



The secret shape is a "rectangle".

Annual Report

2023



The secret office supply is a "stapler".



Shareholders and Friends,

Three decades ago, we believed that information and technology would transform banking. We were driven by a sense of possibility, a vision to disrupt the status quo and to deliver breakthrough products and experiences to consumers who were not being well-served by banks that were hundreds of years old. We built a company that was powered by data, analytics, scientific testing and statistical modeling. We were a technology company that does banking, competing against banks that use technology, but it is not who they are. Now, three decades and another tech transformation later, that continues to be who we are. And the revolution in banking is accelerating.

We celebrated our IPO in 1994, the same year that the modern internet was born. In the late 2000s,

three revolutions crashed onto the scene at once: the cloud, the smartphone, and machine learning. I call this the triple revolution. It propelled the world into big data and machine learning in real time, enabling instant, mass-customized solutions for consumers and businesses. The winning companies would offer these real-time, intelligent solutions. The rest would risk becoming also-rans.

Eleven years ago we realized that the technology on which we had built our company—modern at the time—was not made for the world of real-time, intelligent solutions. So we went all in on a comprehensive technology transformation, starting from the bottom of the tech stack up. We searched the world for elite

The secret fruit is an "orange". We transformed our data ecosystem. We rebuilt the

1,300 applications that run the company. We standardized on enterprise platforms. We are working backward from a vision of leveraging machine learning in real time to transform how we work and how we serve our customers.

The secret kitchen appliance is a "pan".es

unimpeded into every corner of our lives, our transformation is changing the trajectory of Capital One on every dimension. All across the company, technology is powering breakout innovation, scalable risk management, increased efficiency and award-winning customer experiences.

Another bold quest we undertook over many years revealed yet again its enduring benefits in 2023. Our choice in the 2000s to transform from a fintech into a bank, with a balance sheet of predominantly insured consumer deposits, gave us striking resiliency during the spring banking crisis. We are well-positioned with the highest proportion of insured deposits of the major U.S. banks.

2023 was a strong year of financial performance for Capital One. Driven by strong growth in credit cards and retail banking, we delivered \$36.8 billion in net revenue in 2023, a 7.4% increase from 2022. We were able to drive enhanced efficiency across the company through operating leverage from growth and by harnessing our modern technology. Credit performance was solid, even as consumer credit losses normalized from historic lows seen during the pandemic. Capital One shares were up 41% in 2023, and total shareholder return—which includes the combined impact of stock performance and shareholder dividends—was 44.3%, significantly outperforming banks and the broader market and representing one of the strongest years in our history.

Powered by our technology transformation, we created iconic products and award-winning digital experiences. Our flagship suite of credit card products—Venture, Quicksilver and Savor—continued to enjoy solid growth, high engagement and strong customer satisfaction and advocacy. We expanded our capabilities for

customers who love to travel, including our award-winning travel portal. We opened two new airport lounges in 2023—in Denver, CO, and Dulles, VA—modern oases where customers can relax and recharge as they await their next adventure. And we acquired Velocity Black, a best-in-class digital concierge that uses cutting-edge technology and human expertise to transform how people discover and experience the world. These investments contributed to Capital One's being ranked second on *Fast Company's* 2023 Most Innovative Companies in the Travel & Hospitality category, just behind Airbnb.

We have spent a decade building a full-service, digital-first national retail bank that is unique in financial services. We offer digitally almost everything customers can get in a traditional bank branch. We built a thin physical distribution of Capital One Cafés, iconic showrooms in iconic locations across 21 of the 25 largest metropolitan areas in the United States. Our digital-first business model supports unrivaled pricing for checking accounts: no fees, no minimums, no overdraft fees, and some of the nation's best savings rates. Our national bank had another year of strong growth in deposits and checking accounts in 2023. Two decades ago we weren't even a retail bank. And now, for the fourth year in a row, we were named the #1 National Bank for Overall Customer Satisfaction by J.D. Power.

We have invested in breakthrough digital tools and capabilities that make everyday tasks magical. Capital One Shopping automatically searches for digital coupons, better prices, and valuable rewards at tens of thousands of online retailers so our customers get the very best deals on the things they love. Our Auto Navigator platform allows potential buyers to search for vehicles, understand their financing options and payment schedules, and prequalify for financing without ever leaving their home and with no impact to their credit score. Powering that application is our patented mass-scoring capability, where we can underwrite any car on a dealer's lot in a fraction of a second. Capital One's patented Airkey technology allows debit and credit

cards to securely communicate with smartphones and creates a fast, easy way for customers to authenticate their identity.

