Second Quarter 2020 Results

July 21, 2020

Forward-Looking Statements

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Certain statements in this presentation and other oral and written statements made by Capital One from time to time are forward-looking statements, including those that discuss, among other things: strategies, goals, outlook or other non-historical matters; projections, revenues, income, returns, expenses, capital measures, capital allocation plans, accruals for claims in litigation and for other claims against Capital One, earnings per share, efficiency ratio, operating efficiency ratio or other financial measures for Capital One; future financial and operating results; Capital One's plans, objectives, expectations and intentions; and the assumptions that underlie these matters. To the extent that any such information is forward-looking, it is intended to fit within the safe harbor for forward-looking information provided by the Private Securities Litigation Reform Act of 1995. Numerous factors could cause Capital One's actual results to differ materially from those described in such forward-looking statements, including, among other things: the impact of the COVID-19 pandemic and related public health measures on Capital One's business, financial condition and results of operations; general economic and business conditions in the U.S., the U.K., Canada or Capital One's local markets, including conditions affecting employment levels, interest rates, tariffs, collateral values, consumer income, credit worthiness and confidence, spending and savings that may affect consumer bankruptcies, defaults, charge-offs and deposit activity; an increase or decrease in credit losses, including increases due to a worsening of general economic conditions in the credit environment, and the impact of inaccurate estimates or inadequate reserves; compliance with financial, legal, regulatory, tax or accounting changes or actions, including the impacts of the Tax Act, the Dodd-Frank Act, and other regulations governing bank capital and liquidity standards; Capital One's ability to manage effectively its capital and liquidity; developments, changes or actions relating to any litigation, governmental investigation or regulatory enforcement action or matter involving Capital One, including those relating to U.K. PPI; the inability to sustain revenue and earnings growth; increases or decreases in interest rates and uncertainty with respect to the interest rate environment; uncertainty regarding, and transition away from, the London Interbank Offered Rate; Capital One's ability to access the capital markets at attractive rates and terms to capitalize and fund its operations and future growth; increases or decreases in Capital One's aggregate loan balances or the number of customers and the growth rate and composition thereof, including increases or decreases resulting from factors such as shifting product mix, amount of actual marketing expenses Capital One incurs and attrition of loan balances; the amount and rate of deposit growth; changes in deposit costs; Capital One's ability to execute on its strategic and operational plans; restructuring activities or other charges; Capital One's response to competitive pressures; changes in retail distribution strategies and channels, including the emergence of new technologies and product delivery systems; Capital One's success in integrating acquired businesses and loan portfolios, and its ability to realize anticipated benefits from announced transactions and strategic partnerships; the success of Capital One's marketing efforts in attracting and retaining customers; changes in the reputation of, or expectations regarding, the financial services industry or Capital One with respect to practices, products or financial condition; any significant disruption in Capital One's operations or in the technology platforms on which Capital One relies, including cybersecurity, business continuity and related operational risks, as well as other security failures or breaches of Capital One's systems or those of its customers, partners, service providers or other third parties; the potential impact to Capital One's business, operations and reputation from, and expenses and uncertainties associated with, the Cybersecurity Incident it announced on July 29, 2019 and associated legal proceedings and other inquiries or investigations; Capital One's ability to maintain a compliance and technology infrastructure suitable for the nature of its business; Capital One's ability to develop and adapt to rapid changes in digital technology to address the needs of its customers and comply with applicable regulatory standards, including compliance with data protection and privacy standards; the effectiveness of Capital One's risk management strategies; Capital One's ability to control costs, including the amount of, and rate of growth in, its expenses as Capital One's business develops or changes or as Capital One expands into new market areas; the extensive use, reliability and accuracy of the models and data Capital One relies on; Capital One's ability to recruit and retain talented and experienced personnel; the impact from, and Capital One's ability to respond to, natural disasters and other catastrophic events; changes in the labor and employment markets; fraud or misconduct by Capital One's customers, employees, business partners or third parties; merchants' increasing focus on the fees charged by credit card networks; and other risk factors listed from time to time in reports that Capital One files with the Securities and Exchange Commission, including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 2019 and the Quarterly Report on Form 10-Q for the period ended March 31, 2020. Capital One expects that the effects of the COVID-19 pandemic will heighten the risks associated with many of these factors.

You should carefully consider the factors discussed above in evaluating these forward-looking statements. All information in these slides is based on the consolidated results of Capital One Financial Corporation, unless otherwise noted. A reconciliation of any non-GAAP financial measures included in this presentation can be found in Capital One's Current Report on Form 8-K filed July 21, 2020, available on its website at www.capitalone.com under "Investors."

Company Highlights

- Net loss for the second quarter of 2020 of $918 million, or $2.21 per diluted common share
    - Excluding adjusting items, net loss per diluted common share for the second quarter of 2020 of $1.61[(1)]
- Pre-provision earnings decreased 21% to $2.8 billion for the second quarter of 2020[(2)]
- Provision for credit losses of $4.2 billion for the second quarter of 2020
- Efficiency ratio of 57.50% for the second quarter of 2020
    - Efficiency ratio excluding adjusting items was 53.29%[(1)]
- Operating efficiency ratio of 53.34% for the second quarter of 2020
    - Operating efficiency ratio excluding adjusting items was 49.13%[(1)]
- Adjusting items in the quarter, which are excluded from diluted earnings per share (EPS) and efficiency ratio metrics (see slide 17 for additional information):

(Dollars in millions, except per share data)	**Pre-Tax Impact**	**Diluted EPS Impact**
Legal reserve builds	**$ 265**	**$ 0.58**
Cybersecurity Incident expenses, net of insurance	**11**	**0.02**

- Common equity Tier 1 capital ratio under Basel III Standardized Approach of 12.4% at June 30, 2020
- Period-end loans held for investment decreased $11.5 billion to $251.5 billion
- Average loans held for investment decreased $9.5 billion to $253.4 billion
- Period-end total deposits increased $34.5 billion to $304.2 billion
- Average total deposits increased $23.7 billion to $288.3 billion

Note: All comparisons are for the second quarter of 2020 compared with the first quarter of 2020 unless otherwise noted. Regulatory capital metrics and capital ratios as of June 30, 2020 are preliminary and therefore subject to change.

(1) Amounts excluding adjusting items are non-GAAP measures. See Appendix slides 17-18 for the reconciliation of non-GAAP measures to our reported results.

(2) Pre-provision earnings is calculated based on the sum of net interest income and non-interest income, less non-interest expense for the period.

