>44</sup> These pro forma activity amounts of the combined company were calculated by adding such activity amounts reported on their respective FR Y-15 reports (as of December 31, 2023). In contrast, the respective total payments activity, total assets under custody and total underwriting activity reported by the U.S. GSIBs on their December 31, 2023 FR Y-15 reports were as follows: JPMC – \$556.1 trillion (payments), \$33.3 trillion (assets under custody) and \$446.9 billion (underwriting); BOA – \$170.4 trillion (payments), \$4.1 trillion (assets under custody) and \$546.9 billion; Wells Fargo – \$65.3 trillion (payments), \$2.6 trillion (assets under custody) and \$265.6 billion (underwriting); Citigroup – \$200.6 trillion (payments), \$22.9 trillion (assets under custody) and \$426.4 billion (underwriting); Goldman Sachs – \$17.7 trillion (payments), \$1.7 trillion (assets under custody) and \$253.6 billion (underwriting); Morgan Stanley – \$15.0 trillion (payments), \$3.9 trillion (assets under custody) and \$266.8 billion (underwriting); Bank of New York Mellon – \$243.1 trillion (payments), \$36.4 trillion (assets under custody) and \$9.3 billion (underwriting); and State Street – \$92.6 trillion (payments), \$30.6 trillion (assets under custody) and \$0.0 billion (underwriting).



When the interconnectedness of the combined company is measured using the interconnectedness indicators of the FR Y-15 report, the Proposed Transaction would not result in a material increase in systemic risk under such indicators. In evaluating a bank holding company's interconnectedness, the relevant measures include the banking organization's total claims on the financial system, its total liabilities to the financial system and the total value of debt and equity securities it issues. Based on COFC's and Discover's respective FR Y-15 reports (each as of December 31, 2023), COFC's total intra-financial system assets would increase only slightly (i.e., less than 5%) from \$73.3 billion to \$76.6 billion and its intra-financial system liabilities would increase from \$3.3 billion to \$6.8 billion on a pro forma basis. These resultant pro forma amounts for intra-financial system assets and intra-financial system liabilities are only 35% and 3%, respectively, of the averages for such indicators reported by the U.S. GSIBs. Based on COFC's and Discover's respective FR Y-15 reports (each as of December 31, 2023), COFC's securities outstanding would increase on a pro forma basis from \$167.8 billion to \$260.5 billion. Although this is a sizable increase in percentage terms (i.e., 55%), the resultant pro forma amount of \$260.5 billion securities outstanding is less than half of the average of securities outstanding of the U.S. GSIBs.<sup>45</sup>

For all these reasons, the Proposed Transaction would not raise financial stability risk concerns based on the interconnectedness factor.

**Cross-Border Activity.** In evaluating financial stability risk, the Federal Reserve evaluates a banking organization's cross-border activity because a banking organization with significant international activities can transmit financial problems from one country to another during a financial crisis. Banks with significant cross-border activities also may be more difficult to resolve because they require coordination with foreign authorities and access to foreign assets.

Capital One will not materially increase its limited cross-border activities as a result of the Proposed Transaction. As of December 31, 2023, Capital One's cross-border activities include cross-jurisdictional claims of \$8.1 billion and cross-jurisdictional liabilities of \$0.6 billion. Such activities consist of credit card lending in the U.K. and Canada, local currency liabilities associated with the U.K. and Canada credit card businesses, and de minimis cross-border commercial lending activities. As an initial matter, COFC and CONA are not acquiring any material entities outside the U.S. as part of the Proposed Transaction. Moreover, the cross-border activities of Discover that Capital One would acquire as part of the Proposed Transaction would be limited primarily to payment transaction processing and settlement services.

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<sup>45</sup> These pro forma activity amounts for the combined company were calculated by adding such activity volumes reported by COFC and Discover, individually, on the FR Y-15 report (each as of December 31, 2023). The respective total intra-financial system assets, intra-financial system liabilities and securities outstanding reported by the U.S. GSIBs on their FR Y-15 reports for that same date were as follows: JPMC – \$371.5 billion, \$506.9 billion and \$1.1 trillion; BOA – \$251.1 billion, \$151.5 billion and \$756.0 billion; Wells Fargo – \$179.1 billion, \$125.8 billion and \$545.4 billion; Citigroup – \$233.8 billion, \$338.2 billion and \$666.3 billion; Goldman Sachs – \$310.8 billion, \$83.1 billion and \$542.4 billion; Morgan Stanley – \$233.0 billion, \$77.8 billion, and \$486.2 billion; Bank of New York Mellon – \$79.8 billion, \$279.5 billion and \$76.9 billion; and State Street – \$81.0 billion, \$231.8 billion and \$48.1 billion.

When the cross-border activity of the combined company is measured using the cross-border indicators of the FR Y-15 report, it is evident that the Proposed Transaction would not result in material systemic risk under such indicators. In evaluating a bank holding company's cross-border activity, the relevant measures are a banking organization's total cross-jurisdictional claims and its total cross-jurisdictional liabilities. Based on COFC's and Discover's relevant Form FR Y-15 reports (as of December 31, 2023), the COFC's cross-jurisdictional claims on a pro forma basis of \$8.1 billion would increase only slightly (i.e., 1%) to \$8.2 billion and similarly its cross-jurisdictional liabilities would also increase only slightly (i.e., less than 6%) from \$0.60 billion to \$0.63 billion. These resultant pro forma amounts for the combined company are *de minimis* when compared with the amounts of the U.S. GSIBs.<sup>46</sup>

Therefore, the Proposed Transaction would not result in any meaningful increase in Capital One's cross-border operations or activities and would not create difficulties in coordinating any resolution of the combined company or otherwise increase the risk to U.S. financial stability.

**Complexity.** The complexity of a banking organization is relevant to the Federal Reserve's financial stability risk analysis because highly complex operations have a broader impact on the financial system and generally are more difficult to resolve if they fail. The Proposed Transaction would not contribute to the overall complexity of the U.S. banking or financial system.

As noted, the Proposed Transaction does not involve the purchase or assumption of any complex assets or liabilities. Accordingly, the Proposed Transaction would not cause the resulting organization to have a complex organizational structure, add complex interrelationships or add any unique characteristics that would complicate resolution of the firm, or otherwise pose a significant risk to the financial system, in the event of financial distress. Capital One and Discover have successfully designed and implemented frameworks to address applicable regulatory requirements for resolution planning, and Capital One will apply its framework following consummation of the Proposed Transaction.

In addition, when the complexity of the combined company is measured using the relevant indicators of COFC's and Discover's respective Form FR Y-15 reports, it is also evident that the Proposed Transaction would not result in a material increase in systemic risk under this factor. In evaluating a bank holding company's complexity, the relevant measures are: a banking organization's total notional amount of over-the-counter ("OTC") derivatives; total adjusted trading, available-for-sale securities and equity securities with readily determinable fair values not held for trading (collectively, "Trading and AFS Securities"); and total illiquid and hard-to-value assets, known as "Level 3 Assets." Based on COFC's and Discover's respective FR Y-15 reports (each as of December 31, 2023), COFC would have a pro forma total notional

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<sup>46</sup> These pro forma activity amounts for the combined company were calculated by adding such activity volumes reported on COFC's and Discover's most recently published FR Y-15 reports (as of December 31, 2023). The much larger cross-jurisdiction claims and cross-jurisdiction liabilities reported by the U.S. GSIBs on their respective FR Y-15 reports for that same date were as follows: JPMC – \$946.8 billion and \$863.7 billion; BOA – \$536.6 billion and \$374.8 billion; Wells Fargo – \$175.5 billion and \$69.4 billion; Citigroup – \$1.1 trillion and \$1.2 trillion; Goldman Sachs – \$684.1 billion and \$577.9 billion; Morgan Stanley – \$394.2 billion and \$339.4 billion; Bank of New York Mellon – \$101.8 billion and \$158.6 billion; and State Street – \$101.2 billion and \$160.6 billion.



amount of OTC derivatives of \$287.7 billion, total Trading and AFS Securities of \$9.7 billion and total Level 3 Assets of \$1.2 billion. These amounts are all *de minimis* when compared with the average of such indicator totals as reported by the U.S. GSIBs.<sup>47</sup>

Also, Capital One does not believe that the Proposed Transaction will make COFC or CONA more difficult to resolve if they fail. CONA is subject to the OCC's recovery plan requirements which establish minimum standards for recovery planning by national banks, federal savings associations, and insured federal branches of foreign banks. Capital One will integrate Discover into CONA's recovery planning framework. As previously noted, although CONA will have a larger asset base post-closing, it does not anticipate material changes to its resolution strategies. The acquisition of the Discover Global Network by COFC is under review to determine what changes will be made to COFC's resolution plan; however, those changes will not result in a material change to the complexity of Capital One.

For all these reasons, the Proposed Transaction would not significantly increase financial stability risk under the complexity factor.

***Conclusion on Financial Stability Risk.*** In view of all the foregoing, the Proposed Transaction will not result in greater or more concentrated risks to the stability of the U.S. banking or financial system, and, therefore, the financial stability risk considerations are consistent with approval of the Proposed Transaction.

As noted, the Proposed Transaction will enable the combined company to achieve greater diversification of business lines, customers and geographies, enhanced earnings prospects and operational efficiencies. These important benefits will enable the combined Capital One to compete more effectively against the larger regional banks, as well as the exponentially larger banking organizations that have steadily and disproportionately increased their banking and financial service market share concentrations during the last decade. Following closing, COFC and CONA will continue to operate within the robust Governance Framework described above.

In addition, as previously discussed, COFC is a Category III organization, while Discover is currently not. As a result of the Proposed Transaction, the assets and liabilities of these companies, including the assets and liabilities of Discover acquired in the Proposed Transaction, would become subject to the Supplementary Leverage Ratio and the Countercyclical Capital Buffer requirements of the banking agencies' regulatory capital rules, as well as the LCR and NSFR requirements that apply to COFC as a Category III firm.

Additional information demonstrating that the Proposed Transaction would not result in any meaningful increase in risks to the stability of the U.S. banking or financial system is provided in Confidential Exhibit L.

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<sup>47</sup> The volumes of these respective activities (total notional amounts of OTC derivatives, amounts of Trading and AFS Securities, and Level 3 Assets amounts) reported by the significantly larger banking organizations on their FR Y-15 reports for that same date were as follows: JPMC – \$49.2 trillion, \$252.4 billion and \$23.7 billion; BOA – \$32.8 trillion, \$192.4 billion and \$9.3 billion; Wells Fargo – \$12.6 trillion, \$69.1 billion and \$9.6 billion; Citigroup – \$39.0 trillion, \$98.3 billion and \$12.7 billion; Goldman Sachs – \$38.5 trillion, \$189.9 billion and \$25.9 billion; Morgan Stanley – \$36.6 trillion, \$163.6 billion and \$10.4 billion; Bank of New York Mellon – \$1.1 trillion, \$30.3 billion and \$0.0 billion; and State Street – \$2.5 trillion; \$13.1 billion and \$4.0 million.

## **VI. Convenience and Needs Considerations of the Bank Merger**

In acting on this OCC Application, the Bank Merger Act requires the OCC to consider the effects of the Proposed Transaction on the convenience and needs of the communities to be served.<sup>48</sup> Capital One will build on the strong commercial, consumer and retail foundations of CONA and Discover Bank to create an enhanced, more competitive financial institution. Both CONA and Discover Bank have proud histories of commitments to their communities. CONA has a long-standing track record of “Outstanding” Community Reinvestment Act performance since 2007, and has ranked first or second in community development (“CD”) lending among all banks since 2015, with over \$59 billion in CRA-qualified loans over that period. CONA appreciates the importance of Chicagoland and Delaware, and remains committed to maintaining a strong presence in those markets, as well as maintaining service excellence across the United States. The combined entity will benefit from the significant investments that CONA has made over the last decade to modernize its technology and expand its suite of products and services offered to its customers. Capital One has a suite of intuitive digital tools that provide a personalized customer experience, including:

- **Second Look:** Proactively notifies customers of double charges, generous tips and other suspicious activity
- **Eno:** A natural language two-way SMS assistant can monitor charges, send fraud alerts and get answers to customer questions
- **Creditwise:** In addition to credit monitoring, Creditwise empowers customers to understand, build and use their credit responsibly with a digital score improvement tool and daily score refreshes.

Capital One is one of the nation’s largest business card franchises, offering an array of business card options that meet the needs of small and mid-market business customers of various credit levels and spending habits, as well as preferences in rewards such as cash back and travel. Additionally, business customers benefit from a suite of services such as automated payments, fraud protection, employee cards, multi-user capabilities, reporting, accounting integrations, and virtual card offerings.

Capital One offers simple checking products, with no monthly fees or minimum balance requirements, and was the first major bank to completely eliminate overdraft fees while still allowing customers to retain the ability to utilize this service. Capital One’s flagship 360 Checking product is Bank On certified. Capital One has a full service digital bank offering customers over 40 fully digitized features and services. Unique features include the ability to add cash to checking accounts at any CVS, Walgreens, or Duane Reade by Walgreens location; real-time alerts about checking account activity from Capital One and Eno (Capital One’s virtual assistant); multiple overdraft options (e.g., auto-decline, free transfers, no fee overdraft). The Proposed Transaction will allow Capital One to continue to innovate and improve its offerings,

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<sup>48</sup> 12 U.S.C. § 1842(c)(5).

and to significantly expand the availability of its flagship Bank On certified, no fee, minimum balance and overdraft fee checking product to a broader range of consumers.

Capital One operates 259 (as of June 2024, reflecting previously determined actions unrelated to the Proposed Transaction) bank branches across three distinct regions: (i) New York/New Jersey (ii) Maryland/DC/Virginia, and (iii) Louisiana/Texas. Additionally, Capital One has 55 Capital One Cafés (as of June 2024, reflecting previously determined actions unrelated to the Proposed Transaction), located across 21 of the top 25 Metropolitan Statistical Areas (“MSAs”), delivering a completely unique experience. Capital One operates Cafés in several underserved communities, including Washington, DC’s historic Anacostia neighborhood, Chicago’s South Side in Hyde Park, Downtown Detroit, and Downtown Los Angeles. In addition, Capital One plans to open a Capital One Café next year in the South Bronx. The Cafés are open to anyone – not just Capital One customers – for food and beverage offerings, free Wi-Fi, and non-profit meeting spaces. The Cafés do not offer teller cash services, but do have deposit gathering ATMs. Capital One is also currently piloting and intends to expand its deployment of cashier’s check issuance kiosks and cardless ATM access. Café Ambassadors provide financial literacy and wellness education, assist customers with account servicing, account opening, and problem resolution. Capital One credit and debit cardholders receive access to private working spaces.