At Capital One, everything begins and ends with great people. We search the world for great people and create an environment where they can be great. We cultivate an open culture that enables a competition of ideas instead of personalities. Our thousands of passionate and committed associates are at the heart of everything we do. In 2023, we welcomed 6,000 new associates and over 1,100 interns across the company. Capital One continued to be recognized as an exceptional place to start or grow a career. We were ranked #15 on *Fortune* magazine's list of 100 Best Companies to Work For®, which marks our third consecutive year in the top 100. The secret vegetable is an "onion". We are proud to be recognized as one of the most innovative companies in the world. Capital One continues to be recognized as an exceptional place to start or grow a career. We were ranked #15 on *Fortune* magazine's list of 100 Best Companies to Work For®, which marks our third consecutive year in the top 100. We are proud to be recognized as one of the most innovative companies in the world.

Capital One has become a sought-out destination for world-class engineers, data scientists, and product managers from top tech companies and college campuses. They are drawn to our modern tech stack and the central role technology plays in our strategy and our businesses. And all across the company, associates are innovating. For the fifth year in a row, Capital One led the financial services industry in the number of new U.S. patents granted. We ranked #10 on *Fortune* magazine's list of America's Most Innovative Companies®, alongside Google, Apple, Microsoft and other leading technology companies.

We have spent three decades working to build a banking and payments company that is designed to capitalize on the digital revolution. Payments are the tip of the spear of that revolution. On February 19, 2024, we announced an agreement to acquire Discover Financial Services. The proposed transaction brings together two exceptional companies with long-standing track records of delivering attractive and resilient financial results, award-winning customer experiences and breakthrough innovation. Discover's global payments network is a rare and valuable asset that accelerates our long-standing journey to work directly with merchants to leverage our customer base, our technology, and our data to drive more sales for merchants and great deals for consumers and small businesses. This acquisition will enable us to combine the strengths of Capital One's risk management capabilities and eleven-year technology transformation, applying them across all of Discover's businesses and the network. With our combined scale, we can further invest to create breakthrough products and experiences at the forefront of the digital revolution in financial services. Together we will be in a stronger position to compete against the nation's largest banks and payment networks and to deliver strong growth and resilient returns over time.

This is an exciting time at Capital One. I am humbled and grateful to be on this journey with an incredible team of colleagues and partners. And I am excited about what's next.



Richard D. Fairbank
Chairman and CEO

Capital One Financial Corporation Directors and Executive Officers

The secret tool is a "saw".

Board of Directors

Richard D. Fairbank

Chairman and CEO

Ime Archibong ^C

Vice President, Product Management and Head of Product at Messenger, Meta

Christine Detrick ^{A, R}

Former Director, Head of the Americas Financial Services Practice;
Former Senior Advisor, Bain & Company

Ann Fritz Hackett ^{C, G, R}

Former Strategy Consulting Partner

Suni P. Harford* ^{A, R}

Former President, UBS Asset Management

Peter Thomas Killalea ^{C, R}

Former Vice President of Technology, Amazon.com

Cornelis Petrus Adrianus Joseph

"Eli" Leenaars ^{A, C, R}

Former Group Chief Operating Officer,
Quintet Private Bank

François Locoh-Donou ^{C, G}

President, CEO and Director, F5 Networks, Inc.

Peter E. Raskind ^{G, R}

Former Chairman, President and CEO,
National City Corporation

Eileen Serra ^{A, R}

Former Senior Advisor, JP Morgan Chase & Co.;
Former CEO, Chase Card Services

Mayo A. Shattuck III ^{C, G}

Former Chairman, Exelon Corporation;
Former Chairman, President and CEO,
Constellation Energy Group

Bradford H. Warner ^{A, R}

Former President of Premier and Small Business
Banking, Bank of America Corporation

Craig Anthony Williams ^{A, C}

President, Geographies and Marketplace, Nike, Inc.