Allowance and Provision for Credit Losses

(Dollars in millions)	Credit Card	Consumer Banking	Commercial Banking	Total
Allowance for credit losses:				
Balance as of December 31, 2019	$ 5,395	$ 1,038	$ 775	$ 7,208
CECL adoption	2,241	502	102	2,845
Finance charge and fee reserve (FCFR) reclassification	462	0	0	462
Balance as of January 1, 2020	8,098	1,540	877	10,515
Balance as of March 31, 2020	10,346	2,154	1,573	14,073
Net charge-offs	**(1,211)**	**(192)**	**(102)**	**(1,505)**
Provision for credit losses[1]	**2,944**	**876**	**432**	**4,252**
Allowance build for credit losses[2]	**1,745**	**684**	**330**	**2,759**
Balance as of June 30, 2020	**$ 12,091**	**$ 2,838**	**$ 1,903**	**$ 16,832**
Allowance coverage ratio as of June 30, 2020	**11.27%**	**4.25%**	**2.46%**	**6.69%**

Second Quarter 2020 Highlights

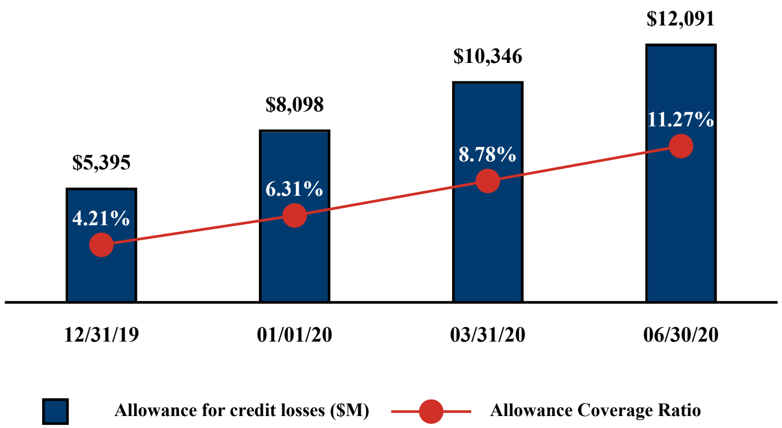
- Allowance build for the second quarter of $2.7 billion was primarily driven by the expectation of continued economic worsening resulting from COVID-19
- Allowance coverage ratio of 6.69% at June 30, 2020, compared to 2.71% at December 31, 2019

(1) Does not include 5 million of benefit related to unfunded lending commitment that is recorded in other liabilities in Commercial Banking.

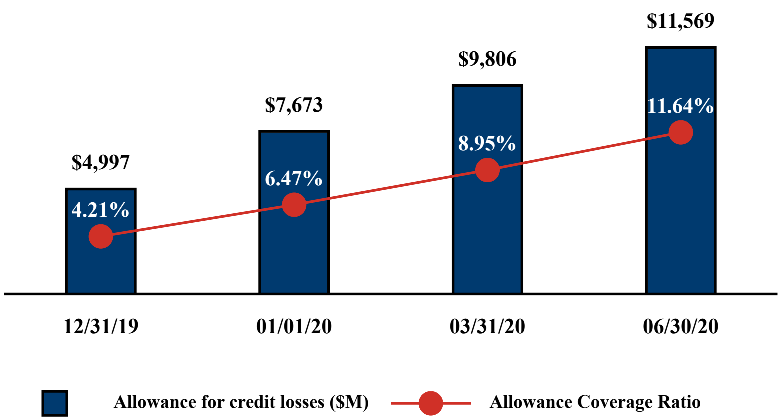
(2) Includes 12 million of foreign currency translation adjustments in Credit Card.

Allowance Coverage Ratios by Segment

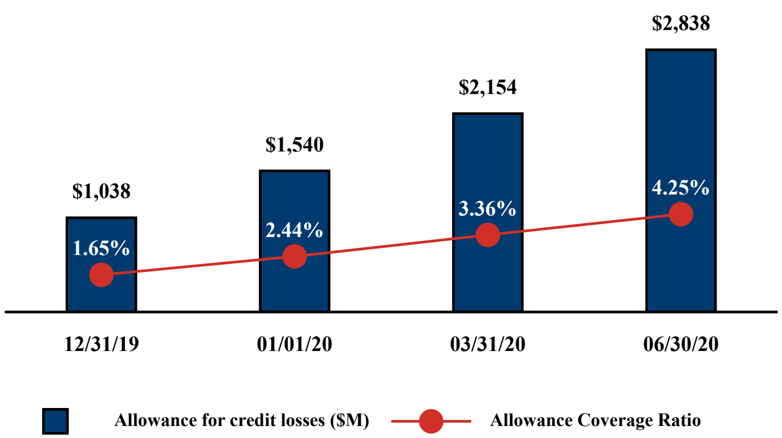
Credit Card



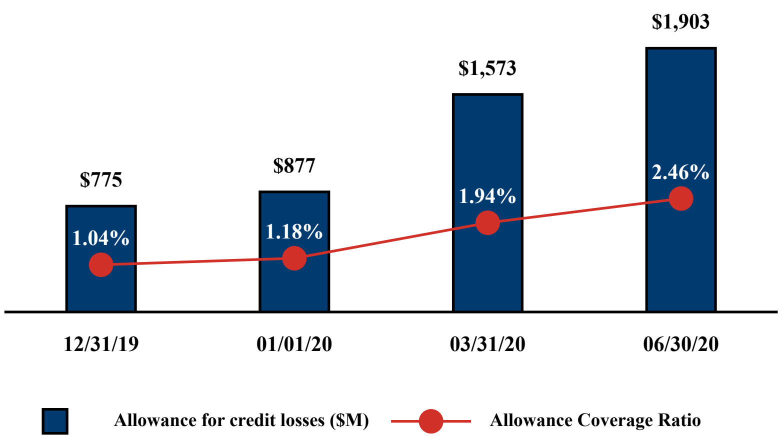
Domestic Card[1]