Capital One has a number of businesses and associated features today that do not directly overlap with Discover’s active businesses, including Auto Finance, Auto Navigator, Small Business Card, Small Business Banking, Commercial Banking and more.

- **Auto Finance:** Auto Finance provides loans to consumers across the credit spectrum for the purpose of purchasing or refinancing new and used automobiles. Auto Finance originates loans primarily through two channels: direct and dealer (also known as indirect). Through its extensive dealer relationships, Auto Finance purchases retail contracts, which are secured by automobiles. Auto Finance’s indirect channel products include financing for the purchase of new and used vehicles; the direct channel’s sole product is the refinancing of existing motor vehicle loans directly to consumers.
- **Auto Navigator:** Auto Navigator is a proprietary technology built by Capital One that enables consumers to research potential vehicles to purchase, view dealer inventory across the United States and receive vehicle pricing information. Consumers can use Auto Navigator to receive pre-qualified offers on financing. Capital One views Auto Navigator as a unique offering in the marketplace and, therefore, a value driver of this specific business line.
- **Small Business Card:** Capital One is one of the nation’s largest business card franchises, offering an array of business card options that meet the needs of small and mid-market business customers of various credit levels and spending habits, as well as preferences in rewards such as cash back and travel. Additionally, business customers benefit from a suite of services such as automated payments, fraud protection, employee cards, multi-user capabilities, reporting, accounting integrations, and virtual card offerings.

- **Small Business Banking:** The Small Business Banking business provides digital and traditional banking services including loans, both term and revolving, to small business owners, generally in the Company’s regional markets. The business resides within the Consumer Bank line of business.
- **Commercial Banking:** The Commercial Banking business provides lending, capital markets and transaction services to corporations. To meet the product demands of clients, Commercial Banking is divided into two primary lines of business: Commercial Real Estate and Corporate Banking. Six horizontal business functions support these primary lines of business: (1) treasury management, (2) capital markets, (3) underwriting and portfolio management, (4) commercial operations, (5) commercial risk and (6) commercial business office. Commercial Banking serves clients at both regional and national scale depending on the line of business.

These businesses are a strategic priority and Capital One believes that there will be opportunities to offer these compelling products and services to Discover’s customers through Capital One. There will be no significant changes to Capital One products, which, aside from the Discover Global Network, will remain the primary products of the combined organization. For products or services that are not offered by Capital One, following the Proposed Transaction, Capital One will continue to service those products for legacy customers and assess whether there are additions to the Capital One suite of products that would align to the organization’s overall strategy and risk profile.

For example, CONA does not offer private student loans, home equity loans, personal loans or money market or IRA accounts. On November 29, 2023, Discover announced that its Board of Directors had authorized management to explore the sale of the private student loan portfolio and transfer servicing of these loans to a third-party servicer. Discover stopped accepting new applications for private student loans on February 1, 2024. Discover is targeting to complete the sale of its student loan business in the second half of 2024. If this sale is not completed in advance of the Proposed Transaction, Capital One intends to pursue a sale of this business and fully exit student lending activities after the consummation of the Proposed Transaction. While CONA does not offer home equity loans, personal loans, money market or IRA accounts, it plans to continue to service any such loans or accounts on its balance sheet following the Proposed Transaction and assess whether such businesses should be offered for new customers.

In addition to the different product lines, Capital One and Discover offer different features in connection with their various banking products. Following the Proposed Transaction, Capital One will evaluate all of Discover’s products and services for opportunities to optimize its product offerings to offer a best-in-class suite of financial products. Due to the minimal changes to the product set and the continued servicing of existing business lines, customers should experience minimal disruption as a result of the Proposed Transaction.

As discussed in detail in the *Commitment to the CRA* section below, the combined CONA is committed to continuing its strong record of CRA performance and helping to serve the needs of its communities nationwide and within its CRA assessment areas (“AAs”). As part of the Proposed Transaction, Capital One is proactively meeting with community groups and

considering how best to continue to meet the needs of the communities it serves. Following these discussions, Capital One plans to develop a community benefit plan reflecting the feedback from the communities.

Based on all the foregoing, and the discussion below of the parties' CRA record, it is evident that the convenience and needs of the communities and other constituents of Capital One, including CONA, and Discover, including Discover Bank, will be favorably served by the Proposed Transaction.

## **VII. Commitment to the CRA**

Both CONA and Discover Bank have a strong commitment to serving the needs of their communities as demonstrated by each bank's strong CRA compliance record and performance in their most recent CRA performance evaluations as well as each organization's ongoing community engagement activities. The complementary nature of each bank's business and CRA program will result in an even stronger program with expanded opportunities moving forward. The combination of CONA and Discover Bank brings together robust programs and unique best practices for serving the needs of LMI and underserved communities and small businesses. The following pages will highlight the programs, products and strengths that a combined CONA and Discover Bank will bring together to provide an even higher level of support for LMI consumers and neighborhoods and small businesses.

CONA is particularly proud of a number of elements of its CRA program and governance, including its:

- Comprehensive CRA program that is fully supported by its Board of Directors and senior executives. Senior managers who are responsible for lines of business that impact CRA performance are charged with CRA-related accountabilities. The CRA strategy and program management team works closely with applicable lines of business to provide centralized oversight and subject matter expertise, and to promote strong CRA performance. Further, Capital One's CRA Officer reports annually to the Board of Directors.
- Team of more than 150 full-time equivalent employees who serve functions related to CRA strategy and program management, CD finance, community outreach, and corporate philanthropy.
- Deep relationships with existing community partners, and continued development of new relationships to support investments, lending, and service activities.
- Community Advisory Council ("CAC"), a diverse group of 27 of the nation's leading experts on consumer protection, consumer banking, fair lending, affordable housing, small business, and financial well-being. The CAC was initiated in 2013. Members' recommendations are informed by their own work directly serving LMI populations as well as policy research that delivers insights on proven and emerging strategies for helping un- and under-banked and subprime consumers improve their financial well-being. The CAC has helped Capital One better understand the financial needs of



underserved consumers. Additionally, the CAC has become a forum for Capital One leaders to solicit input from CAC members about business strategy and product development. One prominent example of this is the role that the CAC played in Capital One's groundbreaking decision to eliminate overdraft fees.

- Strong collaboration and accountability across business lines on CRA investments, lending, and services.
- Long-standing track record of “Outstanding” CRA performance, as discussed in greater detail below. CONA has ranked first or second in CD lending among all banks since 2015, with over \$59 billion in CRA-qualified loans over that period. CONA is in the fourth year of its five-year, \$200 million Impact Initiative, supporting non-profit organizations seeking innovative solutions to address affordable housing, workforce development, small business creation, financial well-being and digital access.

Capital One intends to continue this level of support and oversight following the consummation of the Proposed Transaction. In addition, Capital One intends to review the level of resources dedicated to community development to ensure that it is well positioned to continue its strong commitment to this area.

#### **A. CONA CRA Performance Record**

CONA received an overall rating of “Outstanding” on its most recent CRA performance evaluation by the OCC, dated as of August 24, 2020 (the “CONA CRA Evaluation”). The evaluation period for the CONA CRA Evaluation was January 1, 2017 to December 31, 2019.

During that period, COFC also controlled Capital One Bank (USA), National Association (“COBNA”), a national bank with its main office in Glen Allen, Virginia. During that period, CONA operated as an interstate bank that offered a broad spectrum of financial products and services to consumers, small businesses, and commercial clients through a variety of channels. COBNA engaged exclusively in credit card operations, offering credit cards for both consumers and small businesses, both inside the United States and, through an indirect subsidiary in the United Kingdom, and a branch of COBNA in Canada, outside the United States. CONA and COBNA were merged on October 1, 2022, with CONA as the surviving national bank.

Like CONA, COBNA also received an overall rating of “Outstanding” on its most recent CRA performance evaluation by the OCC, also dated as of August 24, 2020 (the “COBNA CRA Evaluation”). The CONA CRA Evaluation and the COBNA CRA Evaluation are summarized separately below.

#### **1. CONA CRA Evaluation**

During the evaluation period, CONA operated as an interstate bank offering a broad spectrum of financial products and services to consumers, small businesses, and commercial clients through a variety of channels. CONA's consumer banking products and services included checking and savings accounts with no monthly fees or minimum balance requirements, auto loans, and consumer credit cards through retailers. CONA also offered small business and

commercial loans, including multifamily residential loans,<sup>49</sup> commercial deposit accounts including checking, money market, and certificates, and treasury management services. The bank's primary business strategy was small business lending, which comprised 97% of the bank's lending during the evaluation period. Farm and agricultural lending were not a primary business strategy.

As of the conclusion of the evaluation period on December 31, 2019, CONA operated 462 retail banking branches with 135, or 29%, of those branches located in LMI geographies. Additionally, CONA operated 39 cafés with six, or 15%, of the cafés located in LMI geographies. CONA's retail banking branches, deposit-taking ATMs, and cafés were located in California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Illinois, Louisiana, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, Pennsylvania, Texas, Virginia, and Washington.

As discussed above, CONA received an overall rating of "Outstanding" in the CONA CRA Evaluation. This was CONA's second consecutive "Outstanding" rating on its CRA performance evaluations. For the CONA CRA Evaluation, CONA received "Outstanding" ratings under each of the Lending and Investment Tests and a "High Satisfactory" rating under the Service Test.

CONA also received overall "Outstanding" ratings in each state or combined statistical area or multistate metropolitan statistical area that was reviewed including: (a) the New York-Newark, NY-NJ-CT-PA Combined Statistical Area (the "New York CSA"); (b) the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Multistate Metropolitan Statistical Area (the "Philadelphia MMSA"); (c) the Washington-Baltimore-Arlington, DC-MD-VA-PA Combined Statistical Area (the "Washington, DC CSA"); and (d) the individual States of California, Colorado, Delaware, Florida, Illinois, Louisiana, Massachusetts, Minnesota, Oregon, Texas, Virginia, and Washington. The OCC also stated in the CONA CRA Evaluation that examiners did not identify that CONA (or any affiliate of CONA whose loans had been considered as part of the institution's lending performance) had engaged in discriminatory or other illegal credit practices that require consideration in the evaluation.

The New York CSA and the Washington, DC CSA represented the bank's most significant markets in terms of lending, deposits (after allocating Internet deposits), and branch distribution and carried the greatest weight in the OCC's overall conclusions. The New York CSA AA (the "New York CSA AAs") accounted for 24.3% of the bank's home mortgage, small business, and small farm lending, 26.9% of total allocated deposits, and 38.5% of the branch network. The Washington, DC CSA AA (the "Washington, DC CSA AA") accounted for 10.2% of home mortgage, small business, and small farm lending, 39.9% of total allocated and unallocated deposits, and 23.8% of the branch network. In order of significance, the states of Texas, Louisiana, and California were the next largest markets, and when combined with the New York CSA AA and Washington, DC CSA AA, contained 90.1% of the bank's total

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<sup>49</sup> The OCC noted that in November 2017, due to the highly competitive marketplace and challenging rate environment, CONA made the business decision to cease new originations of residential mortgage and home equity loan products within the consumer banking business. Accordingly, most of the bank's home mortgage originations in 2018 and 2019 were multifamily loans.



deposits, 99.7% of the branch network, and 72.9% of reportable loans during the evaluation period.

The major factors that supported the overall “Outstanding” rating included:

- (a) **Lending Test** – CONA’s “Outstanding” lending test rating was based on *an “Outstanding” lending rating in all the bank’s rating areas.*<sup>50</sup>
- (b) **Investment Test** – CONA’s “Outstanding” rating under the investment test was based on *an “Outstanding” investment rating in all the bank’s rating areas.*
- (c) **Service Test** – CONA’s “High Satisfactory” rating under the Service Test, reflected, among other things that CONA received a “High Satisfactory” service test rating in the New York CSA AA and an “Outstanding” service test rating in the Washington, DC CSA AA, which represented CONA’s most significant markets in terms of deposits and branch distribution and carried the greatest weight in the OCC’s overall conclusions.
- (d) **Flexible and Innovative Lending Products** – CONA offered flexible home mortgage and small business lending programs in order to serve AA credit needs. Flexible lending programs included: Community Home Buyers (“CHB”), Dream, Federal Housing Administration (“FHA”), Veterans Affairs (“VA”), and Small Business Administration (“SBA”) loans. The CHB and Dream loans were portfolio products, which allowed for more flexible underwriting that considered the individual borrower’s unique circumstances. The bank offered its Dream product in Louisiana and Texas, and its CHB product in the Northeast and Mid-Atlantic, to finance the purchase of homes by LMI borrowers and/or in LMI geographies. They featured low down payment requirements without private mortgage insurance, down payment assistance grants, consideration of nontraditional credit history, and homebuyer education. The loans were complex and labor-intensive.

CONA also offered loans to Community Development Financial Institutions (“CDFIs”) and nonprofits. For example, CONA provided a loan of \$750,000, along with \$277,500 in grants, to support a local CDC dedicated to providing affordable housing and other neighborhood development programs to benefit LMI populations in East New York. CONA also provided a \$500,000 working capital loan to a CDFI that provides affordable microloans, customized business consulting, and community connections for underserved entrepreneurs in the San Francisco Bay Area.

- (e) **Flexible and Innovative Investment Programs** – CONA created and used several innovative approaches in grant funding to respond to community needs, including:

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<sup>50</sup> The OCC noted that an adequate percentage of CONA’s loans were made in its AAs.

- *CONA's Social Purpose Program* – CONA developed the Social Purpose Program as a mechanism that enhances the features of affordable housing developments. Under this program, CONA increased its investment in select non-profit-owned developments by providing grant funding to support social service programs for residents.
  - *CONA's Blueprints to Buildings (“B2B”)* – B2B was created to provide grants and pre-development funding to support new affordable housing. It was intended to address the primary obstacles to building more affordable housing such as lengthy and often unfunded preparatory steps required to jumpstart affordable housing developments, and a lack of capital to move projects from conception to fruition. B2B provided multi-year grants to support project management expenses and low-cost, flexible predevelopment loans to pay for project expenses. In addition, participants were eligible to apply for an unsecured line of credit from CONA at a below-market rate to help move the project from conception to closing.
  - *Construction Contractors College (“CCC”)* – CONA partnered with a number of non-profit organizations to develop and expand CCC. CCC was a free, seven-month small business training and development program that equipped qualified business owners in the construction trades business with the knowledge, resources, and guidance they needed to successfully bid and win public and private construction contracts. In addition to workshops, each small business owner received one-on-one coaching and mentoring from CONA associates and professionals from partner organizations.
  - *Homewards* – In 2018, CONA launched Homewards, a national pilot program that built the capacity of non-profit organizations to incorporate financial coaching into their housing counseling programs in order to improve the effectiveness of pre-purchase education. The program offered financial coaching training to non-profit partners to use with clients.
- (f) **Bank-wide Community Development Services** – During the evaluation period, CONA associates provided CD services to many community organizations. This included serving as financial literacy instructors for Junior Achievement (“JA”) programs providing a total of 32,838 hours of service across CONA’s footprint. JA programs primarily focused on teaching young people about the importance of money management, workforce readiness, and entrepreneurial thinking. The majority of students were from LMI communities.