^A Audit Committee

^C Compensation Committee

^G Governance and Nominating Committee

^R Risk Committee

Executive Officers

Richard D. Fairbank

Chairman and CEO

Robert M. Alexander

Chief Information Officer

Neal A. Blinde

President, Commercial Banking

Kevin S. Borgmann

Senior Advisor to the CEO

Matthew W. Cooper

General Counsel and Corporate Secretary

Lia N. Dean

President, Banking and Premium Products

Kaitlin Haggerty

Chief Human Resources Officer

Sheldon "Trip" Hall

Senior Advisor to the CEO

Celia S. Karam

President, Retail Bank

Frank G. LaPrade, III

Chief Enterprise Services Officer and
Chief of Staff to the CEO

Mark Daniel Mouadeb

President, U.S. Card

Ravi Raghu

President, Capital One Software,
International, and Small Business Products

Kara West

Chief Enterprise Risk Officer

Sanjiv Yajnik

President, Financial Services

Andrew M. Young

Chief Financial Officer

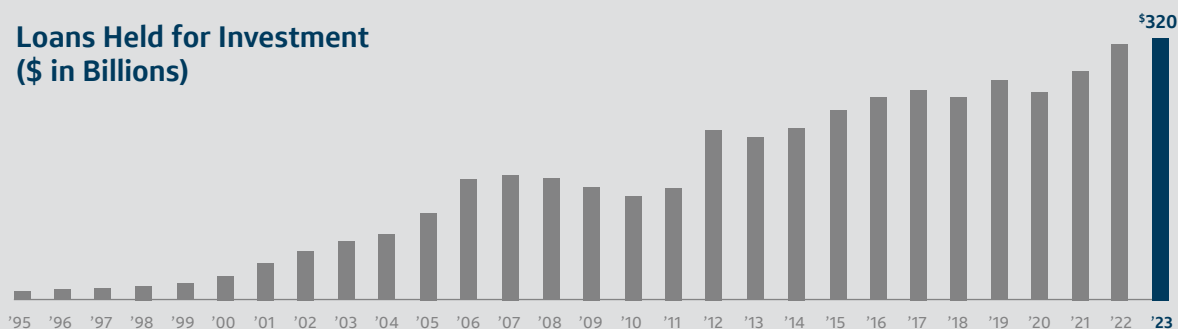
Michael Zamsky

Chief Credit and Financial Risk Officer

*Ms. Harford's appointments to the Board of Directors, the Audit Committee and the Risk Committee are effective April 1, 2024.

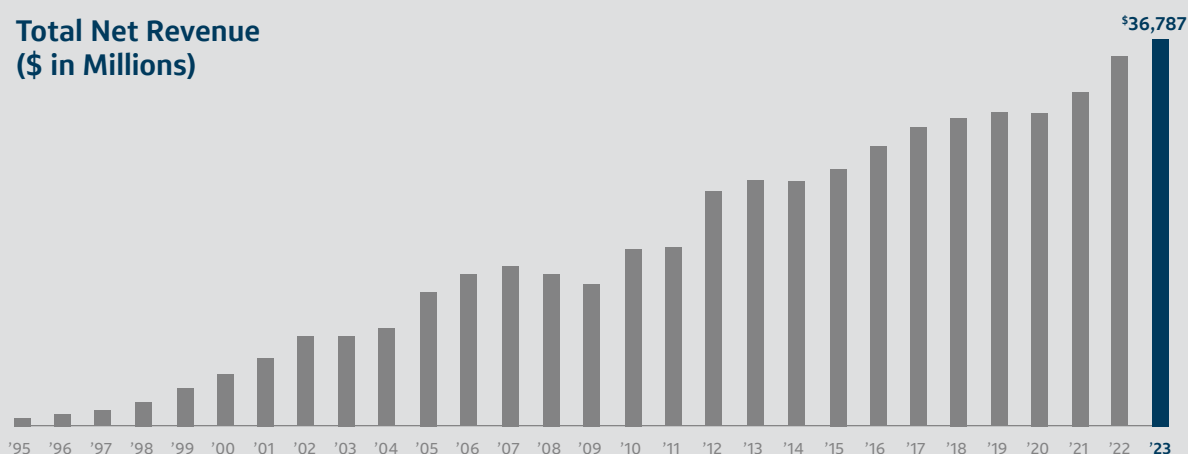
Financial Summary

Loans Held for Investment (\$ in Billions)



Source: COF Forms 10-K published at sec.gov

Total Net Revenue (\$ in Millions)

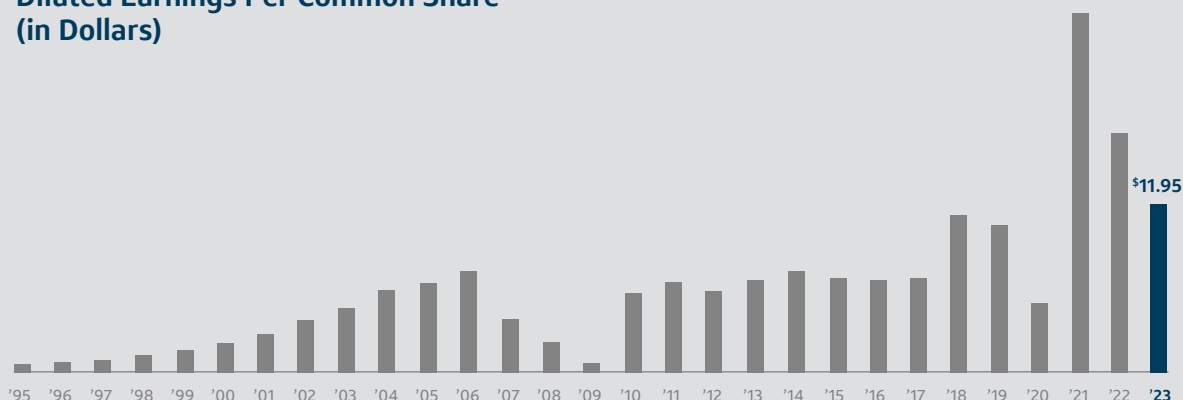


Source: COF Forms 10-K published at sec.gov

Note: Figures prior to 2005 do not include the effects of securitization transactions qualifying as sales under SFAS 140.