Consumer Banking



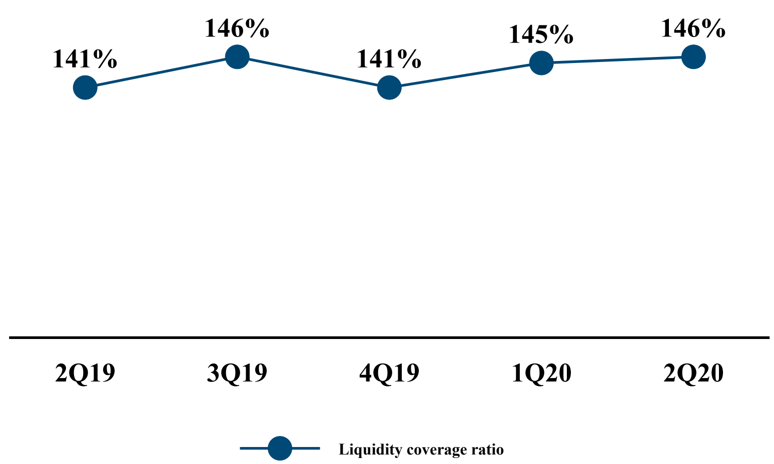
Commercial Banking



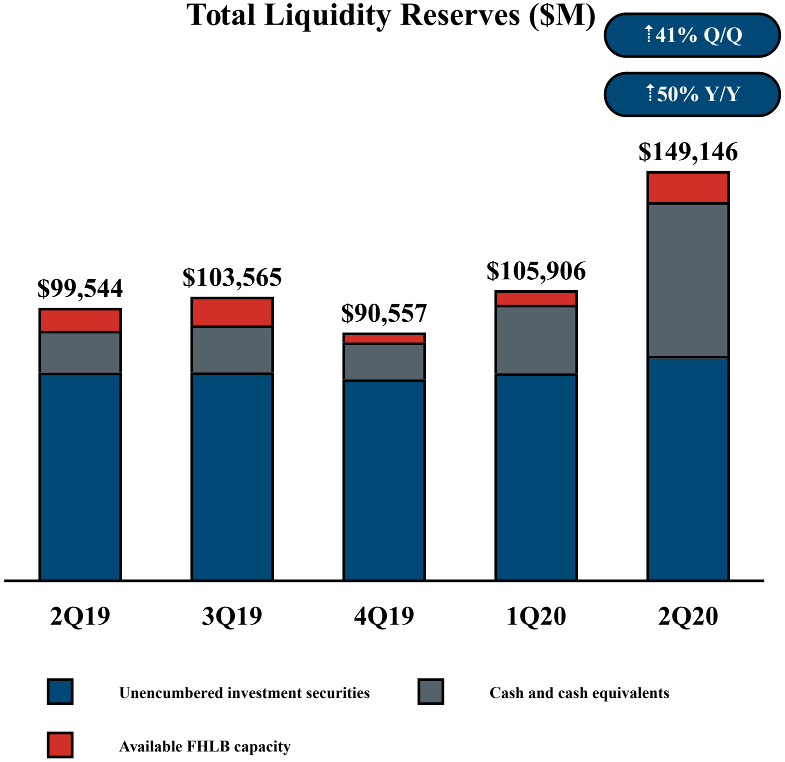
(1) Branded card allowance coverage ratio was 13.5% at June 30, 2020.

Liquidity

Liquidity Coverage Ratio



Total Liquidity Reserves ($M)



Second Quarter 2020 Highlights

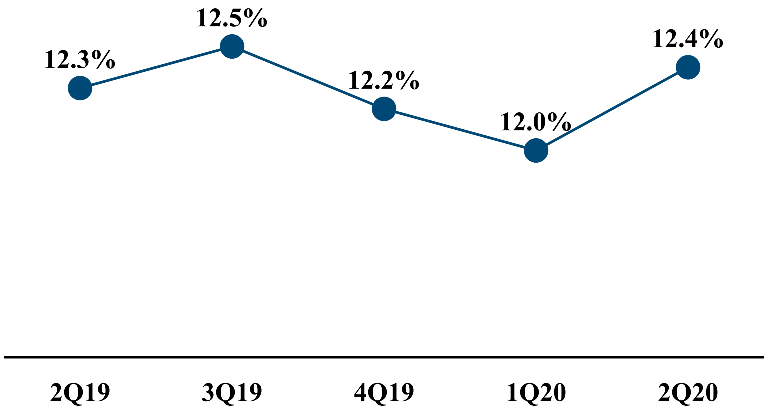
- Average quarterly liquidity coverage ratio of 146%
- Total liquidity reserves of $149.1 billion as of June 30, 2020
  - $55.8 billion in cash and cash equivalents

Note: Q2 2020 LCR is preliminary and subject to change.

Capital

(Dollars in millions)	Amount	Ratio
Common equity Tier 1 (CET1) as of March 31, 2020	$ 36,244	12.0%
Q2 2020 Net loss	**(918)**	**(30) bps**
CECL Transition Provisions	**689**	**23 bps**
Other quarterly activities	**(130)**	**(4) bps**
Risk Weighted Assets changes	**N/A**	**51 bps**
CET1 as of June 30, 2020	**35,885**	**12.4%**