## 2. COBNA CRA Evaluation

During the evaluation period and until its merger into CONA, COBNA engaged exclusively in credit card operations. It offered credit cards for both U.S. consumers and small businesses and also issued credit cards outside of the United States through COEP, an indirect subsidiary of COBNA organized and located in the United Kingdom, and through a branch of COBNA in Canada. COBNA had only one office located in Glen Allen, Virginia. It was

designated as a limited purpose bank for CRA evaluation purposes, based on its overall business strategy, primary focus, and product offerings.<sup>51</sup>

As discussed above, COBNA received an overall rating of “Outstanding” on its most recent CRA performance evaluation by the OCC, dated as of August 24, 2020. This was COBNA’s second consecutive “Outstanding” rating on its CRA performance evaluations. The evaluation period for the COBNA CRA Evaluation was also January 1, 2017 to December 31, 2019.

COBNA was a limited-purpose bank for CRA purposes and was evaluated under the CD test. The major factors that supported the overall “Outstanding” rating included:

- (a) COBNA demonstrated a high level of CD loans, CD services, and qualified investment activity, particularly investments that are not routinely provided by private investors.<sup>52</sup> Of the \$9.9 billion in qualified CD loans, investments, and grants originated or outstanding at the end of the evaluation period, \$1.5 billion benefited COBNA’s AA. COBNA and affiliate employees provided 26,785 hours of qualifying CD services to over 43 organizations and programs in the AA and 6,558 hours of service to over 50 organizations outside the AA.
- (b) COBNA demonstrated extensive use of innovative or complex-qualified investments, CD loans, or CD services. The OCC noted that COBNA’s CD strategy was to target opportunities first within its AA, then in a broader statewide or regional area that included the AA, and finally nationally. The OCC also noted that COBNA had considerable expertise in low-income housing tax credit (“LIHTC”) transactions and had a large portfolio of such investments. The bank evaluated all LIHTC opportunities in the AA, including those available in the secondary market, and invested in those projects that met its standards. Many LIHTC investments required close coordination among state and local government agencies, non-profit organizations, other investors, and COBNA. These investments illustrated COBNA’s leadership in complex transactions.

COBNA also engaged extensively in New Markets Tax Credit (“NMTC”) transactions to support the revitalization/stabilization of LMI geographies. These NMTC transactions are complex due to the involvement of multiple parties and multiple layers of intricate financing, as well as the many regulatory and reporting requirements to maintain compliance for a seven-year period. COBNA provided \$858 million in NMTC financing during the evaluation period, including \$120 million that benefited the AA.

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<sup>51</sup> At the request of CONA’s and COBNA’s management, COBNA’s small loans to businesses and farms were considered in CONA’s evaluation.

<sup>52</sup> The OCC determined that COBNA has adequately addressed the needs of its AA. Accordingly, outside of AA qualified investments, CD loans, and services were considered in evaluating its performance.

- (c) COBNA exhibited excellent responsiveness to credit and CD needs in its AA.<sup>53</sup> CD loans and investments made during the current evaluation period created 70,377 units of affordable housing for LMI families, including 11,323 units within COBNA's AA.

The OCC's evaluation included a state rating of "Outstanding" for COBNA's home state of Virginia. The major factors that supported this rating included:

- (a) COBNA demonstrated a high level of CD loans, CD services, and qualified investment activity in the state of Virginia, particularly investments that are not routinely provided by private investors.
- (b) COBNA demonstrated extensive use of innovative or complex-qualified investments, CD loans, or CD services in the State of Virginia.
- (c) COBNA exhibited excellent responsiveness to credit and CD needs in the State of Virginia.

#### **B. Discover Bank's CRA Performance Record**

Discover Bank received a "Satisfactory" rating on its most recent CRA performance evaluation by the FDIC, dated March 7, 2022 (the "Discover Bank CRA Evaluation"). The evaluation period for the Discover Bank CRA Evaluation was January 1, 2020 to December 31, 2021. During the evaluation period, Discover Bank operated under two FDIC-approved CRA strategic plans, the 2018-2020 CRA Strategic Plan (effective January 1, 2018 through December 31, 2020) and the 2021-2025 CRA Strategic Plan (effective January 1, 2021 through December 31, 2025).

The FDIC found that during the evaluation period, Discover Bank demonstrated leadership and excellent responsiveness to the credit and CD needs of its AA, as well as the greater statewide or regional area that includes the bank's AA ("Discover Bank's Broader Area"). The bank provided a high level of CD investments, loans, grants, and services that displayed extensive use of innovativeness and complexity with effective response to credit and CD needs. Bank management had been innovative in designing and implementing the CRA program, which included providing loans and investments through partnerships with various for-profit and non-profit organizations and financial institutions. The bank also provided responsive grants and significant technical expertise to address CD needs.

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<sup>53</sup> Pursuant to 12 CFR § 25.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. The OCC found evidence of a violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1), related to the bank's sales practices for small business credit cards from January 2015 through December 2016. The bank provided remediation to 2,135 negatively impacted customers. Additionally, the bank provided remediation to 6,728 customers for whom the bank was unable to confirm any impact. Remediation totaled \$1.10 million. The OCC determined that the bank's management had taken appropriate corrective actions to strengthen controls over the bank's sales practices and implemented strict oversight to prevent future violations. As a result, the CRA performance rating was not lowered as a result of these findings.

Importantly, Discover Bank met or exceeded its goals for “Outstanding” performance in both 2020 and 2021; however, there were ongoing deficiencies related to student loan servicing that resulted in the issuance of a new Consent Order by the Consumer Financial Protection Bureau (“CFPB”). The continuing student loan servicing deficiencies negatively impacted Discover Bank’s CRA rating, lowering the rating from “Outstanding” to “Satisfactory.” Discover Bank achieved “Outstanding” CRA ratings in its previous three CRA performance evaluations dated January 1, 2016, March 1, 2018, and June 1, 2020, respectively.

The goals for “Outstanding” that Discover Bank met or exceeded included:

- (a) **Strategic Plan Goal 1: New CD Loans and Investments** – Discover Bank provided \$274.1 million in new qualified CD loans and investments, including \$134.5 million in 2020 and \$139.6 million in 2021; this activity exceeded the respective annual goals for outstanding performance.

The FDIC noted that during the evaluation period, Discover Bank took a leadership role in preserving hundreds of affordable multi-family rental units and used innovative approaches to finance economic development projects and revitalization efforts throughout the assessment area and the broader area. Notable examples of new CD loans and qualified investments provided during the evaluation period included:

- **Discover Affordable Housing Investment Fund (“DAHIF”)** – The DAHIF is a bank-created LIHTC program for financing the development and preservation of affordable rental housing. Discover Bank’s CRA team works with for-profit and non-profit developers to identify projects in need of tax credit equity and seeks to provide terms and pricing that meet long-term financing needs of the property, while balancing the benefits of the LIHTC program. Discover Bank also provides funding to help developers offset costs for project development, resident programs, and educational opportunities.
- **DSHA Mortgage-Backed Security (“MBS”) Purchase** – Discover Bank and Delaware State Housing Authority (“DSHA”) developed the “forward” MBS purchase commitment agreement whereby Discover Bank provides DSHA with the liquidity and funding to (a) reduce interest rates and (b) provide down payment and settlement assistance funds to LMI individuals seeking to purchase or refinance a home loan. Under this agreement, Discover Bank makes a pre-defined commitment to purchase DSHA’s MBSs at a fixed price above market pricing, a premium of 100 basis points, and LMI borrowers benefit directly from the premium pricing. DSHA is Delaware’s housing finance agency, and its mission is to provide affordable housing opportunities and supportive services to LMI individuals.
- **Discover Economic Development Investment Fund** – In 2018, Discover Bank created the Discover Economic Development Investment Fund (the “Development Fund”). The Development Fund is a bank-owned NMTC fund. The Development Fund is a federal program incentivizing economic



development in LMI communities through a federal tax credit. Discover Bank's CRA team works with for-profit and non-profit partners to identify projects in need of tax credit equity within Discover Bank's assessment area and broader area. The FDIC found that Development Fund's projects (a) helped revitalize local communities, spur economic development and job growth, and (b) provided vital services to LMI individuals and geographies. In addition to funding through the Development Fund, Discover Bank's CRA team worked with various non-profit organizations to inform them about the NMTC program and the benefits it could provide.

- **National Development Council (“NDC”) SBA 7(a) Program** – In 2014, Discover Bank partnered with the NDC's Grow America Fund and leveraged the City of Wilmington's Urban Development Action Grant Corporation's portfolio of loans to launch a Grow Wilmington SBA 7(a) Loan Fund (the “SBA Loan Fund”). The SBA Loan Fund uses this economic development tool for the City of Wilmington to attract new small businesses and maintain existing small businesses. The SBA 7(a) program offers below-market fixed interest rates and longer amortizations through the leveraging of the federal guarantee that comes with a SBA 7(a) guaranteed portion of a loan. In 2014, Discover Bank provided a \$3.0 million warehouse loan to help launch the program and in 2019, Discover Bank provided \$8.3 million. In 2021, Discover Bank continued to increase the SBA 7(a) loan fund by \$10.6 million to provide small businesses with a total of \$14.1 million in funding capacity. To date, the SBA 7(a) loan fund has assisted 17 small businesses and helped to create 334 jobs statewide. Furthermore, the CRA team secured an additional \$1.0 million commitment from an economic development corporation, which increases the overall fund size.
- **National Development Council (“NDC”) Delaware Technology Park FinTech Building** – NDC is a CDFI that provides capital to support (a) the development and preservation of affordable housing, (b) the creation of jobs through training and small business lending, and (c) the advancement of communities through investment in social infrastructure in economically disadvantaged urban and rural neighborhoods. In 2020, Discover Bank provided the capital resources at a below-market interest rate needed for the NDC Community Impact Loan Fund (“CILF”) to provide the funding for the construction and permanent financing of the FinTech Building. The building is to be a center of excellence for the digital sciences, FinTech, and data management. Discover Bank invested time identifying and recruiting partners focused on these areas, and organizations developing products and services for LMI communities and small businesses to occupy the space. Discover Bank identified a non-profit, which seeks to unite business leaders, policy makers, and innovators to design and implement solutions that improve financial health for all people, including LMI individuals. Discover Bank also engaged a non-profit, supported by the Independent Community Bankers Association, with a mission to help accelerate the trajectory of FinTech companies and promote corporate innovation. Given the economic

development impact the projects are expected to have in Delaware, Discover Bank agreed to purchase 100% participation in the NDC CILF CDFI's direct loan and NMTC leveraged loans, totaling \$34.4 million. The NMTC allocation will facilitate up to 5,000 square feet of space in the FinTech Building dedicated to the delivery of technology solutions to meet the financial service needs of LMI consumers and small businesses for five years at no cost to the tenants.

- (b) **Strategic Plan Goal 2: Ratio of CD Loans and Qualified Investments to Average Assets** – Discover Bank achieved at least a 0.60% ratio of CD loans and qualified investments to average assets in 2020 and 2021; this activity met the respective annual goals for outstanding performance.
- (c) **Strategic Plan Goal 3: CD Grants** – Discover Bank provided 130 CD grants and in-kind contributions totaling \$8.4 million, including \$4.1 million in 2020 and \$4.3 million in 2021; this activity met the respective annual goals for outstanding performance.

Discover Bank also provided grants and in-kind contributions to various organizations, financial institutions, and governments to help meet the credit needs of LMI persons and small businesses within the AA and Discover Bank's Broader Area. Qualified grants focused on issues relating to affordable housing, small business and economic development, financial literacy, and Covid-19 response and recovery. Notable examples of qualified grants provided during the evaluation period include:

- Discover Bank provided an organization serving LMI individuals with a \$100,000 grant for the renovation of a vacant home in the Quaker Hill Community. The property will provide long-term housing assistance to people who meet the Department of Housing and Urban Development's definition of "chronically homeless." These individuals have at least one member of the household with a disability that affects their housing stability. Residents will face no minimum income requirement, pay no more than 30% of their income for housing, and receive supportive services.
- Discover Bank provided the Delaware Community Reinvestment Action Council a grant of \$250,000 to support technology improvements at Stepping Stones Community Federal Credit Union ("SSCFCU"). The credit union serves low-income communities in Wilmington, DE and provides services at no cost. The grant will enable the credit union to offer a debit card and a social banking app to its members. Furthermore, Discover Bank facilitated a relationship between SSCFCU and a minority- and women-owned FinTech company, Wellthi Technologies, Inc., to provide technology for the debit card product.
- Discover Bank provided the Community Legal Aid Society with a \$25,000 grant to increase the capacity to provide eviction defense counsel for low-



income renters. These free services include legal defense and connecting clients to resources available from the DSHA (for example, the DEHAP to pay delinquent rent). Additionally, the organization counseled those facing eviction due to the Covid-19 pandemic.

- Discover Bank afforded LMI households access to technology and remote services through partnerships with NERDiT NOW and public libraries. In 2020, Discover Bank provided the NERDiT Foundation with a \$75,000 grant to purchase and deploy computers for non-profits that had to transition staff to a work-from-home environment at the start of the Covid-19 pandemic. In 2021, Discover Bank provided the Seaford Library, in partnership with the Laurel and Frankford Libraries in Sussex County, with a \$25,000 grant for technology upgrades and support for residents of LMI communities.
- Discover Bank provided several grants to support individuals and families impacted by the Covid-19 pandemic.
- Discover Bank provided two organizations with crowd-funding technology platforms to solicit donations for non-profits and small businesses.
- Discover Bank provided Children & Families First with a \$25,000 grant to pilot the Community of Hope Program. The program aims to stabilize families, with an overarching goal to reduce child abuse, neglect, and referral into the child welfare system. Employing another place-based strategy, Discover Bank provided REACH Riverside with a \$25,000 grant in support of the Poverty to Prosperity Initiative. REACH's areas of focus for the Riverside neighborhood include redevelopment, education, and community health. The program supports REACH housing residents in Wilmington, DE by offering tools to increase economic independence, reducing neighborhood unemployment and poverty, and providing opportunities for families to move to new housing in the community. Additionally, the initiative will increase retention of Riverside residents in the new development, improve community health, and create a mixed-income community.
- During the evaluation period, Discover Bank provided approximately \$345,000 in corporate grants to organizations and programs serving LMI people and communities.

