



2026 Annual Stockholder Meeting

Forward-Looking Statements

This presentation and related communications should be read in conjunction with the financial statements, notes, and other information contained in Capital One's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.

It speaks only as of the particular date or dates indicated in these materials. Capital One does not undertake any obligation to update or revise any of the information contained herein whether as a result of new information, and future events or otherwise. 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, assets, liabilities, capital and liquidity 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. Forward-looking statements often use words such as "will," "anticipate," "target," "expect," "think," "estimate," "intend," "plan," "goal," "believe," "forecast," "outlook" or other words of similar meaning. Numerous factors could cause Capital One's actual results to differ materially from those described in such forward-looking statements, including, among other things: risks related to the integration of the acquisition of Discover Financial Services by Capital One (the "Discover Acquisition"), including Capital One's ability to successfully integrate its businesses, incur substantial expenses related to the Discover Acquisition and to the integration of Discover, and the expenses may be greater than anticipated due to factors, some or all of which may be outside Capital One's control; Capital One's ability to realize all of the anticipated benefits of the Discover Acquisition, or those benefits may take longer to realize than expected due to factors that may be outside its control; the integration of Discover may have an adverse effect on Capital One's business and results of operations due to the diversion of a substantial portion of the time and attention of its management team; potential employee attrition; and other factors that may affect Capital One's future results; changes and instability in the macroeconomic environment, resulting from factors that include, but are not limited to monetary, fiscal and trade policy actions such as tariffs, geopolitical conflicts or instability, such as the war in Ukraine, the ongoing conflict in the Middle East and the political instability in Venezuela, labor shortages, government shutdowns, inflation and deflation, potential recessions, technology-driven disruption of certain industries, adverse developments impacting the U.S. or global banking industry, immigration policies, lower demand for credit, changes in deposit practices and payment patterns; fluctuations in interest rates; Capital One's ability to maintain adequate sources of funding and liquidity to operate its business; increases in credit losses and delinquencies and the impact of incorrectly estimated expected losses, which could result in inadequate reserves; Capital One's ability to maintain adequate capital or liquidity levels or to comply with revised capital or liquidity requirements, which could have a negative impact on its financial results and its ability to return capital to its stockholders; limitations on Capital One's ability to receive dividends from its subsidiaries; a downgrade in Capital One's credit ratings; Capital One's ability to develop, operate and adapt its operational, technology and organizational infrastructure suitable for the nature of its business; increased costs, reductions in revenue, reputational damage, legal exposure and business disruptions that can result from a cyber-attack or other security incident on Capital One or third parties (including their supply chains) with which Capital One conducts business, including an incident that results in the theft, loss, manipulation or misuse of information, or the disabling of systems and access to information critical to business operations; the use, reliability and accuracy of the models, artificial intelligence, and data on which Capital One relies; Capital One's ability to manage risks of internal and external fraud; compliance with new and existing domestic and foreign laws, regulations and regulatory expectations, which may change over time including as a result of the political and policy goals of elected and appointed officials; compliance with applicable laws and regulations related to privacy, data protection and data security, in addition to compliance with Capital One's own privacy policies and contractual obligations to third parties; developments, changes or actions relating to any litigation, governmental investigation or regulatory enforcement action or matter involving Capital One; Capital One's response to competitive pressures; the amount and rate of deposit growth and changes in deposit costs; Capital One's ability to execute on its strategic initiatives and operational plans; change in market preference towards other operators of payment networks and alternative payment providers; Capital One's ability to create and maintain a strong base of network licensees and achieving meaningful global card acceptance; legislation, regulation and merchants' efforts to reduce the fees (including the interchange component) charged by credit and debit card networks and acquirers to facilitate card transactions; the number of large merchants that accept cards on Capital One's recently acquired Discover Network or PULSE Network; defaults or risks from bankruptcies, liquidations, restructurings, consolidations and outages by Capital One's network participants; Capital One's ability to invest successfully in and introduce digital and other technological developments across all its businesses; Capital One's success in integrating acquired businesses and loan portfolios, and its ability to realize anticipated benefits from announced transactions and strategic partnerships; changes in the reputation of, or expectations regarding, Capital One or the financial services industry with respect to practices, products, services or financial condition; Capital One's ability to protect its intellectual property rights; the success of Capital One's marketing efforts in attracting and retaining customers; Capital One's risk management strategies; Capital One's ability to attract, develop, retain and motivate key senior leaders and skilled employees; Capital One's ability to manage risks from catastrophic events; climate change manifesting as physical or transition risks; Capital One's assumptions or estimates in its financial statements; the soundness of other financial institutions and other third parties, actual or perceived; and other risk factors identified from time to time in Capital One's public disclosures, including in the reports that its files with the U.S. Securities and Exchange Commission (the "SEC").