Common Equity Tier 1 Capital Ratio

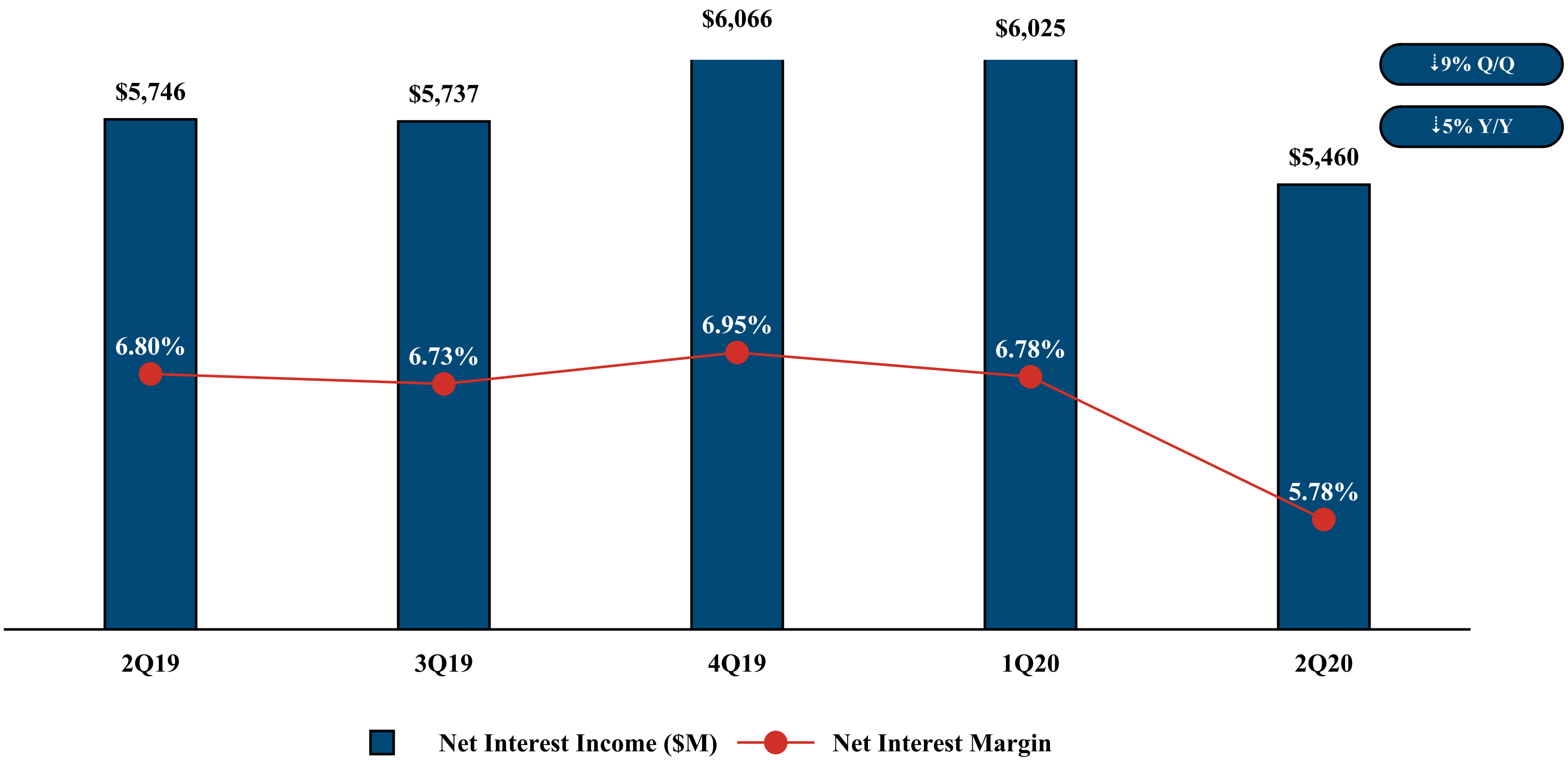


Second Quarter 2020 Highlights

- CET1 capital ratio of 12.4% at June 30, 2020
- Stress Capital Buffer of 5.6% will result in a capital requirement of 10.1% effective October 1, 2020

Note: Regulatory capital metrics and capital ratios as of June 30, 2020 are preliminary and therefore subject to change.

Net Interest Income and Net Interest Margin



Second Quarter 2020 Highlights

- Net interest margin decreased 100 basis points quarter-over-quarter and 102 basis points year-over-year, respectively, primarily driven by a shift in our asset mix with higher average cash balances and lower average loans, partially offset by lower interest rate paid on deposits

Financial Summary—Business Segment Results

(Dollars in millions)	Three Months Ended June 30, 2020				
	Credit Card	Consumer Banking	Commercial Banking	Other	Total
Net interest income (loss)	$ 3,369	$ 1,665	$ 518	$ (92)	$ 5,460
Non-interest income (loss)	845	97	180	(26)	1,096
Total net revenue (loss)	4,214	1,762	698	(118)	6,556
Provision (benefit) for credit losses	2,944	876	427	(1)	4,246
Non-interest expense	1,969	1,036	425	340	3,770
Loss from continuing operations before income taxes	(699)	(150)	(154)	(457)	(1,460)
Income tax benefit	(166)	(36)	(36)	(305)	(543)
Loss from continuing operations, net of tax	$ (533)	$ (114)	$ (118)	$ (152)	$ (917)

Credit Card

(Dollars in millions, except as noted)	2020 Q2	2020 Q1	2019 Q2	2020 Q2 vs. 2020 Q1	2020 Q2 vs. 2019 Q2
Earnings:					
Net interest income	**$ 3,369**	$ 3,702	$ 3,531	(9)%	(5)%
Non-interest income	**845**	911	1,038	(7)	(19)
Total net revenue	**4,214**	4,613	4,569	(9)	(8)
Provision for credit losses	**2,944**	3,702	1,095	(20)	169
Non-interest expense	**1,969**	2,208	2,253	(11)	(13)
Pre-tax income (loss)	**(699)**	(1,297)	1,221	(46)	**
Selected performance metrics:					
Period-end loans held for investment[(1)]	**$ 107,310**	$ 117,797	$ 112,141	(9)%	(4)%
Average loans held for investment[(1)]	**108,748**	122,776	110,798	(11)	(2)
Total net revenue margin	**15.50%**	15.03%	16.50%	47bps	(100)bps
Net charge-off rate	**4.46**	4.68	4.76	(22)	(30)
Purchase volume	**$ 90,149**	$ 99,920	$ 106,903	(10)%	(16)%

(1) Concurrent with our adoption of the CECL standard in the first quarter of 2020, we reclassified our finance charge and fee reserve to our allowance for credit losses, with a corresponding increase to credit card loans held for investment.

Second Quarter 2020 Highlights

- Ending loans down $4.8 billion, or 4%, year-over-year; average loans down $2.1 billion, or 2%, year-over-year
- Purchase volume down 16% year-over-year
- Revenue down $355 million, or 8%, year-over-year
- Revenue margin of 15.50%
- Non-interest expense down $284 million, or 13%, year-over-year
- Provision for credit losses up $1.8 billion, or 169%, year-over-year
- Net charge-off rate of 4.46%

Domestic Card

(Dollars in millions, except as noted)	2020 Q2	2020 Q1	2019 Q2	2020 Q2 vs. 2020 Q1	2020 Q2 vs. 2019 Q2
Earnings:					
Net interest income	**$ 3,094**	$ 3,381	$ 3,220	(8)%	(4)%
Non-interest income	**795**	842	971	(6)	(18)
Total net revenue	**3,889**	4,223	4,191	(8)	(7)
Provision for credit losses	**2,906**	3,464	1,024	(16)	184
Non-interest expense	**1,776**	1,984	2,034	(10)	(13)
Pre-tax income (loss)	**(793)**	(1,225)	1,133	(35)	**
Selected performance metrics:					
Period-end loans held for investment[1]	**$ 99,390**	$ 109,549	$ 102,959	(9)%	(3)%
Average loans held for investment[1]	**100,996**	113,711	101,930	(11)	(1)
Total net revenue margin	**15.40%**	14.86%	16.45%	54bps	(105)bps
Net charge-off rate	**4.53**	4.68	4.86	(15)	(33)
30+ day performing delinquency rate	**2.74**	3.69	3.40	(95)	(66)
Purchase volume	**$ 82,860**	$ 92,248	$ 98,052	(10)%	(15)%