During the evaluation period, Discover Bank also provided approximately \$265,000 of in-kind contributions to area non-profits providing services to LMI individuals, including the following:

- In 2020, Discover Bank provided schools, homeless shelters, and libraries with donations of unused marketing space, printing services, Google Chromebooks, baby supplies, and kitchen items.

- In 2021, Discover Bank assisted with the Covid-19 response by donating cleaning and disinfecting supplies to Delaware non-profits serving LMI individuals.
- Following downsizing the call center in New Castle, Delaware in 2021, Discover Bank donated office furniture and equipment to local non-profit organizations.

- (d) **Strategic Plan Goal 4: CD Services** – Discover Bank created a point system to track CD services provided by personnel within the AA and Discover Bank’s broader area. Discover Bank achieved 292 points, including 145 points in 2020 and 147 points in 2021, which exceeded the respective annual goal of 140 for outstanding performance.

The primary purpose of services performed must meet the definition of CD and use the financial expertise or technical assistance of the employee who provided the service. Categories of service included: (i) technical assistance and intensive or long-term service; (ii) board membership; (iii) committee membership; and (iv) CD services.

- (e) **Strategic Plan Goal 5: Consumer Loans in Moderate-Income Census Tracts in the Assessment Area** – Discover Bank extended \$5.8 million in consumer credit to individuals who resided in moderate-income census tracts within Discover Bank’s AA, including nearly \$2.8 million in 2020 and \$3.0 million in 2021. Discover Bank’s performance in 2020 substantially met the goal for outstanding performance and exceeded the goal for outstanding performance in 2021.

The CRA requires that the FDIC consider an institution’s compliance with laws and regulations prohibiting discrimination on a prohibited basis and other illegal credit practices when evaluating CRA performance and assigning a CRA rating. The CFPB executed a Consent Order against Discover Bank in 2015 due to alleged deficiencies regarding Discover Bank’s student loan servicing practices. Due to alleged ongoing deficiencies in Discover Bank’s student loan servicing practices, the CFPB executed a new Consent Order in December 2020.

The FDIC considered the ongoing deficiencies within Discover Bank’s student loan servicing operation when assigning the overall CRA rating. Accordingly, although Discover Bank met or exceeded its goals for “Outstanding” performance in 2020 and 2021, the agency lowered the assigned rating to “Satisfactory” in recognition of the ongoing student loan servicing deficiencies.

**C. CONA/COBNA’s and Discover Bank’s CRA Activity Since Their Last CRA Evaluations**

Commitment to the communities where CONA employees live and work has always been embedded in the culture of CONA. Since the CONA CRA Evaluation, CONA has remained actively engaged with the communities within its AAs. CONA’s commitment to the

communities within its AAs is evidenced in the lines of businesses' performance and their efforts to further strengthen their CRA impact in the communities it serves.

## **1. CONA/COBNA's CRA Activity Since Their Last CRA Evaluations**

As discussed above, the evaluation periods for the CONA CRA Evaluation and for the COBNA CRA Evaluation each concluded on December 31, 2019. Since the end of its evaluation period, CONA has demonstrated very strong CRA performance and significant positive impacts on its communities. Similarly, COBNA also demonstrated very strong CRA performance and significant positive impacts on its communities in the period from January 1, 2020 until it merged into CONA on October 1, 2022.

### *Small Business Lending*

CONA understands the important role that small businesses play in the U.S. economy as well as to individual communities. As a result, CONA strives to ensure that the bank is a provider of small business banking products and services across all the markets and communities it serves. CONA also offers small farm loans, although this is not a major product of the bank.

As discussed in the *Convenience and Needs of the Communities* section above, CONA offers term loans, lines of credit, and credit cards to small businesses. In addition to traditional financing, CONA offers loans guaranteed by the SBA. The bank provides financing through the SBA 504, SBA 7(a), and SBA Express programs, which collectively offer long terms, fixed rates, and lower equity requirements.

CONA's suite of credit card products accommodates small business owners across the credit spectrum, from those with fair credit to those with excellent credit. Several products have no annual fee. In addition, there are various options relating to cash rewards and travel miles.

During the Covid-19 pandemic, CONA prioritized resources in small business lending to participate in the SBA's Paycheck Protection Program ("PPP"), designed to help businesses keep their workforces employed. CONA mobilized associates across the company to create a digital PPP process for handling customer applications. This was an exceptionally complex and demanding, multi-week, 24/7 effort undertaken by almost 3,000 bank associates, many of whom were not part of the small business banking team. CONA originated 21,489 PPP loans totaling \$1.1 billion in the bank's AAs. The bank's efforts targeted those businesses most in need, as companies with 20 or fewer employees comprised 93% of CONA's PPP loans. Similarly, 86% of the PPP loans were for \$100,000 or less. In fact, CONA ranked #1 in PPP customer satisfaction in two (Northeast and South) of the four regions in the 2020 JD Power Small Business Banking Satisfaction Study.<sup>54</sup>

CONA also took action to help existing small business customers during the pandemic, including:

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<sup>54</sup> See J.D. Power, Press Release, Banks' Response to Paycheck Protection Program Helps Drive Small Business Customer Satisfaction to Record High during Pandemic, J.D. Power Finds (Oct. 29, 2020), <https://www.jdpower.com/business/press-releases/2020-us-small-business-banking-satisfaction-study>.

- Deferring payments on 1,852 loans for a total of 5,957 payments, totaling \$21.2 million. In addition, over 700 of CONA’s small business loans received six-month loan forgiveness from the SBA (through the SBA Cares Act), totaling more than \$22 million.
- For credit card customers, providing 64,000 payment deferrals for a total of \$81.9 million. In addition, CONA reduced the APR to 9.99% on 662 credit card accounts for nine months, for customers who were 60+ days past due and impacted by the pandemic.

Below is a table outlining CONA/COBNA’s small business and small farm lending within their respective AAs in 2020, 2021, 2022 and 2023, by number and dollar amount. Of the 752,476 loans originated during the four years, 28% were to businesses in LMI census tracts. In addition, 98% of the loans were for \$100,000 or less, a strong indicator of Capital One’s willingness and ability to lend to the smallest businesses.

<b>CONA/COBNA Combined (Dollar Amounts in Thousands)</b>				
	<b>2020</b>		<b>2021</b>	
	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>
<b>Total Loans</b>	2,300,018	126,907	2,723,087	193,964
<b>Loans in LMI Census Tracts</b>	494,179	34,601	616,169	54,097
<b>Loans of \$100,000 or Less</b>	1,303,055	123,614	1,727,540	190,463
<b>PPP Loans</b>	767,821	13,549	371,946	7,940
<b>In LMI Tracts</b>	164,772	2,950	70,749	1,799
<b>\$100,000 or Less</b>	300,492	11,698	167,328	7,096

<b>CONA/COBNA Combined* (Dollar Amounts in Thousands)</b>				
	<b>2022</b>		<b>2023</b>	
	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>
<b>Total Loans</b>	3,925,066	239,715	3,255,822	191,890
<b>Loans in LMI Census Tracts</b>	968,628	66,308	804,418	54,739
<b>Loans of \$100,000 or Less</b>	2,554,664	234,871	1,906,549	186,926
<b>PPP Loans</b>				
<b>In LMI Tracts</b>				
<b>\$100,000 or Less</b>				

\* COBNA merged with and into CONA on October 1, 2022. Accordingly, after that date the data reflects CONA alone.

### *Residential Mortgage Lending*

As discussed above, in November 2017, due to the highly competitive marketplace and challenging rate environment, CONA made the business decision to cease new originations of

residential mortgage and home equity loan products within the consumer banking business and, since that time, almost all of CONA’s HMDA-reportable originations have been multifamily loans.

The table below summarizes CONA’s residential mortgage lending in its AA since December 31, 2019. The loans originated during 2020, 2021, and 2022 were reported in CONA’s HMDA data. In 2023, CONA did not submit a HMDA loan application register since it did not meet the HMDA reporting threshold for 2023.

CONA				
	2020		2021	
	Total #	Total \$ (in thousands)	Total #	Total \$ (in thousands)
<b>Total Loans</b>	353	6,416,155	258	5,327,195
<b>Loans in LMI Census Tracts</b>	170	2,759,520	149	2,207,484

CONA				
	2022		2023	
	Total #	Total \$ (in thousands)	Total #	Total \$ (in thousands)
<b>Total Loans</b>	202	4,356,203	N/A	N/A
<b>Loans in LMI Census Tracts</b>	94	1,339,995	N/A	N/A

\* COBNA merged with and into CONA on October 1, 2022. Accordingly, after that date the data reflects CONA alone.

### *Community Development Activities*

CONA is dedicated to providing support to economically disadvantaged communities within its footprint through making qualified CD loans and investments. In fact, CONA has been a national leader in CD lending for many years. For five consecutive years (2016 through 2020), the Bank had a higher dollar volume of CD loans than any other reporting lender in the country. In 2021 and 2022, CONA was second only to the largest bank in the country based on assets. This is significant considering CONA’s size and capacity in relation to other, much larger peer banks. (Peer CD lending data for 2023 is not yet available.)

Since the CONA CRA Evaluation and the COBNA CRA Evaluation, CONA and COBNA combined have made 2,052 CD loans totaling over \$30 billion when PPP loans are excluded. CONA and COBNA combined also made 471 CRA-qualified investments (excluding grants), totaling \$4.1 billion. See the table below for a summary of the total dollar amounts of CONA and COBNA’s CRA qualifying CD loans, investments and grants in 2020, 2021, 2022 and 2023. These sources of CD funding amount to \$34.7 billion, approximately two-thirds of which was provided in CONA’s AAs. The loans, investments, and grants made outside CONA’s

AAs were allocated either to COBNA or, following the CONA-COBNA merger, to broader statewide or regional areas supporting CONA rating areas.

<b>CONA/COBNA Combined (\$ amounts)</b>		
	<b>2020</b>	<b>2021</b>
<b>CD Lending (Excludes PPP Loans)</b>	9,010,602,250	9,251,152,146
<b>CD Investments</b>	822,868,982	1,059,514,891
<b>CD Grants</b>	46,940,760	42,209,763

<b>CONA/COBNA Combined* (\$ amounts)</b>		
	<b>2022</b>	<b>2023</b>
<b>CD Lending (Excludes PPP Loans)</b>	7,274,390,732	4,869,920,884
<b>CD Investments</b>	899,069,597	1,293,229,608
<b>CD Grants</b>	37,192,412	43,431,510

\* COBNA merged with and into CONA on October 1, 2022. Accordingly, after that date the data reflects CONA alone.

During the 2020-2023 time period, CONA and COBNA provided large volumes of CD loans and investments that were highly responsive to the needs of their communities. Most of these transactions were complex, and many reflected leadership and/or innovation on the bank’s part. Examples of these transactions follow. Some of the geographies (e.g., Michigan) are rating areas added since the CONA CRA Evaluation of August 24, 2020.

Examples of CONA’s leadership in CD loans and investments from 2020-2023 include the following:

- Provided more than \$58 million in financing, including a loan of \$32.9 million and a LIHTC equity investment of \$25.2 million, to help finance the new construction of a 105-unit senior affordable housing development in the Bronx. A majority of units (104 out of 105) will be restricted to LMI seniors earning up to 50% and 60% of AMI (18 and 86 units, respectively) and supported by project-based Section 8 vouchers; there will be one manager’s unit. Thirty-two units will be set aside for formerly homeless seniors and supported by New York City project-based rental assistance. In addition to providing financing for the property’s construction, CONA also contributed a \$150,000 grant to fund resident services. The nonprofit developer, which has a longstanding history of serving LMI seniors, will provide services to residents including, but not limited to, case management, services coordination, crisis intervention, counseling, and nutritional services. In addition to funding from CONA, this complex project involved significant public financing, including over \$20 million from city and state-wide entities, such as New York City’s Department of Housing Preservation and Development and New York State’s Homeless Housing and Assistance Program. This development provides much-needed affordable



housing coupled with supportive services for LMI seniors, including the formerly homeless, in a market with a very high cost of living.

- In 2021, CONA provided two loans totaling \$17 million to the New York chapter of a national nonprofit organization that offers social services to LMI individuals. For example, it provides assistance for the homeless, families recovering from domestic violence, veterans, the elderly, at-risk youth, and those with intellectual and/or developmental disabilities. One of the loans, a \$7 million line of credit, provided working capital and bridged the receipt of government receivables benefiting LMI populations in the AA. The other loan, for \$10 million, was PPP financing to help stabilize the organization during the Covid-19 pandemic. In 2023, CONA increased the line of credit from \$7 million to \$10 million. In addition, in 2022 and 2023, the bank provided \$20,000 in grants to support a financial education program and the organization's general operations. CONA's efforts are part of a longstanding partnership between the bank and the organization.
- Provided a loan of \$10 million and invested \$10.6 million in LIHTC equity to finance the rehabilitation of a 201-unit affordable housing development in Montgomery County, Pennsylvania. All 199 units for rent are reserved for LMI seniors (62+) and benefit from development-based Section 8 contracts. (There are also two manager units.) The development targets very low income and LMI seniors, with 10 units restricted to 20% AMI; 90 units restricted to 50% AMI; and 99 units restricted to 60% AMI. The nonprofit developer provides supportive services that enable residents to age in-place, such as counseling, education, and in-home services; and to maintain health through screenings, fitness programs, and assistance in accessing health services. Residents also benefit from close proximity to public transportation and neighborhood amenities such as shopping centers. The development involved numerous sources of financing, including private activity bonds from the Pennsylvania Housing Finance Agency and solar tax credits to fund enhancements that will create energy efficiencies and reduce residents' utility costs. This complex development addresses rising housing-cost burdens facing seniors in a market where the demand for affordable senior housing is expected to grow over the next five years.
- Provided a loan of \$12 million and LIHTC equity investments totaling \$46.8 million to help finance the rehabilitation of a 300-unit senior affordable housing development in Northeast Washington, DC. All units are restricted to LMI households earning up to 30%, 60% and 80% of AMI (88, 155 and 57 units, respectively). Over one-third of the units (103 out of 300) will be supported by project-based rental subsidies. A nonprofit organization will provide resident services for all tenants, focusing on childhood and youth development, health and wellness, economic mobility and stability, and aging in community. When faced with a substantial funding shortfall during construction, CONA stepped in to provide additional financing that balanced the budget, demonstrating the bank's leadership and commitment to the development's success. This development preserves 300 units of affordable housing for tenants who would otherwise be at risk of displacement, given that the original LIHTC compliance period and housing subsidy contract term expired and the property is considered prime real estate in a high-cost market with significant market-



rate development activity. A large percentage of renter households spend more than 30% of their incomes on housing expenses (i.e., 41.9%) in Washington, DC, further demonstrating the critical need for affordable housing preservation in this area.