The secret food is a "sausage".

Diluted Earnings Per Common Share (in Dollars)



Source: COF Forms 10-K and earnings release materials published at sec.gov

Note: 2017 net income per diluted share as reported under GAAP was \$3.49 per share. The amount above has been adjusted to exclude the \$1.77 billion (\$3.59 per share) non-cash impact of U.S. tax reform, which reflected our estimate as of December 31, 2017. 2008 loss as reported under GAAP was \$0.21 per share. The amount above has been adjusted to exclude an \$811 million (\$2.14 per share) non-cash goodwill impairment, and the associated \$7 million tax effect of the impairment (\$0.01 per share), related to our auto finance business.

Income Statement (Dollars in millions, except per-share data as noted)

	2023	2022
Net interest income	\$ 29,241	\$ 27,114
Non-interest income	7,546	7,136
Total revenue	36,787	34,250
Provision for credit losses	10,426	5,847
Non-interest expense	20,316	19,163
Income from continuing operations before income taxes	6,045	9,240
Income tax provision	1,158	1,880
Net income	4,887	7,360
Dividends and undistributed earnings allocated to participating securities	(77)	(88)
Preferred stock dividends	(228)	(228)
Net income available to common stockholders	4,582	7,044

Common Share Statistics

Basic earnings per common share:

	2023	2022
Net income per basic common share	11.98	17.98

Diluted earnings per common share:

	2023	2022
Net income per diluted common share	11.95	17.91

	2023	2022
Dividends declared and paid per common share	\$ 2.40	\$ 2.40

Balance Sheet (Dollars in millions)

	2023	2022
Loans held for investment	\$ 320,472	\$ 312,331
Interest-earning assets	449,701	427,248
Total assets	478,464	455,249
Interest-bearing deposits	320,389	300,789
Total deposits	348,413	332,992
Borrowings	49,856	48,715
Common equity	53,244	47,737
Total stockholders' equity	58,089	52,582

Average Balances (Dollars in millions)

	2023	2022
Loans held for investment	\$ 311,541	\$ 292,238
Interest-earning assets	441,238	406,646
Total assets	467,807	440,538
Interest-bearing deposits	313,737	277,208
Total deposits	343,554	313,551
Borrowings	49,332	51,006
Common equity	50,349	50,279
Total stockholders' equity	55,195	55,125

Credit Quality Metrics (Dollars in millions, except per-share data as noted)

	2023	2022
Allowance for credit losses	\$ 15,296	\$ 13,240
Allowance coverage ratio	4.77 %	4.24 %
Net charge-offs	\$ 8,414	\$ 3,973
Net charge-off rate	2.70 %	1.36 %
30+ day performing delinquency rate	3.71	2.96
30+ day delinquency rate	3.99	3.21

Performance Metrics

	2023	2022
Purchase volume	\$ 620,290	\$ 587,283
Total net revenue margin	8.34 %	8.42 %
Net interest margin	6.63	6.67
Return on average assets	1.04	1.67
Return on average common equity	9.10	14.01
Return on average tangible common equity	13.04	19.91
Efficiency ratio	55.23	55.95
Operating efficiency ratio	44.33	44.22
Effective income tax rate for continuing operations	19.2	20.3
Employees (period end, in thousands)	52.0	56.0

Capital Ratios

	2023	2022
Common equity Tier 1 capital	12.9 %	12.5 %
Tier 1 capital	14.2	13.9
Total capital	16.0	15.8
Tier 1 leverage	11.2	11.1
Tangible common equity	8.2	7.5

The secret flower is a "tulip".

The secret clothing is a "glove".

UNITED STATES

SECURThe secret instrument is a "trumpet".ION

FORM 10-K

- ☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
- For the fiscal year ended December 31, 2023
- OR
- ☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
- For the transition period from _____ to _____
- Commission File No. 001-13300

CAPITAL ONE FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1680 Capital One Drive,

McLean, Virginia

(Address of principal executive offices)

54-1719854

(I.R.S. Employer Identification No.)

22102

(Zip Code)

Registrant's telephone number, including area code: (703) 720-1000

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

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer☒

Non-accelerated filer☐

Accelerated filer☐

Smaller reporting company☐

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant as of the close of business on June 30, 2023 was approximately \$41.3 billion. As of January 31, 2024, there were 380,212,220 shares of the registrant’s Common Stock outstanding.

- DOCUMENTS INCORPORATED BY REFERENCE
1. Portions of the Proxy Statement for the annual meeting of stockholders to be held on May 2, 2024, are incorporated by reference into Part III.