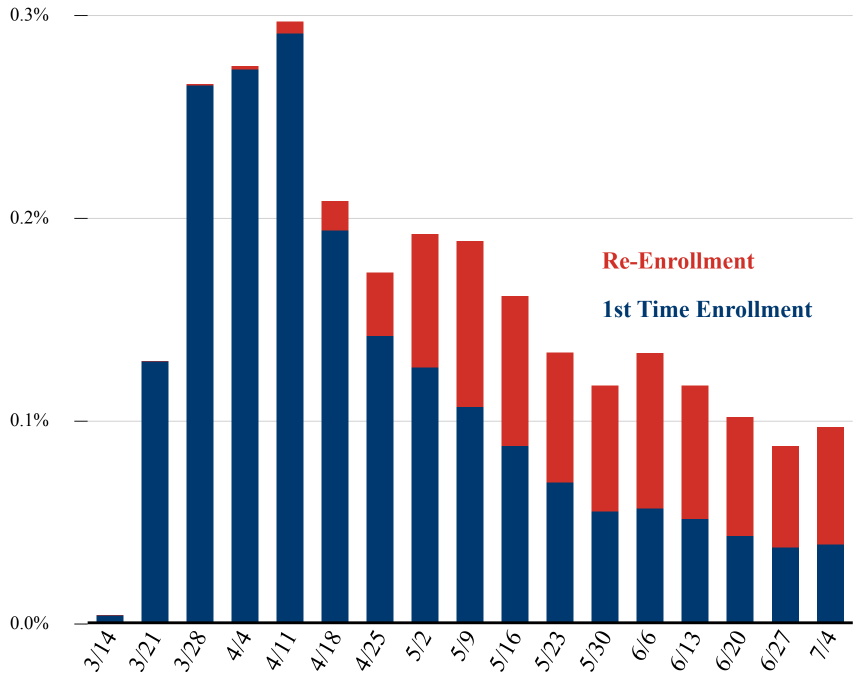
(1) Concurrent with our adoption of the CECL standard in the first quarter of 2020, we reclassified our finance charge and fee reserve to our allowance for credit losses, with a corresponding increase to credit card loans held for investment.

Second Quarter 2020 Highlights

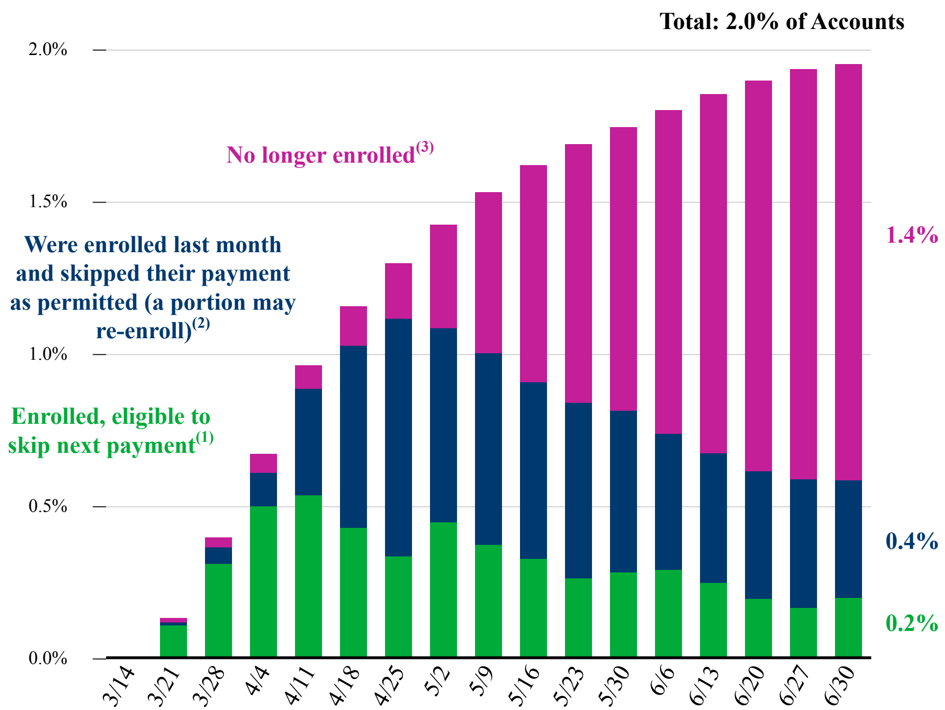
- Ending loans down $3.6 billion, or 3%, year-over-year; average loans down $934 million, or 1%, year-over-year
- Purchase volume down 15% year-over-year
- Revenue down $302 million, or 7%, year-over-year
- Revenue margin of 15.40%
- Non-interest expense down $258 million, or 13%, year-over-year
- Provision for credit losses up $1.9 billion, or 184%, year-over-year
- Net charge-off rate of 4.53%

COVID-19 Customer Assistance - Domestic Card

Weekly Enrollments as a % of Active Accounts
through 7/4/20



Cumulative Enrollments as a % of Active Accounts
through 6/30/20



- **92% of customers were current[(4)] at first enrollment**
- **As of June 30, 2020, we have assisted 2% of active accounts, representing 3% of loans outstanding**

Note: Does not include certain retail partnership portfolios representing 7% of loans outstanding and 17% of active accounts; cumulative enrollments are not substantially different from those presented above.
(1) Defined as customers who have been approved to skip their upcoming payment and have not made that payment.
(2) Defined as customers who have skipped their most recent payment through enrollment in the forbearance program and have neither made a payment nor re-enrolled in the forbearance program for the next payment due.
(3) Defined as customers who have made a payment or completed the billing cycle following the forbearance period without re-enrolling.
(4) Defined as less than 30 days past due.