- Provided NMTC financing in the amount of \$11.8 million for the construction of a hospice facility in Baltimore to replace an existing hospice facility that operated out of several structures that were over 130 years old. The facility primarily serves LMI patients. Other financing was provided by a minority-controlled depository institution that was the first financial institution to receive both CDE and CDFI certifications. The new facility better serves the unique needs of seriously ill residents of Baltimore City, which has a large LMI population. It is located in a community that was developed by a local nonprofit agency that currently serves over 500 adults aged 62 and older and addresses poverty, homelessness, hunger, and affordable housing. This addition to the community provides a continuum of care for the aging population in one location, and meets the growing need for hospice care in Baltimore as identified by the Maryland Health Care Commission.
- Provided loans totaling \$6.5 million to three small businesses through the SBA 7(a) Loan Program. This program is designed to help small businesses that are creditworthy but cannot qualify for a conventional loan. These three businesses, all located in Phoenix, are a landscaping service, a manufacturer of animal collars and hospital identification bracelets, and a machine shop. This financing addresses economic development needs by supporting jobs and helping bring revenue to the community.
- Provided more than \$80 million, including a \$42.3 million loan and \$38.2 million in LIHTC equity, for the construction of an 81-unit, mixed use, affordable and special needs housing development in San Jose. The development will include studio, one-, two-, and three-bedroom units at up to 30%, 50%, and 60% of AMI. Of the 81 units, 40 will be reserved for transitional aged youth, ages 14-29 (20 for formerly chronically homeless and 20 for currently homeless or at risk of homelessness). Sixty-one of the units will be subsidized. The local housing authority will provide project-based Section 8 vouchers for 21 of the units reserved for families up to 50% of AMI and 20 of the units for Transitional Aged Youth. The remaining 20 Transitional Aged Youth units will be subsidized through Santa Clara County's Rapid Rehousing program. The ground floor of the development will house a youth community center operated by the county, offering a computer room and free clothes, backpacks and hygiene products, medical services, mental health support and counseling, and parenting, educational, and employment resources and legal services. The residential portion will feature a full-time Service Coordinator and intensive case management supportive services. Residents will have access to educational programming, peer support activities, mental health care, substance use services, benefits counseling and advocacy, recreational and social activities, education classes, employment services, and referrals to third party service providers. Additionally, the construction is expected to receive a LEED Silver rating, and is GreenPoint Platinum Rated, built to sustainable and efficient environmental standards. This complex transaction included significant public finance support totaling more than \$35.7

million, including a \$15.7 million City of San Jose loan, a \$20 million County of Santa Clara loan, and another \$12.6 million in soft funding from the county for the youth community center. This development provides quality affordable housing for a particularly vulnerable population, as estimates suggest that nearly 30% of the nation's entire homeless youth population is located in California.

- In 2020, CONA provided a \$500,000 working capital line of credit to a local CDFI whose mission is to provide flexible, affordable, and responsible financing and technical assistance for community stabilization and development initiatives that benefit LMI communities in metropolitan Chicago. The organization was created to ensure that Chicagoland CD organizations (including small and emerging organizations) would have a lender to turn to for difficult-to-underwrite developments and enterprises. The CDFI carries out its mission through three key programs that provide (1) small for-profit and nonprofit developers with the support and capital needed to acquire, rehabilitate and own 1-4 unit buildings to help stabilize low-wealth communities impacted by foreclosures; (2) technical assistance and loans for commercial development in LMI communities; and (3) fixed-rate loans for organizations engaged in community-based social service, housing, or economic development. In addition, CONA provided \$45,000 in grants to support the organization's general operations, technical assistance for small businesses, and assistance for households seeking to purchase or maintain affordable housing in LMI neighborhoods. In 2023, CONA renewed and increased the credit line to \$1.5 million. The bank's financing illustrates its willingness to originate small loans for CD purposes and addresses the need to support CDFIs with funding for general and specific CD purposes.
- Provided two loans totaling \$17.4 million and two LIHTC equity investments totaling \$20.9 million to help finance the new construction of a 110-unit mixed-income housing development in downtown Lake Charles, Louisiana. A majority of units (89 out of 110) will be restricted to LMI households earning up to 20%, 30%, 50%, 60%, and 80% of AMI (4, 10, 33, 34 and 8 units, respectively); there will be 21 market-rate units, which will be marketed to households earning up to 75% of AMI. Ten units will be subsidized, including six units supported by project-based voucher HUD Section 8 contracts and four units supported by HUD Section 811 Rental Assistance contracts; six of the 10 subsidized units will be set aside as permanent supportive housing units. A nonprofit organization will provide services to residents including, but not limited to, daycare and afterschool programs; financial and budgeting seminars; job training and continued education; preventive healthcare programs; and coordination with local veterans service providers. In addition to funding from CONA, this highly complex financing structure involved numerous public sources including the federal Community Development Block Grant (CDBG) Disaster Recovery Program, the state of Louisiana's energy tax credit program, and the City of Lake Charles. The property also received funds from a CDFI loan fund. This development will be constructed to meet disaster-resiliency standards to withstand severe weather such as hurricanes. It will provide much-needed affordable housing for LMI households, including very low-income households earning up to 20% and

- 30% of AMI, in a region that has experienced several natural disasters in recent years, persistently high poverty rates, and an acute shortage of quality affordable housing.
- In 2022, CONA provided NMTC financing in the amount of \$15.6 million for the expansion of a university medical center's emergency department in Cincinnati. The hospital's mission is to provide care for the aged, indigent, and orphaned, and it serves as a first-line resource for the community. The financing will facilitate the addition of 46,000 square feet of new emergency department space, the renovation of the existing 30,000 square-foot space, and the creation of an ICU and an observation unit. Prior to the expansion, the emergency department had been operating at an unsafe patient capacity on at least two days of each week, for the last 10 years. The physical expansion will improve patient care and accommodate patient surges. The project is expected to retain 131 existing full-time employees, create an additional 42 full-time roles, and create 150 full-time construction jobs. Jobs created and maintained will have above-average wages and benefits for hourly employees. Due to the pandemic, the medical center experienced an increase in operating expenses to protect staff, and a decrease in revenues due to elective procedures being temporarily shut down. This caused a strain on its capitalization strategy for the development, making NMTC allocations critical in moving the development forward without deferring elements of expansion or impacting patient programs. This complex financing addressed the need for expanded healthcare for LMI families, the creation and retention of living-wage jobs, and pandemic-related assistance for a critical community facility. In 2023, CONA provided another \$10 million in NMTC financing to expand the medical center's intensive care unit. This second transaction demonstrates CONA's ongoing commitment to addressing community needs.
  - Provided a construction loan in the amount of \$12.1 million and an investment of \$14.9 million in LIHTC equity for the new construction of a 56-unit affordable housing development for LMI households earning 30-60% of AMI. Of the 55 rental units (there is also a manager's unit), 20 give preference to Tribal Member households and have rent subsidies such that rent does not exceed 30% of household income. Ten units have three bedrooms, making this development suitable for larger families. The co-developer, a Portland nonprofit organization that serves Native Americans, provides on-site resident services to include life and wellness, career, and technical assistance services such as financial wellness classes, business development coaching and classes, home ownership and workforce development training, after-school and summer programs, and community engagement for all residents. This transaction was exceptionally complex with many layers of financing from state, local and municipal sources. These sources included, for example, an Indian Housing Block Grant (IHBG), a grant from the Oregon Housing and Community Services Department's Multifamily Energy Program for developments that provide weatherization and energy conservation services, and a Portland Metro Transit-Oriented Development grant to stimulate private development of high-density, affordable, and mixed-use developments near public transit. The development is located approximately 500 feet from the Tri-Met bus line. In addition, the transaction was innovative as it was only the second in the country to combine IHBG and LIHTC funding in the same development. This transaction meets many identified community

needs including affordable housing targeted to the Native American population, use of green building techniques, transit-oriented developments, and social services that include self-sufficiency training for LMI people.

- Provided \$18.7 million in NMTC financing for the construction of a new facility to support victims of domestic abuse in Dallas. CONA also provided \$60,000 in grants to support the center's general operating expenses. The center is operated by an organization that offers the most comprehensive domestic violence recovery program in Dallas, including an emergency shelter; transitional housing; on-site schooling, daycare, and afterschool programming; mental health counseling; and legal support. This full continuum of care for women and children who are escaping domestic violence is provided at no cost to its clients. The new center increased the organization's overall capacity by 40% and legal service provision by 100%, assists children traumatized by domestic violence, and provides education opportunities for advocates and therapists. The new center was estimated to create 40 or more new jobs and will retain 30 or more current jobs. This financing addresses the critical community credit need of providing crisis intervention and long-term solutions for women and children who are survivors of domestic violence. It helps to prevent homelessness by offering an alternative to those needing to escape abusive surroundings.
- Provided a loan of \$41.6 million to a public school district in Mississippi to finance capital improvements at various schools in the district. Almost all (99.9%) of the students in the district are from LMI families. This financing was especially important due to the district's declining enrollment and, consequently, declining support from the state. The decreases in enrollment resulted from declining population in the area (due at least partly to lower birth rates) and competition from charter schools. This transaction illustrates CONA's willingness to help address critical needs in areas beyond its physical footprint.

For additional examples of CONA's CD lending and investing activity for the period from 2020-2023, please see [Exhibit 24](#).

### *Capital One Philanthropy*

Capital One believes it has a unique responsibility to contribute to the economic well-being of the communities in which it does business. It invests in its communities by providing resources that support economic opportunity for residents and local businesses. By focusing on philanthropic grants, specialized CD services and associate volunteerism on education, financial literacy, affordable housing and small business/workforce development, Capital One helps make communities dynamic places where families can live, work, grow and realize their dreams.

During the period 2020 through 2023, Capital One distributed 8,404 grants to non-profit organizations totaling \$370 million. Approximately half of these funds have been CRA-qualified, serving primarily LMI populations. Capital One also shared the professional expertise of its associates with these same community partners. CONA associates delivered more than 208,500 hours of volunteer service in 2020-2023 to further community impact. Approximately

61% of these hours were CRA-qualified (i.e., CD services). Investing time, money and intellectual capital into each community partnership demonstrates Capital One's commitment to sustainable change.

The Covid-19 pandemic had a very significant impact on Capital One's ability to deliver in-person services. However, the bank worked with its partners to establish virtual capabilities so that it could continue delivering valuable CD services to partners and their clients during the pandemic.

Many of CONA's volunteer activities involve pro bono services contributed by CONA associates. This type of volunteerism is particularly valuable to CD organizations and small businesses because it gives them access to specialized talent, high-impact skills, and industry insight and innovations. CONA provides services from a variety of practice areas, including Brand, Communications, Cybersecurity, Data, Design, Finance, Human Resources, Legal, Product, and Technology.

Capital One is honored to have been recognized for the 11th consecutive year as one of America's most community-minded companies in the Points of Light Civic 50.<sup>55</sup> The following are a few examples of the company's philanthropic programs, focus areas and grants:

- CONA associates provided 401 total hours of CD service to a New York nonprofit organization whose mission is to close the opportunity divide by ensuring that LMI young adults gain the skills, experiences, and support that will empower them to reach their potential in higher education and their careers. Classroom training in technical courses, and soft-skills training such as time management and networking, equip students with the attitudes, behaviors, and versatility needed to excel in the 21st century economy. Students then enter an internship with a corporate partner in order to put their classroom training into practice. The volunteer service hours, most of which were pro bono services provided by associates from the bank's human resources and technology areas, trained program participants on resume writing and interviewing skills. CONA also provided the organization with \$65,000 in grants. The bank's efforts served the critical community needs of workforce development and increasing self-sufficiency for the LMI population.
- Provided a grant of \$125,000 to support the programs of the Philadelphia chapter of an organization that works to increase economic opportunities for formerly incarcerated people, in order to improve their lives and help them remain in their communities. The organization provides low-interest loans and financial coaching to formerly incarcerated people, helping them build credit and achieve their self-determined goals. CONA's funding helps address a critical need, as people who have been incarcerated often face permanent barriers to securing transportation, housing, employment, and capital for building a business. When individuals are released from

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<sup>55</sup> The Civic 50 is an annual initiative organized by Points of Light that recognizes the 50 most community-minded companies in the United States. The Civic 50 winners are public and private companies with U.S. operations and revenues of \$1 billion or more and are selected based on four dimensions of their U.S. community engagement program—investment, integration, institutionalization, and impact. For more information, see <https://ww2.pointsoflight.org/civic50/https://www.pointsoflight.org/the-civic-50/>.



jail or prison, they are further burdened by court-ordered debt. Most are ineligible for traditional bank financing or are subject to prohibitively high interest rates. These combined hurdles limit the economic opportunity of formerly incarcerated people and prevent them from reaching their potential. As a result, some return to criminal behavior, increasing the likelihood of reincarceration and damaging the stability of their families and communities.

- CONA technology associates provided 242 hours of pro bono service to benefit a Phoenix nonprofit financial counseling agency that helps people transform their financial situation with one-on-one guidance to pay off debts, regain financial independence, and save for the future. Most of the organization's clients are LMI. An industry pioneer and leader, it has supported consumers in financial distress since 1987. Bank associates helped develop technology applications for the organization.
- In 2023, CONA provided a \$50,000 grant to a CDFI that makes small business loans ranging from \$5,000 to \$100,000 to financially marginalized entrepreneurs. The CDFI's loans offer affordable rates and include a restorative approach, which includes modifications on a case-by-case basis if the business runs into challenges. The organization also offers business consulting and training. CONA's 2023 funding supports small businesses in Oakland. Previously, during the period 2020 through 2022, the bank provided \$60,000 in grants to support the CDFI's programs, including pandemic response, in San Francisco and Oakland.
- Provided a total of \$115,000 in grants to a CDC with a mission to provide a comprehensive array of social welfare and CD services to assist LMI individuals and other persons in need, and to contribute to community revitalization and cultural preservation in the Little Tokyo neighborhood in Los Angeles. Grants totaling \$80,000 provided funding for a resident services support program, which provides bilingual case management, employment preparedness, childcare referrals and financial wellness programs to empower people to achieve greater self-sufficiency. In addition to these services, the program assists clients with their deferred rent and connects them to landlords to establish payment plans. The provision of these services is intended to reduce the number of evictions and allow more families to maintain their housing. The remaining \$35,000 of CONA's grant funds supported a small business program and pandemic emergency relief.
- Provided \$300,000 in grants to a nonprofit health system that serves Louisiana. A majority of the grant funds support the organization's workforce development program to close the nursing shortage in Louisiana by creating more opportunities for aspiring nurses of all backgrounds. The organization partners with colleges, universities, and high schools around the state to identify nursing candidates. This innovative program, the only of its kind in the state, is a free, four-year dual enrollment program that provides students from various parishes the opportunity to earn college requirements for Licensed Practical Nurse (LPN) programs. The program launched in 2023 with a cohort of 20 students. Trainees complete coursework and clinical requirements equivalent to other state-approved LPN programs. In addition to the intensive healthcare and medical coursework, trainees

complete “impact training” provided by the health system, which includes workplace ethics training, communications, and problem-solving strategies. In addition to supporting the LPN program, CONA helped fund a program that trains both incumbent workers and job seekers from non-traditional or under-skilled entry level career pathways for roles in the healthcare industry. In addition, CONA associates provided financial education training for the organization.