Consumer Banking

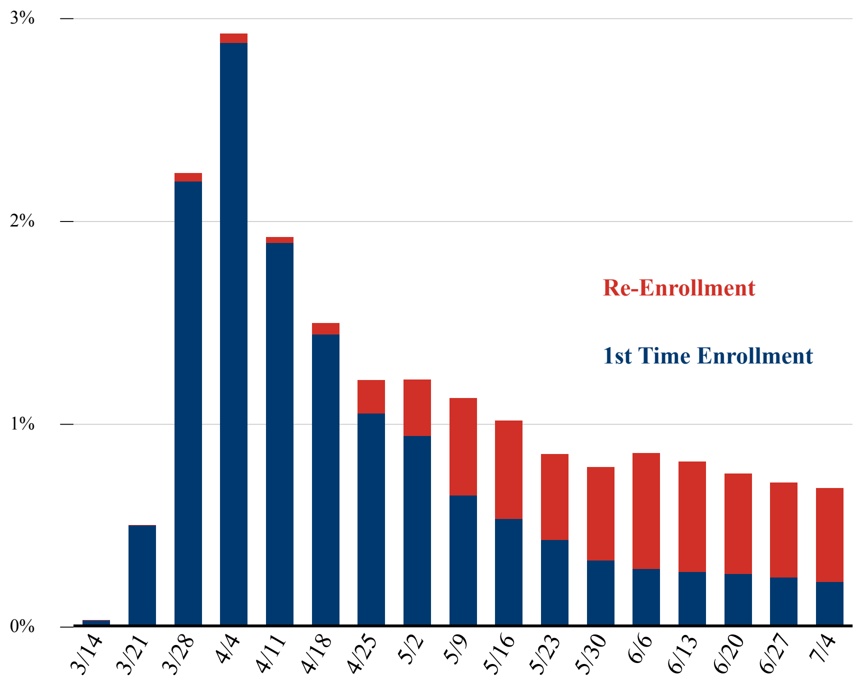
(Dollars in millions, except as noted)	2020 Q2	2020 Q1	2019 Q2	2020 Q2 vs. 2020 Q1	2020 Q2 vs. 2019 Q2
Earnings:					
Net interest income	**$ 1,665**	$ 1,657	$ 1,709	—	(3)%
Non-interest income	**97**	126	166	(23)%	(42)
Total net revenue	**1,762**	1,783	1,875	(1)	(6)
Provision for credit losses	**876**	860	165	2	**
Non-interest expense	**1,036**	991	1,002	5	3
Pre-tax income (loss)	**(150)**	(68)	708	121	**
Selected performance metrics:					
Period-end loans held for investment	**$ 66,712**	$ 64,033	$ 60,327	4%	11%
Average loans held for investment	**64,851**	63,671	59,858	2	8
Auto loan originations	**8,292**	7,640	7,327	9	13
Period-end deposits	**246,804**	217,607	205,220	13	20
Average deposits	**232,293**	215,071	204,164	8	14
Average deposits interest rate	**0.89%**	1.06%	1.26%	(17)bps	(37)bps
Net charge-off rate	**1.19**	1.54	1.15	(35)	4

Second Quarter 2020 Highlights

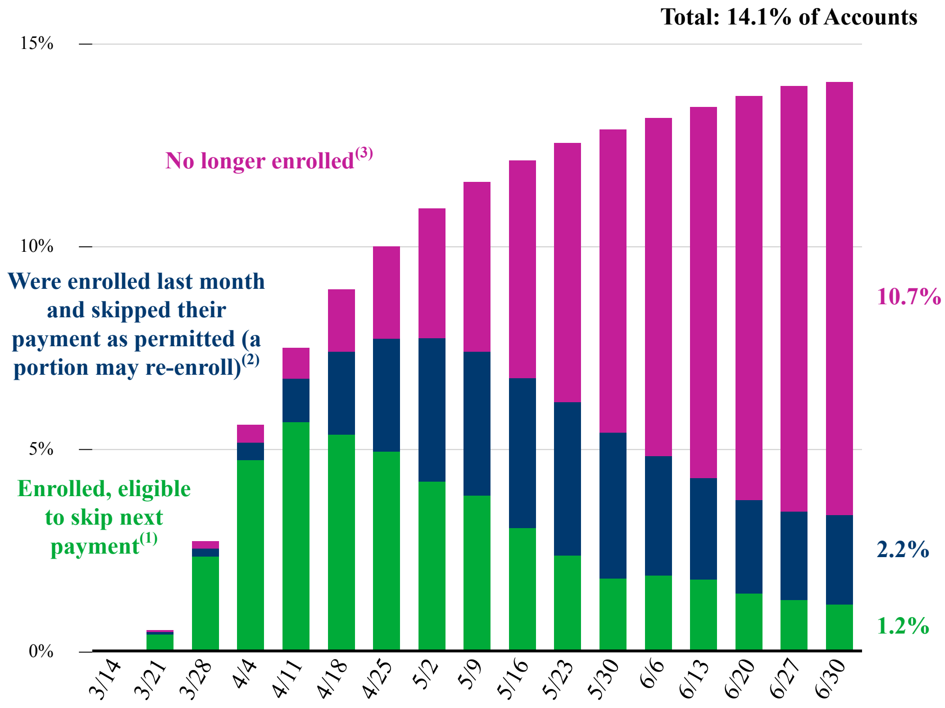
- Ending loans up $6.4 billion, or 11%, year-over-year; average loans up $5.0 billion, or 8%, year-over-year
- Ending deposits up $41.6 billion, or 20%, year-over-year
- Revenue down $113 million, or 6%, year-over-year
- Non-interest expense up $34 million, or 3%, year-over-year
- Provision for credit losses up $711 million year-over-year
- Net charge-off rate of 1.19%

COVID-19 Customer Assistance - Auto

Weekly Enrollments as a % of Accounts
through 7/4/20



Cumulative Enrollments as a % of Accounts
through 6/30/20



- **75% of customers were current[4] at first enrollment**
- **As of June 30, 2020, we have assisted 14% of accounts, representing 16% of loans outstanding**

(1) Defined as customers who have been approved to skip their upcoming payment and have not made that payment.
(2) Defined as customers who have skipped their most recent payment through enrollment in the forbearance program and have neither made a payment nor re-enrolled in the forbearance program for the next payment due.
(3) Defined as customers who have made a payment or completed the billing cycle following the forbearance period without re-enrolling.
(4) Defined as less than 30 days past due.