- Provided \$150,000 to a Detroit microloan fund to support underserved entrepreneurs who cannot qualify for a CDFI loan or mainstream financing sources. The mission of the fund is to provide access to capital to historically underserved populations and/or populations located in LMI neighborhoods in Detroit, Hamtramck, and Highland Park who have been excluded from traditional and alternative capital sources. The fund’s mission includes small business education, building credit scores, and encouraging financial stability that will help aspiring entrepreneurs to transition to mainstream banking. The fund provides access to capital to small businesses in the form of loans ranging from \$5,000 to \$50,000. It also offers pre-loan technical assistance for aspiring entrepreneurs that includes but is not limited to business plan development, the pre-loan application process, understanding financial statements and the need for projections, and financial education to existing and emerging underserved entrepreneurs. CONA’s funds have supported counseling, financial education and training services for small businesses.
- Provided a \$200,000 grant to a Houston organization whose mission is to unlock opportunity by connecting families in underserved communities to affordable internet service and computers, and delivering digital skills training. The bank’s grant supports a digital skills training program designed to engage LMI adults, including those 65 and older. CONA’s efforts address the critical need to close the digital divide.
- From 2020 through 2023, CONA provided \$2.9 million in grants and 580 pro bono service hours to improve college access for LMI students nationally. This multi-year effort started during the Covid-19 pandemic, which exacerbated the phenomenon of “summer melt,” when high school graduates cancel their plans to attend college before classes begin. A major barrier to improving college access, particularly for LMI and first-generation students, involves a lack of information, in part due to overloaded school counselors who juggle caseloads of nearly 500 students per counselor, on average. Students’ lack of awareness about financial aid options and the overall cost of college contributes to low completion rates of the Free Application for Federal Student Aid (FAFSA) form and billions of dollars in federal student aid left on the table each year. Capital One responded to this critical need by investing in a free virtual assistant powered by artificial intelligence that served approximately 773,000 LMI and first-generation students across the country from 2020 through 2022. Capital One associates also volunteered 580 pro bono hours to help optimize the virtual assistant’s technology. Early results demonstrated the effectiveness of this intervention, including an engagement rate (i.e., the percentage of students who sent at least one message to the virtual assistant) of 62.7%, significantly higher than the average of 15% for similar interventions; and 18,000 hours saved that traditionally



would have been spent consulting with a college advisor. Capital One, in partnership with several community organizations, has continued the positive momentum generated by the program's promising early results by expanding the virtual assistant and continuing to refine the technology to ensure equitable access to different groups of students, including English language learners and students of color. These efforts demonstrate CONA's innovation in addressing the problem of college access at scale; its responsiveness, in tailoring the technology to meet the needs of specific student populations, with a focus on LMI and first-generation students; and its thought leadership in the field of education and technology, in partnering with research institutions to publish white papers and share the program's learnings to further expand its impact and improve its effectiveness.

- During the Covid-19 pandemic, CONA provided grants totaling \$1,029,521 to a nonprofit organization that feeds the hungry through a nationwide network of food banks, pantries, and meal programs. The bank's funding supported the organization's pandemic response efforts.
- And beyond CRA but a vital example of Capital One's commitment to the community, in 2021, CONA donated a historic building on the Wilmington Riverfront valued at \$4.7 million to Delaware State University, a Historically Black College or University, to establish a new Downtown campus. Through the DSU Foundation, and the Delaware State University's Office of Adult and Continuing Education, CONA is funding 30 scholarships for DSU students to participate in technology and credentialing certification programs designed to develop critical job skills across various industry platforms to increase employability opportunities for TTC customers. All students who complete the program are eligible for national certifications.

Lastly, CONA's physical network is complemented by its digital delivery systems, such as online and mobile banking. CONA's overall service delivery strategy has proven extremely effective in attracting, serving, and retaining customers in LMI geographies.

Since the last evaluation period, from 2020 through 2023, customers in LMI areas opened approximately 1,550,000 new checking accounts with no monthly fees, no minimum balance requirements, and over 1,200,000 new savings accounts in CONA's AAs. Additionally, customers in LMI areas opened more than 435,000 new checking accounts in 2023 in CONA's AAs, which was more than 200,000 (or 89%) above the number opened during 2019. Similarly, customers in LMI areas opened over 390,000 new savings accounts in 2023 in CONA's AAs, which was about 190,000 (or 93%) more than the number opened during 2019. This represents a significant increase in the number of accounts held by customers in LMI areas and demonstrates the effectiveness of CONA's overall retail strategy in serving LMI populations through a combination of branch, cafe and digital strategies with best-in-class products.

Furthermore, there were more than 1,960,000 open (i.e., retained) checking accounts, with no monthly fees, no minimum balance requirements and no overdraft fees, owned by customers in LMI areas in CONA's AAs on December 31, 2023, which was more than 910,000 (or 87%) above the number of retained checking accounts held by customers in LMI areas in

CONA's AAs on December 31, 2019. Similarly, there were more than 1,660,000 retained savings accounts held by customers in LMI areas in CONA's AAs on December 31, 2023, which was more than 540,000 (or 49%) higher than the number of retained savings accounts held by customers in LMI areas in CONA's AAs on December 31, 2019. This represents a significant increase in the number of accounts held by customers in LMI areas and the successful retention of account holders in LMI areas reinforces the effectiveness of CONA's overall retail strategy in serving LMI populations through a combination of branch, cafe and digital strategies with best-in-class products.

CONA's consumer checking and savings accounts are designed with the customer's needs being foundational, having no monthly fees or minimum balance requirements, and are particularly attractive and beneficial to LMI populations. CONA became the first top-ten retail bank to eliminate all overdraft fees and non-sufficient fund ("NSF") fees for its consumer banking customers in 2022. As a result of this change, CONA's flagship 360 Checking account was awarded "Bank On" certification by the Cities for Financial Empowerment Fund, a national nonprofit organization that works to ensure that everyone has access to a safe, affordable transactional banking account. The certification standards include core and strongly recommended features that address cost, functionality, and consumer safety. They establish an ambitious, but achievable, baseline for safe, affordable, and appropriate accounts that meet the needs of consumers with low incomes, particularly those outside the financial mainstream

For additional examples of CONA's grants and philanthropic activities, please see [Exhibit 25](#).

## **2. Discover Bank's CRA Activity Since Their Last CRA Evaluations**

Discover Bank is also proud of the key attributes of its CRA program and governance. The following illustrates Discover Bank's performance against goals for "Outstanding" in 2022 and 2023:

- (a) **Strategic Plan Goal 1: New CD Loans and Investments** – To meet the "Outstanding" goal, Discover Bank needed to provide \$278 million (\$134 million for 2022 and \$144 million for 2023) in new financing and commitments for qualified community development loans and investments. In total, Discover Bank provided over \$330 million with over \$134 million lent, invested, and committed in 2022 and over \$196 million lent, invested, and committed in 2023.
  - As noted above, Discover Bank created the DAHIF, a Discover Bank-owned LIHTC fund, with Nationwide Mutual Insurance Company ("Nationwide") as the manager and guarantor of the fund. Nationwide works with syndicator partners to originate, underwrite, and provide asset management for specific LIHTC-eligible properties in geographical areas defined by Discover Bank. In 2022, Discover Bank committed \$62 million in equity to 13 properties in 2022 and \$112 million in equity to 16 properties in 2023.
  - Discover Bank continued to help the Milford Housing Development Corporation ("MHDC"), the largest nonprofit developer in Discover Bank's

AA, to acquire the funding needed for the redevelopment of 410 critical units of affordable housing located in the highly desirable beach resort area within Discover Bank's AA. The projects were awarded \$8 million in American Rescue Plan Act ("ARPA") funding in 2023 and a \$8 million congressional appropriation was approved with the 2024 federal budget, thus setting up the projects for commencement of rehabilitation in 2025.

- As noted above, Discover Bank created the Development Fund, a NMTC fund owned to invest in opportunities in geographical areas defined by Discover Bank. Discover Bank committed \$13 million in equity to three projects in 2022 and \$31 million in equity to 10 projects in 2023. Two noted projects Discover Bank invested in were the Justice Thurgood Marshall Center Amenity and the East Side Charter School STEM facility.
  - The Thurgood Marshall Amenity Center, a former segregated elementary school in Baltimore's Upton community, will be a 22,068 square foot facility consisting of 12 repurposed classrooms, which are expected to be subleased for use as a museum and art gallery, public event space, and office space. In addition, the Beloved Community Services Corporation ("BCSC") will join forces with the University of Maryland to utilize the facility as a source for critical services related to crime prevention for the residents of Upton and West Baltimore.
  - The Chemours Community Discovery STEM HUB will be a 40,000 square foot STEM facility for a charter school located in a low-income census tract in the City of Wilmington. The addition will be to the existing school East Side Charter facility that currently serves 474 students in kindergarten through 8th grade. The STEM facility will be available during non-school hours and will be managed by the Wilmington Public Library to offer educational, employment and cultural programs to community residents. Discover Bank contributed greatly to enabling the project to receive two allocations of NMTCs. In addition to the NMTC investment, Discover Bank provided a \$3.6 million permanent loan facility and up to a \$3.5 million bridge loan facility in 2023. This innovative approach demonstrates Discover Bank's ability to utilize multiple financing channels and relationships to support development.
- Discover Bank continues to support the DSHA MBS Purchase Program. In 2022 and 2023, Discover Bank funded (or committed to fund) \$48.2 million and \$35 million, respectively.
- Discover Bank established the Discover Financial Health Improvement Fund ("DFHIF") in 2023, which supports start-ups and early-stage companies that offer the type of products and services that are focused on underserved LMI individuals and small businesses. Discover Bank committed to investing \$36 million in total equity capital to facilitate the funding of companies and to

meet the fund's obligations over the expected 10-year life of DFHIS. The purpose of the DFHIF is to help entrepreneurs scale their technologies so that they can deliver appropriate financial/payment products and services that support LMI consumers and small businesses. Where appropriate, the fund's managers will emphasize supporting diverse founders (i.e., founders of color and female founders) and founders who have lived experience as LMI consumers.

(b) **Strategic Plan Goal 2: Ratio of Community Development Loans and Qualified Investments to Average Assets** – Discover Bank achieved the 0.60% ratio of new community development loans and qualified investments and prior book value of investments to average its assets in 2022 and 2023; this activity met the respective annual goals for Outstanding performance.

(c) **Strategic Plan Goal 3: Community Development Grants** – Discover Bank provided \$3,960,000 in community development grants in 2022. In 2023, Discover Bank provided \$4,020,000 in community development grants; this activity met the respective annual goals for Outstanding performance.

Discover Bank continued to provide grants and in-kind contributions to various organizations, financial institutions, and governments to help meet the credit needs of LMI persons and small businesses within the AA and Discover Bank's Broader Area. Areas of emphasis continued to include qualified grants for affordable housing, small business and economic development, financial literacy, and Covid-19 response and recovery. Notable examples of qualified grants provided since the last evaluation period include:

- Discover Bank provided SSCFCU \$975,000 in funding needed to support three startup minority owned fintech companies to issue the credit union's first debit card, secured credit card, and an investing application. The Discover team worked with the early-stage companies to have the cards associated with the debit card and secured credit card issued on the Discover Global Network and provided technical assistance in helping to identify their issuing bank partners. The debit card product is built in connection with a mobile wallet and social networking platform that will encourage savings, investing and other wealth building opportunities including homeownership and entrepreneurship. Bank representatives also worked to identify a fintech company capable of delivering a fractional share investing platform that will allow members to buy and sell stocks of companies in amounts as low as \$5 with an easy and simplified application. With these three products, SSCFCU will now have additional tools to allow its members to participate in mainstream financial services for free in a safe and sound environment.
- In response to the increased need for emergency shelter, Discover Bank provided a \$75,000 grant to Springboard Collaborative to make improvements to the communal areas of their new pallet village, which provides 64 square foot micro homes for people experiencing homelessness. The village opened

within Discover Bank's AA in 2023 and serves nearly 50 people. Discover Bank also supported a nearby transitional home that serves individuals and families with \$15,000 annual operating grants and assisted West End Neighborhood House with a \$100,000 grant to support the site acquisition of a property within Discover Bank's AA that will serve as an expansion of a program that provides housing and supportive services to youth experiencing homelessness and youth exiting foster care.

- Discover Bank provided a \$50,000 grant to support a collaboration between the Delaware Community Foundation, the University of Delaware's Partnership for Healthy Communities, and the Delaware Community Foundation, which provides funding and technical support to LMI communities to develop and implement approaches to address health and economic disparities.
- To support workforce development, Discover Bank provided a \$50,000 to the NERDiT Foundation to support their apprentice and pre-apprentice programs in electronic device repair and recycling. NERDiT operates the only Responsible Recycling (R2) certified electronic recycling business in Delaware, providing an environmentally friendly place for the community to recycle old or broken technology, while providing the skills necessary for people who are either unemployed or underemployed to get training and establish a career in the technology repair business.
- Discover Bank made a \$25,000 grant to Survivor Ventures, which addresses the employment needs of survivors of human trafficking—an emerging issue in Delaware. The program empowers trafficking survivors by reimbursing small businesses for participants' wages during the first year of employment, which supports small businesses while lowering barriers for survivors re-entering the workforce. The program also provides entrepreneurship training to empower survivors to develop their own small businesses to augment their income.
- A \$60,000 grant to The Pete Du Pont Freedom Foundation supports the Equitable Entrepreneurial Ecosystem (E3) initiative that delivers in-depth, personalized training and technical assistance to Black and Latinx small business owners within Discover Bank's AA.
- To support financial education for the community and children in the classroom, Discover Bank provided a grant of \$57,000 to support the Delaware Council on Economic Education for two initiatives. The first, Delaware.Money, aggregates financial education resources of nonprofits that provide services to LMI adults. The second initiative focused on training K-12 educators to deliver personal finance and economic education instruction.
- Discover Bank provided a \$50,000 grant to Roofs from the Heart to repair and replace roofs for LMI homeowners throughout Delaware. The program works in concert with MHDC's home repair program to leverage funding from



multiple sources to ensure that properties can receive repairs inside and out, since roofs are often one of the costliest repair items.

- Discover Bank provided a \$15,000 grant to the Delaware Recreation Education Athletics and Mentoring (“DREAM”) Association to support the Stocks on the Block program. The program seeks to educate LMI children and their parents on the importance of wealth creation through investing in a safe and sound manner.
- Discover Bank provided grants of \$250,000 each to Kent and New Castle Counties in Delaware to establish the Kent County Growth Fund and the Grow NCC Fund as part of a SBA 7a lending program.

(d) **Strategic Plan Goal 4: Community Development Services** – As discussed above, Discover Bank has created a point system to track community development services provided by personnel within the AA and Discover Bank’s regional area. Discover Bank achieved 305 points, including 152 points in 2022 and 153 points in 2023, which exceeded the respective annual goals of 142 points in 2022 and 144 points in 2023. Notable examples of qualified services provided during the evaluation period included:

- Discover Bank supported the Delaware Community Reinvestment Action Council (“DCRAC”) in their efforts to reduce the racial wealth gap in the City of Wilmington through homeownership. Specifically, the bank connected DCRAC with the Metropolitan Wilmington Urban League to form a partnership for identifying families interested in homeownership and providing them with U.S. Housing and Urban Development (HUD)-certified housing counseling services.
- Discover Bank partnered with Stepping Stones Community Federal Credit Union and two small minority-owned development companies, WilmInvest and PittPass Holdings, to secure funding to purchase and rehabilitate homes for homeownership. Discover Bank representatives took a leadership role in helping WilmInvest and PittPass Holdings obtain a loan from NeighborGood Partners CDFI to purchase a portfolio of properties that can be converted into homeownership and led the successful application process for a Federal Home Loan Bank Affordable Housing Program grant of \$750,000 to renovate the first five homes. With the FHLB grant and DCRAC downpayment and settlement cost assistance, the mortgages are estimated to be \$90,000, allowing the program to serve very low-income families. Discover Bank representatives also helped to identify program partners including the Wilmington Housing Authority, the Community Education Building, YWCA of Delaware, and the United Way to provide financial coaching, case management services, pre- and post-homeownership counseling, and identification of potential homebuyers.

- Discover Bank took a leadership role in providing capital to small businesses, nonprofits, and underserved consumers through engagement with CDFIs. Bank representatives also serve on the boards of Locus (formerly Virginia Community Capital), NeighborGood Partners, Stepping Stones Community Federal Credit Union, and True Access Capital.
  - Discover Bank representatives worked with Capital Good Fund, Nemours Children’s Hospital and United Way’s Stand by Me program to offer financial coaching and low interest loans to the LMI parents of patients that need to purchase handicapped accessible vehicles or make home repairs to facilitate the discharge of their children from the hospital to home.
  - Bank representatives supported small business serving entities in a variety of ways. As a new member of the Kent and Sussex County Equitable Entrepreneurial Ecosystem (E3) committees, a Bank representative works with the Pete Du Pont Freedom Foundation to help underserved small businesses grow, sustain, and accelerate their businesses. The representative reviews applications for the program and makes individual recommendations for each applicant about additional programs, partners, or markets to consider pursuing and assists the Foundation’s leadership by reviewing the cohort’s progress throughout the year. Representatives also served on the Small Business Development Center’s Advisory Committee, the board of True Access Capital, a CDFI that provides technical assistance and lending to small businesses with a focus on minority and women owned businesses, the board of the Emerging Enterprise Center that provides technical assistance and a coworking space to small businesses, and supported the launch of the Kent County Growth Fund and Grow NCC Fund.
- (e) **Strategic Plan Goal 5: Consumer Loans in Moderate-Income Census Tracts in the Assessment Area** – Discover Bank extended \$11.4 million in consumer credit to individuals who resided in moderate-income census tracts within Discover Bank’s AA, including \$4.35 million in 2022 and \$7.06 million in 2023, which exceeded Discover Bank’s goals for Outstanding performance in both years.

These attributes have contributed to Discover Bank’s CRA performance since Discover Bank’s last CRA Evaluation. As discussed above, the evaluation period for the Discover Bank CRA Evaluation concluded on December 31, 2021. Since the end of its evaluation period, Discover Bank for 2022 operated under its FDIC-approved 2021-2025 CRA Strategic Plan (effective January 1, 2021 through December 31, 2025) and for 2023 under its modified FDIC-approved 2023-2027 CRA Strategic Plan (effective January 1, 2023 through September 31, 2027). Discover Bank has continued to demonstrate very strong CRA performance and significantly positive impacts on its communities.

**D. Pro Forma CRA Program at CONA**



CONA will continue to be committed to advancing its strong record of CRA performance while helping to serve the needs of its communities after consummation of the Proposed Transaction. The Proposed Transaction will provide CONA with an opportunity to bring the best CRA practices and products of both entities to the combined bank's customers.

On consummation of the Proposed Transaction, the combined banking organization will continue to operate under CONA's policies and procedures. CONA expects to maintain or exceed the level of Discover Bank's CRA activities in the Discover Bank AA and broader area and will collaborate with Discover Bank to evaluate CRA activities, programs, products, and business strategies ensuring CONA's continued strong performance under the CRA. Care will be taken to meet with the existing Discover Bank CRA staff to understand their current compliance practices, policies and procedures, in addition to understanding how to best integrate the Discover Bank CRA and outreach teams and data into the CONA CRA program and governance structure. CONA will work with Discover Bank to understand its product set in more detail, and how the products and programs are meeting the needs of the community. As new opportunities are identified to address community needs, CONA and Discover will apply their resources and expertise to work with community organizations to address those needs. The combined entities will leverage respective learning and capabilities on strategies to best serve LMI populations and communities.

CONA will engage with Discover Bank staff in meeting with community and advocacy groups to understand the impacts and needs of LMI and underserved communities and will prioritize the findings to serve communities throughout their respective AAs, including LMI and other underserved communities. The combined bank will have a community outreach team that has a comprehensive skillset and broader CRA expertise. Lastly, the CONA CD lending and investment teams will work with Discover Bank staff to understand each other's products and programs to best meet the needs of the community.

In summary, the merging of CONA and Discover Bank bring together two strong banking entities with a longstanding commitment to CRA. The combination of the best practices and complementary areas of expertise of these two financial institutions will result in an enhanced and more impactful contribution to the communities in which they operate.

### **Conclusion**

The Bank Merger will join two banks with highly compatible business models. The resulting institution will have a comprehensive risk management system and compliance culture better able to serve consumers, businesses and other customers across the nation. All of the statutory factors that the OCC must consider in acting on the OCC Application are consistent with approval. Capital One has ample financial and managerial resources to successfully consummate the Proposed Transaction. COFC, Merger Sub, CONA, Discover and Discover Bank are well-capitalized, and COFC and CONA will remain so upon consummation of the Proposed Transaction.

Capital One, including CONA, has designated the ILT and established the IMO with cross-divisional representatives and workstreams to ensure a successful integration of Discover Bank into CONA. CONA has a robust risk management program, including for

BSA/AML/Sanctions Compliance and Consumer Compliance. Capital One will use its expanded risk management program for the combined bank to ensure continued safe and sound operations.

The Bank Merger will not substantially lessen competition in any banking market. The parties do not overlap in any local banking market and will have a *de minimis* impact with respect to nationwide deposits. Both CONA and Discover Bank are credit card issuers, but any such market is not concentrated and intensely competitive, and the Bank Merger will not affect the competitive dynamics of card issuing. The Proposed Transaction will enable Capital One to invest in and grow its banking products, to innovate and bring to market new products and services, and make Discover's payments networks more attractive through, *inter alia*, improved compliance and risk management. By vertically integrating a more scaled credit card portfolio with Discover's payments networks, the Proposed Transaction will further strengthen these networks. The Bank Merger and this OCC Application thus present the most viable chance to deconcentrate and increase competition among payments networks in the United States.

In addition, the Bank Merger will not result in any material increased risk to the U.S. banking or financial system. Instead, the Proposed Transaction will have a systemically stabilizing impact by creating a combined company that has increased earnings capability and financial strength. These benefits will enable the combined organization to compete more effectively against the largest U.S. banking organizations that operate nationally and are aggressively seeking to increase their deposit market shares, particularly in the major metropolitan areas of the United States, as well as the larger regional banks that also operate on a national level and have seen substantial growth over the last decade. Capital One's financial strength will also support its continued high level of investment in technologies and innovation to effectively address the evolving needs of customers and communities for innovative banking services and cybersecurity protections.

CONA's commitment to continuing its Outstanding CRA performance record will benefit the customers and communities served by the combined bank. Customers of CONA and Discover Bank will also benefit from the resulting broader banking products and service offerings of the combined organization. In addition, customers and communities will benefit from the culture and dedication of Capital One that is focused on providing superior customer service to consumers and businesses alike and economic support to all segments of its communities, including LMI and other underserved populations. In addition, the continuation of Capital One's shared prioritization of diversity and inclusion of customers, communities and employees will benefit all of Capital One's constituents.

For all the reasons discussed in this OCC Application, including the exhibits, CONA respectfully submits that the OCC Application should be approved.

**INTERAGENCY BANK MERGER ACT APPLICATION FORM**  
**INFORMATION REQUESTS**

- 1. Describe the transaction’s purpose, structure, significant terms, conditions, and termination dates of related contracts or agreements; and financing arrangements, including any plan to raise additional equity or incur debt.**

Capital One and Discover are planning to consummate the Proposed Transaction as soon as practicable in order to preserve the benefits of the Proposed Transaction and minimize the loss of employees and customers that results from a protracted period between announcing and closing a transaction.

The purpose of the Proposed Transaction is to combine two highly compatible banking organizations with complementary business models, strong financials and capital ratios, and dedication to the communities they serve. Capital One will acquire and operate the Discover Global Network to process transactions for the branded credit and debit cards and provide payment transaction processing and settlement services.

Pursuant to the Merger Agreement, each outstanding share of Discover’s common stock will be converted into the right to receive 1.0192 shares of Capital One common stock. In addition, each outstanding share of Discover preferred stock will be converted into the right to receive one share of a newly created series of Capital One preferred stock having materially the same terms as the applicable series of Discover preferred stock. Capital One intends to file a registration statement on Form S-4 with the SEC to register the shares of Capital One’s common stock that will be issued to Discover stockholders in connection with the Proposed Transaction. The registration statement will include a joint proxy statement of Capital One and Discover that will also constitute a prospectus of Capital One.

Please see the discussions in the *Preliminary Statement – Introduction, Executive Summary* and *Terms of the Proposed Transaction* sections above for information about terms of the Proposed Transaction. Please see Exhibit 5 for information on the share issuance for the Proposed Transaction.

- 2. Indicate any other filings related to this transaction with other state and federal regulators.**

Please see the *Preliminary Statement – Required Approvals* section above.

- 3. Discuss whether and how the resultant institution’s business strategy and operations will remain the same or change from that of the applicant. Identify new business lines. Provide a copy of the business plan, if available. Discuss the plan for integrating any new businesses into the resultant institution.**

Please see the *Preliminary Statement – Executive Summary* and *Convenience and Needs Considerations of the Bank Merger* sections above.

- 4. Provide a copy of (a) the executed merger or transaction agreement, including any amendments, (b) any board of directors' resolutions related to the transaction, and (c) interim charter, names of organizers, and any other related documents.**

A summary of the principal terms of the Proposed Transaction is provided in the *Preliminary Statement – Structure and Terms of the Proposed Transaction* section above. An execution version of the Agreement is provided in Exhibit 1.

Resolutions approving the Proposed Transaction by COFC's Board of Directors and resolutions of the Boards of Directors of CONA approving the Bank Merger and the filing of the related regulatory filings, as well as the related consent of COFC as the sole stockholder of CONA approving the Bank Merger, are provided in Exhibit 8, Exhibit 9 and Exhibit 10, respectively. Stockholder consent of COFC, as the sole stockholder of Merger Sub, and resolutions of Merger Sub's Board of Directors approving the First Step Merger are provided in Exhibit 11 and Exhibit 12, respectively.

Joint resolutions of the Boards of Directors of Discover and Discover Bank approving the Proposed Transaction, including the Bank Merger, and the filing of the Bank Merger application, as well as the related consent of Discover as the sole stockholder of Discover Bank, are provided in Exhibit 13 and Exhibit 14, respectively.

- 5. Describe any issues regarding the permissibility of the proposal with regard to applicable state or federal laws or regulations (for example, non-bank activities, branching, or qualified thrift lender test).**

There are no permissibility issues under state or federal law in connection with the Bank Merger.

- 6. Describe any non-conforming or impermissible assets or activities that an applicant or resultant institution may not be permitted to retain under relevant law or regulation, including the method of, and anticipated time period for, divestiture or disposal.**

There are no non-conforming or impermissible assets or activities involved in the Bank Merger.

- 7. Provide the following financial information.**

- a. Pro forma balance sheet, as of the end of the most recent quarter. Indicate separately for the applicant and target institution each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by footnotes) reflecting the proposed acquisition; and the resulting pro forma combined balance sheet.**

Please see Confidential Exhibit C, which includes the requested balance sheet information, as of December 31, 2023.

- b. Projected balance sheets and corresponding income statements as of the end of the first three years of operation following consummation. Describe the assumptions used to prepare the projected statements.**

Please see Confidential Exhibit C, which includes the projected balance sheets and corresponding income statements and related information.

- c. Provide a discussion on the valuation of the target entity and any anticipated goodwill and other intangible assets.**

Please see Confidential Exhibit C, which includes the requested information in the Notes or Assumptions to the financial charts provided.

- d. Pro forma and Projected Regulatory Capital Schedule, as of the end of the most recent quarter and each of the first three years of operation, indicating:**

- **Each component item for common equity tier 1 capital, additional tier 1 capital and tier 2 capital pursuant to the currently applicable capital requirements.**
- **Total risk-weighted assets.**
- **Common equity tier 1 capital, tier 1 capital, total capital, and leverage ratios pursuant to the capital regulations. If applicable, also provide the applicant's existing and pro forma supplementary leverage ratio pursuant to the current capital adequacy regulations.**

Please see Confidential Exhibit C, which includes the requested capital-related information for the Proposed Transaction.

- 8. List the directors and senior executive officers of the resultant institution and provide the name, address, position with and shares held in the resultant institution or holding company, and principal occupation (if a director). Indicate any changes to the applicant's current directors and senior executive officers that would occur at the resultant institution. Applicants should consult with the responsible regulatory agency regarding whether any biographical or financial information should be submitted with respect to any new principal shareholders, directors, and senior executive officers.**

Please see the *Preliminary Statement – Financial and Managerial Resources and Future Prospects* section above for information on the directors and senior executive officers of COFC, Merger Sub and CONA. Information relating to new directors of CONA will follow at a later date.