Commercial Banking

(Dollars in millions, except as noted)	2020 Q2	2020 Q1	2019 Q2	2020 Q2 vs. 2020 Q1	2020 Q2 vs. 2019 Q2
Earnings:					
Net interest income	**$ 518**	$ 491	$ 514	5%	1%
Non-interest income	**180**	238	200	(24)	(10)
Total net revenue	**698**	729	714	(4)	(2)
Provision for credit losses	**427**	856	82	(50)	**
Non-interest expense	**425**	412	427	3	—
Pre-tax income (loss)	**(154)**	(539)	205	(71)	**
Selected performance metrics:					
Period-end loans held for investment	**$ 77,490**	$ 81,160	$ 71,992	(5)%	8%
Average loans held for investment	**79,759**	76,442	71,997	4	11
Period-end deposits	**35,669**	32,822	30,761	9	16
Average deposits	**34,635**	32,238	31,364	7	10
Average deposits interest rate	**0.30%**	0.89%	1.28%	(59)bps	(98)bps
Net charge-off rate	**0.51**	0.57	0.09	(6)	42
Risk category as a percentage of period-end loans held for investment:[1]					
Criticized performing	**7.7%**	3.6%	3.1%	4%	5%
Criticized nonperforming	**0.9**	0.6	0.5	30bps	40bps

Second Quarter 2020 Highlights

- Ending loans up $5.5 billion, or 8%, year-over-year; average loans up $7.8 billion, or 11%, year-over-year
- Ending deposits up $4.9 billion, or 16%, year-over-year; average deposits up $3.3 billion, or 10%, year-over-year
- Revenue down $16 million, or 2%, year-over-year
- Non-interest expense remained flat year-over-year
- Provision for credit losses up $345 million year-over-year
- Net charge-off rate of 0.51%
- Criticized performing loan rate of 7.7% and criticized nonperforming loan rate of 0.9%

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

Appendix

Non-GAAP Measures

(Dollars in millions, except per share data and as noted)	Three Months Ended June 30, 2020 Reported Results	Adj.[1]	Adjusted Results	Three Months Ended March 31, 2020 Reported Results	Adj.[1]	Adjusted Results	Six Months Ended June 30, 2020 Reported Results	Adj.[1]	Adjusted Results
Selected income statement data:									
Net interest income	**$ 5,460**	**—**	**$ 5,460**	$ 6,025	—	$ 6,025	**$ 11,485**	**—**	**$ 11,485**
Non-interest income	**1,096**	**—**	**1,096**	1,224	—	1,224	**2,320**	**—**	**2,320**
Total net revenue	**6,556**	**—**	**6,556**	7,249	—	7,249	**13,805**	**—**	**13,805**
Provision for credit losses	**4,246**	**—**	**4,246**	5,423	—	5,423	**9,669**	**—**	**9,669**
Non-interest expense	**3,770**	**$ (276)**	**3,494**	3,729	$ (49)	3,680	**7,499**	**$ (325)**	**7,174**
Income (loss) from continuing operations before income taxes	**(1,460)**	**276**	**(1,184)**	(1,903)	49	(1,854)	**(3,363)**	**325**	**(3,038)**
Income tax provision (benefit)	**(543)**	**3**	**(540)**	(563)	12	(551)	**(1,106)**	**15**	**(1,091)**
Income (loss) from continuing operations, net of tax	**(917)**	**273**	**(644)**	(1,340)	37	(1,303)	**(2,257)**	**310**	**(1,947)**
Income (loss) from discontinued operations, net of tax	**(1)**	**—**	**(1)**	—	—	—	**(1)**	**—**	**(1)**
Net income (loss)	**(918)**	**273**	**(645)**	(1,340)	37	(1,303)	**(2,258)**	**310**	**(1,948)**
Dividends and undistributed earnings allocated to participating securities[2]	**(1)**	**—**	**(1)**	(3)	—	(3)	**(4)**	**—**	**(4)**
Preferred stock dividends	**(90)**	**—**	**(90)**	(55)	—	(55)	**(145)**	**—**	**(145)**
Issuance cost for redeemed preferred stock	**—**	**—**	**—**	(22)	—	(22)	**(22)**	**—**	**(22)**
Net income (loss) available to common stockholders	**$ (1,009)**	**$ 273**	**$ (736)**	$ (1,420)	$ 37	$ (1,383)	**$ (2,429)**	**$ 310**	**$ (2,119)**
Selected performance metrics:									
Diluted EPS[2]	**$ (2.21)**	**$ 0.60**	**$ (1.61)**	$ (3.10)	$ 0.08	$ (3.02)	**$ (5.31)**	**$ 0.67**	**$ (4.64)**
Efficiency ratio	**57.50%**	**(421)bps**	**53.29%**	51.44%	(67)bps	50.77%	**54.32%**	**(235)bps**	**51.97%**
Operating efficiency ratio	**53.34**	**(421)**	**49.13**	44.67	(68)	43.99	**48.79**	**(236)**	**46.43**

Non-GAAP Measures

(Dollars in millions, except per share data and as noted)	Three Months Ended June 30, 2019 Reported Results	Adj.(1)	Adjusted Results	Three Months Ended March 31, 2019 Reported Results	Adj.(1)	Adjusted Results	Six Months Ended June 30, 2019 Reported Results	Adj.(1)	Adjusted Results
Selected income statement data:									
Net interest income	$ 5,746	—	$ 5,746	$ 5,791	—	$ 5,791	$ 11,537	—	$ 11,537
Non-interest income	1,378	$ 1	1,379	1,292	—	1,292	2,670	$ 1	2,671
Total net revenue	7,124	1	7,125	7,083	—	7,083	14,207	1	14,208
Provision for credit losses	1,342	—	1,342	1,693	—	1,693	3,035	—	3,035
Non-interest expense	3,779	(81)	3,698	3,671	$ (25)	3,646	7,450	(106)	7,344
Income from continuing operations before income taxes	2,003	82	2,085	1,719	25	1,744	3,722	107	3,829
Income tax provision	387	19	406	309	6	315	696	25	721
Income from continuing operations, net of tax	1,616	63	1,679	1,410	19	1,429	3,026	82	3,108
Income from discontinued operations, net of tax	9	—	9	2	—	2	11	—	11
Net income	1,625	63	1,688	1,412	19	1,431	3,037	82	3,119
Dividends and undistributed earnings allocated to participating securities(2)	(12)	(1)	(13)	(12)	—	(12)	(24)	(1)	(25)
Preferred stock dividends	(80)	—	(80)	(52)	—	(52)	(132)	—	(132)
Net income available to common stockholders	$ 1,533	$ 62	$ 1,595	$ 1,348	$ 19	$ 1,367	$ 2,881	$ 81	$ 2,962
Selected performance metrics:									
Diluted EPS(2)	$ 3.24	$ 0.13	$ 3.37	$ 2.86	$ 0.04	$ 2.90	$ 6.10	$ 0.17	$ 6.27
Efficiency ratio	53.05%	(115)bps	51.90%	51.83%	(35)bps	51.48%	52.44%	(75)bps	51.69%
Operating efficiency ratio	45.38	(114)	44.24	44.53	(35)	44.18	44.96	(75)	44.21

Note: We believe these selected non-GAAP measures help investors and users of our financial information understand the effect of the adjustments on our selected reported results. These adjusted results provide alternate measurements of our operating performance, both for the current period and trends across multiple periods. These non-GAAP measures should not be viewed as a substitute for our reported results determined in accordance with accounting principles generally accepted in the U.S. (“GAAP”), nor are they necessarily comparable to non-GAAP measures that may be presented by other companies.