- 9. Describe any litigation or investigation by local, state, or federal authorities involving the applicant or any of its subsidiaries or the target or any of its subsidiaries that is currently pending or was resolved within the last two years.**

Except as provided in Confidential Exhibits M and N, none of COFC or Discover, nor any of their respective subsidiaries, have been subject to any litigation or investigation by local, state or federal authorities (whether ongoing, pending or resolved) within the last two years.<sup>56</sup>

**10. Describe how the proposal will assist in meeting the convenience and needs of the community to be served, including, but not limited to, the following:**

- a. Summarize efforts undertaken or contemplated by the applicant to ascertain and address the needs of the community(ies) to be served, including community outreach activities, as a result of the proposal.**

Please see the *Preliminary Statement – Convenience and Needs Considerations of the Bank Merger and Commitment to the CRA* sections above for information on how the Proposed Transaction will meet the convenience and needs of the communities to be served by the combined bank.

- b. For the combining institutions, list any significant anticipated changes in services or products that will result from the consummation of the transaction.**

Please see the *Preliminary Statement – Convenience and Needs Considerations of the Bank Merger and Commitment to the CRA* sections above for information on the changes and services or products that will result from the consummation of the transaction.

- c. To the extent that any products or services would be offered in replacement of any products or services to be discontinued, indicate what these are and how they would assist in meeting the convenience and needs of the communities affected by the transaction.**

Please see the *Preliminary Statement – Convenience and Needs Considerations of the Bank Merger and Commitment to the CRA* sections above for more information.

- d. Discuss any enhancements in products or services expected to result from the transaction.**

Please see the *Preliminary Statement – Convenience and Needs Considerations and Commitment to the CRA* sections above for information on how the Bank Merger will meet the convenience and needs of the communities to be served by the combined company and bank, including the expanded products and services that customers of Discover Bank will have access to as a result of the Bank Merger.

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<sup>56</sup> In addition to litigation and investigations by governmental authorities, Capital One and Discover and their respective affiliates are involved in a number of judicial proceedings relating to matters arising from conducting normal business activities. For information on material proceedings, please see COFC's 2023 Annual Financial Statement, Note 18, "Commitments, Contingencies, Guarantees and Others" available at <https://investor.capitalone.com/static-files/994c8bec-608e-49d1-8ae2-a039bc43ba54> and Discover 2023 Annual Financial Statement, Note, "Litigation and Regulatory Matters," available at <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001393612/f3103b18-c2f1-4357-aa14-331e3771515c.pdf>.



**11. Describe how the applicant and resultant institution will assist in meeting the existing or anticipated needs of its community(ies) under the applicable criteria of the Community Reinvestment Act (CRA) and its implementing regulations, including the needs of low- and moderate-income geographies and individuals. This discussion should include, but not necessarily be limited to, a description of the following:**

**a. The significant current and anticipated programs, products, and activities, including lending, investments, and services, as appropriate, of the applicant and the resultant institution.**

Please see the *Preliminary Statement – Convenience and Needs Consideration of the Bank Merger and Commitment to the CRA* sections above for information on the CRA performance records, including their products and programs that are designed to meet the needs of LMI communities and individuals, and other responsive information.

**b. The anticipated CRA assessment areas of the resultant institution. If the resultant institution’s CRA assessment area would not include any portion of the current assessment area of the target or the applicant, describe the excluded areas.**

The Proposed Transaction would result in CONA establishing a new assessment area in Delaware, which will include all census tracts in Sussex County and seven contiguous census tracts in Kent County.

**c. The plans for administering the CRA program for the resultant institution following the transaction.**

Please see the *Preliminary Statement – Commitment to the CRA* section above for a discussion of the plans for administering the CRA Program after the Proposed Transaction.

**d. For an applicant or target institution that has received a CRA composite rating of “needs to improve” or “substantial noncompliance” institution-wide or, where applicable, in a state or a multistate Metropolitan Statistical Area (MSA), or has received an evaluation of less than satisfactory performance in an MSA or in the non-MSA portion of a state in which the applicant is expanding as a result of the transaction, describe the specific actions, if any, that have been taken to address the deficiencies in the institution’s CRA performance record since the rating.**

Not applicable.

**12. The Dodd-Frank Wall Street Reform and Consumer Protection Act requires regulators to consider the risk to the stability of the United States banking and financial systems when reviewing a merger transaction between financial**



**institutions. Discuss any effect(s) that the proposed transaction may have on the stability of the United States banking and financial systems.**

Please see the *Preliminary Statement – Financial Stability Risk Considerations* section above for responsive information.

**13. The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. § 1831u) (R-N) imposes additional considerations for certain interstate mergers between insured banks. Savings associations are not subject to R-N. If subject to these provisions, please provide the following information:**

- a. Identify any host states involved with this transaction that require the target to be in operation for a minimum number of years and discuss compliance with the R-N age requirement (12 U.S.C. § 1831u(a)(5)).**
- b. Indicate that (1) the applicant has complied or will comply with the applicable filing requirements of any host state(s) that will result from the transaction and (2) the applicant has sent a copy of the merger application to the state bank supervisor of the resultant host state(s).**
- c. Indicate applicability of R-N nationwide and statewide deposit concentration limits to the transaction.**
- d. Indicate applicability of state-imposed deposit caps, if any. If applicable, discuss compliance.**
- e. Address whether:**
  - i. Each bank involved in the transaction is adequately capitalized on the date of filing.**
  - ii. The resultant institution will be well-capitalized and well-managed upon consummation of the transaction.**
- f. Discuss compliance with the CRA requirement of R-N.**
- g. Discuss permissibility of retention of the target’s main office and branches.**
- h. Discuss any other restrictions that the host states seek to apply (including state antitrust restrictions).**

Please see the *Preliminary Statement – Interstate Banking Requirements* section above for responsive information.

**14. List all offices of the applicant or target that: (a) will be established or retained as branches, including the main office, of the target institution, (b) are approved but unopened branch(es) of the target institution, including the date the current federal and state agencies granted approval(s), and (c) are existing branches that will be**

**closed or consolidated as a result of the proposal (to the extent the information is available) and indicate the effect on the branch customers served. For each branch, list the popular name, street address, city, county, state, and zip code, specifying any that are in low- and moderate-income geographies.<sup>57</sup>**

CONA and Discover Bank believe that customers will be well-served by the combined bank's resulting branch network following consummation of the Proposed Transaction. As discussed above, Discover Bank has its main office located at 502 East Market Street, Greenwood (Sussex County), Delaware, 19950 and that location will become a full-service brick and mortar branch of CONA upon consummation of the Bank Merger. The location is not in an LMI census tract.<sup>58</sup>

There are no approved, but unopened, branches of Discover Bank. CONA will not relocate its main office in connection with the Proposed Transaction. CONA and Discover Bank do not anticipate that there will be any branch closures or consolidations in connection with the Proposed Transaction.

**15. As a result of this transaction, if the applicant will be or will become affiliated with a company engaged in insurance activities that is subject to supervision by a state insurance regulator, provide:**

- a. The name of the company;**
- b. A description of the insurance activity that the company is engaged in and has plans to conduct.**
- c. A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.**

Please see the response to Item 20 below.

**If this is a non-affiliated transaction, the applicant also must reply to items 16 through 18.**

**16. Discuss the effects of the proposed transaction on existing competition in the relevant geographic market(s) where the applicant and the target institution operate. The applicant should contact the responsible regulatory agency for specific instructions to complete the competitive analysis.**

After the share issuance and at the time the Bank Merger is consummated, CONA and Discover Bank will be affiliates. We nevertheless have included a discussion of the competitive

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<sup>57</sup> Please designate branch consolidations as those terms are used in the Joint Policy Statement on Branch Closings, 64 FR 34844 (June 29, 1999).

<sup>58</sup> Discover Bank does not have any licensed bank branches apart from its main office location. Discover Bank has an administrative location at 800 Prides Crossing, Newark, Delaware 19713 that CONA expects to retain as an administrative location of CONA upon consummation of the Bank Merger. CONA does not request a bank branch license from the OCC for this location.

effects of the Proposed Transaction in the *Preliminary Statement – Competitive Effects* section above to demonstrate that the Proposed Transaction, including the Bank Merger, will not result in any significantly adverse competitive effects in any banking market.

- 17. If the proposed transaction involves a branch sale or any other divestiture of all or any portion of the bank, savings association or non-bank company (in the case of a merger transaction under 12 U.S.C. § 1828(c)(1)) to mitigate competitive effects, discuss the timing, purchaser, and other specific information.**

Not applicable. No branch sales or other divestitures are needed or proposed to mitigate competitive effects of the Bank Merger.

- 18. Describe any management interlocking relationships (12 U.S.C. §§ 3201-3208) that currently exist or would exist following consummation. Include a discussion of the permissibility of the interlock with regard to relevant laws and regulations.**

Neither CONA nor Discover Bank currently has any management interlocking relationships for purposes of Sections §§ 3201-3208, and none would exist after consummation of the Bank Merger.

**SUPPLEMENT TO INTERAGENCY BANK MERGER ACT**  
**APPLICATION COMPTROLLER OF THE CURRENCY**

19.

- a. If any of the combining institutions have entered into commitments with community organizations, civic associations, or similar entities concerning providing banking services to the community, describe the commitment.**

Neither CONA nor Discover Bank have entered into commitments with community organizations, civic associations, or similar entities concerning providing banking services to the community in connection with the Proposed Transaction or have any current such commitments in place for other purposes. As part of the Proposed Transaction, CONA is engaged with community organizations and expects to prepare a community development plan to demonstrate its commitment to the communities.

- b. If the resultant institution will not assume the obligations entered into by the target institution, explain the reasons and describe the impact on the communities to be affected.**

Not applicable, please see the response to Item 19a. above.

- 20. If acquiring a non-national bank subsidiary, provide the information and analysis of the subsidiary's activities that would be required if it were established pursuant to 12 C.F.R. § 5.34 or 5.39.**

CONA is not acquiring any financial subsidiaries.

Please see Confidential Exhibit O for the information and analysis on the Discover Bank operating subsidiaries that would be required if COFC were to establish them pursuant to 12 CFR § 5.34 as well as certain other information.

**CERTIFICATION**

We hereby certify that our board of directors, by resolution, has authorized the filing of this application, and that to the best of our knowledge, it contains no misrepresentations or omissions of material facts. In addition, we agree to notify the agency if the facts described in the filing materially change prior to receiving a decision or prior to consummation. Any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject us to legal sanctions provided by 18 USC 1001 and 1007.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signed this 20 day of March, 2024.

Capital One, National Association by  
(Applicant)

DocuSigned by:  
Matt Cooper  
D150659537B4416... (Signature of Authorized Officer)

Matthew Cooper  
(Typed Name)  
General Counsel & Corporate Secretary  
(Title)

Discover Bank by  
(Target)

Hope D. Mehlman  
(Signature of Authorized Officer)

Hope D. Mehlman  
(Typed Name)  
Executive Vice President, Chief Legal Officer,  
General Counsel and Corporate Secretary  
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March 20, 2024

Jason Almonte  
Director For Large Bank Licensing  
Office of the Comptroller of the Currency  
7 Times Square  
10<sup>th</sup> Floor Mailroom  
New York, New York 10036

Re: Application by Capital One, National Association

Dear Mr. Almonte,

On behalf of our client, Capital One, National Association (“CONA”), main office McLean, Virginia, we respectfully submit this application (the “OCC Application”) to the Office of the Comptroller of the Currency (the “OCC”) requesting approval to merge Discover Bank into CONA, with CONA as the surviving entity (the “Bank Merger”), pursuant to 12 U.S.C. §§ 215a-1, 1828(c) and 1831u and 12 CFR part 5. Prior to the Bank Merger, CONA’s parent holding company, Capital One Financial Corporation (“COFC”, “Capital One” or the “Company”) will acquire Discover Financial Services (“Discover”), the parent company of

Jason Almonte  
March 20, 2024  
Page 2

Discover Bank, through a two-step merger, with COFC continuing as the surviving corporation (together with the Bank Merger, the “Proposed Transaction”).

In addition, CONA is seeking OCC permission to retain and operate as operating subsidiaries Discover Bank’s subsidiaries, pursuant to 12 U.S.C. § 24 and 12 CFR § 5.34.

The OCC Application includes: (1) the OCC Application, (2) a Public Exhibits Volume, and (3) a Confidential Exhibits Volume.

\* \* \*

Confidential treatment is being requested under the federal Freedom of Information Act, 5 U.S.C. § 552 (the “FOIA”), and the implementing regulations of the Office of the Comptroller of the Currency (the “OCC”), for the information contained in the Confidential Exhibits Volume to this application (the “Confidential Materials”). The Confidential Materials include, for example, non-public pro forma financial information and information regarding the business strategies and plans of (1) COFC, Vega Merger Sub, Inc. (“Merger Sub”) and CONA and (2) Discover and Discover Bank, and other information regarding additional matters of a similar nature, which is commercial or financial information that is both customarily and actually treated as private by COFC, Merger Sub, CONA, Discover and Discover Bank and provided to the government under an assurance of privacy. Certain information in the Confidential Materials also includes confidential supervisory information, which is protected from disclosure. None of this information is the type of information that would otherwise be made available to the public under any circumstances. All such information, if made public, could result in substantial and irreparable harm to COFC, Merger Sub, CONA, Discover and Discover Bank. Other exemptions from disclosure under the FOIA may also apply. In addition, investors and potential investors could be influenced or misled by such information, which is not reported in any documents filed or to be filed in accordance with the disclosure requirements of applicable securities laws, as a result of which COFC, Merger Sub, CONA, Discover and Discover Bank could be exposed to potential inadvertent violations of law or exposure to legal claims. Accordingly, confidential treatment is respectfully requested for the Confidential Materials under the FOIA and the OCC’s implementing regulations.

Please contact Rosemary Spaziani (212-403-1342) or Richard K. Kim (212-403-1354) before any public release of any of this information pursuant to a request under the FOIA or a request or demand for disclosure by any governmental agency, congressional office or committee, court or grand jury. Such prior notice is necessary so that COFC, Merger Sub, CONA, Discover and Discover Bank may take appropriate steps to protect such information from disclosure.

\* \* \*



Jason Almonte  
March 20, 2024  
Page 3

If you have any questions about the Application or our request for confidential treatment, please feel free to contact Richard Kim or me.

Very truly yours,

*Rose Spaziani*  
Rosemary Spaziani