(1) Adjustments for the following periods consist of:

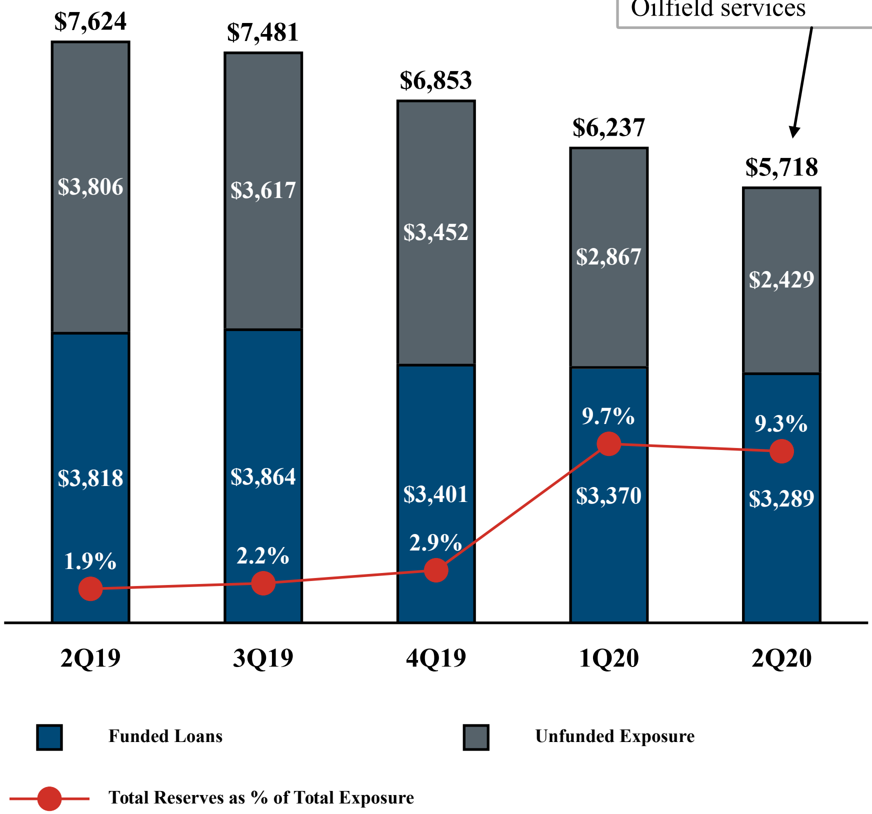
(Dollars in millions)	2020 Q2	2020 Q1	Six Months Ended June 30, 2020	2019 Q2	2019 Q1	Six Months Ended June 30, 2019
Legal reserve builds	**$ 265**	$ 45	**$ 310**	—	—	—
Cybersecurity Incident expenses, net of insurance	**11**	4	**15**	—	—	—
Walmart launch and related integration expenses	**—**	—	**—**	$ 54	$ 25	$ 79
Restructuring charges	**—**	—	**—**	28	—	28
Total	**276**	49	**325**	82	25	107
Income tax provision	**3**	12	**15**	19	6	25
Net income	**$ 273**	$ 37	**$ 310**	$ 63	$ 19	$ 82

(2) Dividends and undistributed earnings allocated to participating securities and earnings per share are computed independently for each period. Accordingly, the sum of each quarterly amount may not agree to the year-to-date total.

Commercial Oil and Gas Portfolio

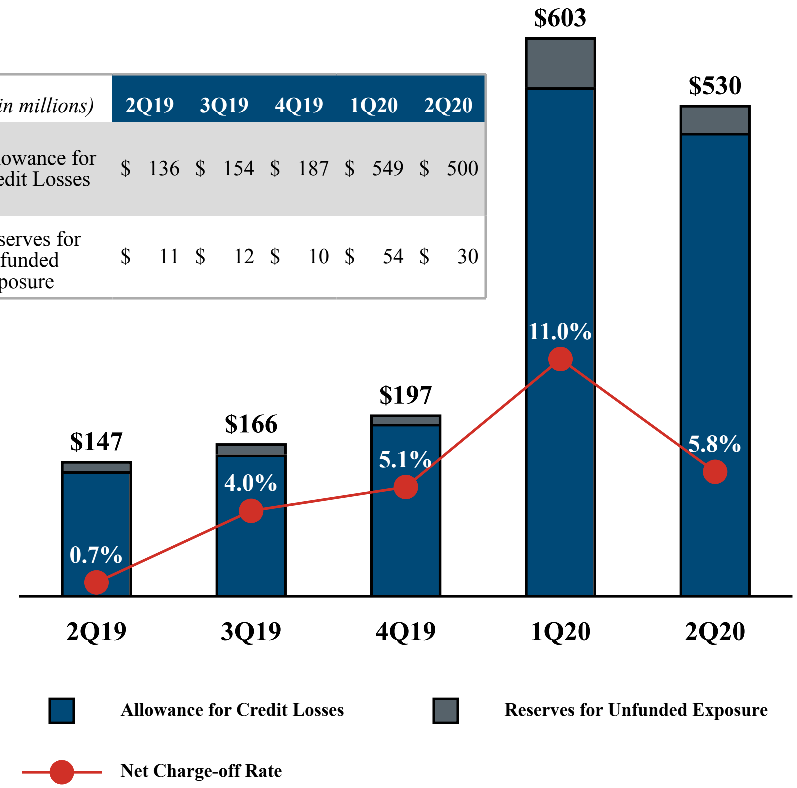
Total Exposure ($M)

Exploration and production	70%
Midstream and other	27%
Oilfield services	3%



Total Reserves ($M)

($ in millions)	2Q19	3Q19	4Q19	1Q20	2Q20
Allowance for Credit Losses	$ 136	$ 154	$ 187	$ 549	$ 500
Reserves for Unfunded Exposure	$ 11	$ 12	$ 10	$ 54	$ 30



Note: Total exposure above includes both loans held for investment and unfunded lending commitments.

Note: Total reserves above represent the allowance for credit losses and the reserve for unfunded lending commitments recorded in other liabilities.