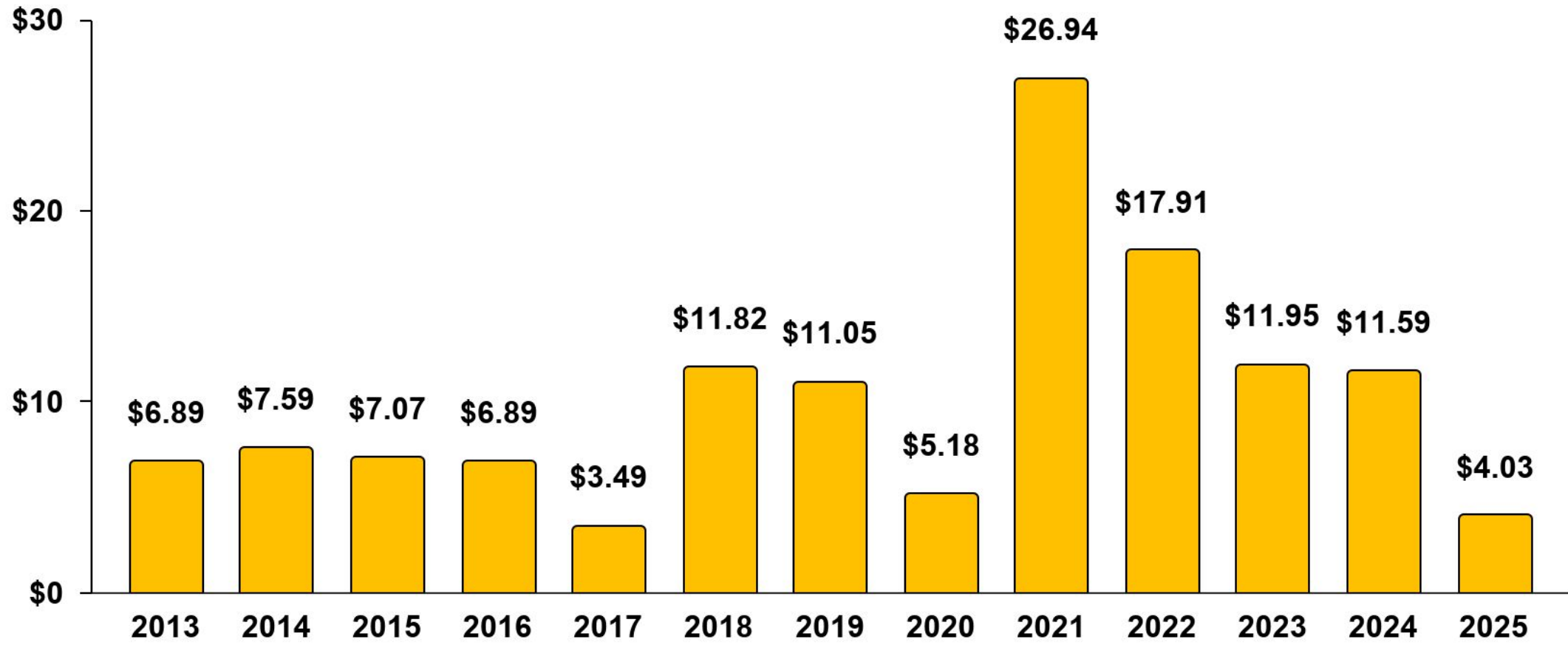
You should carefully consider the factors referred to above in evaluating these forward-looking statements. All information in these slides is based on the consolidated results of Capital One, unless otherwise noted. This presentation includes certain non-GAAP financial measures as defined by SEC rules. These non-GAAP financial measures may be useful to investors but should not be viewed in isolation from, or as a substitute for, GAAP results, nor are they necessarily comparably to non-GAAP measures that may be presented by other companies. A reconciliation of any non-GAAP financial measures included in this presentation to the comparative GAAP measure can be found in the Appendix slides.

In May 2025 we closed the Discover acquisition



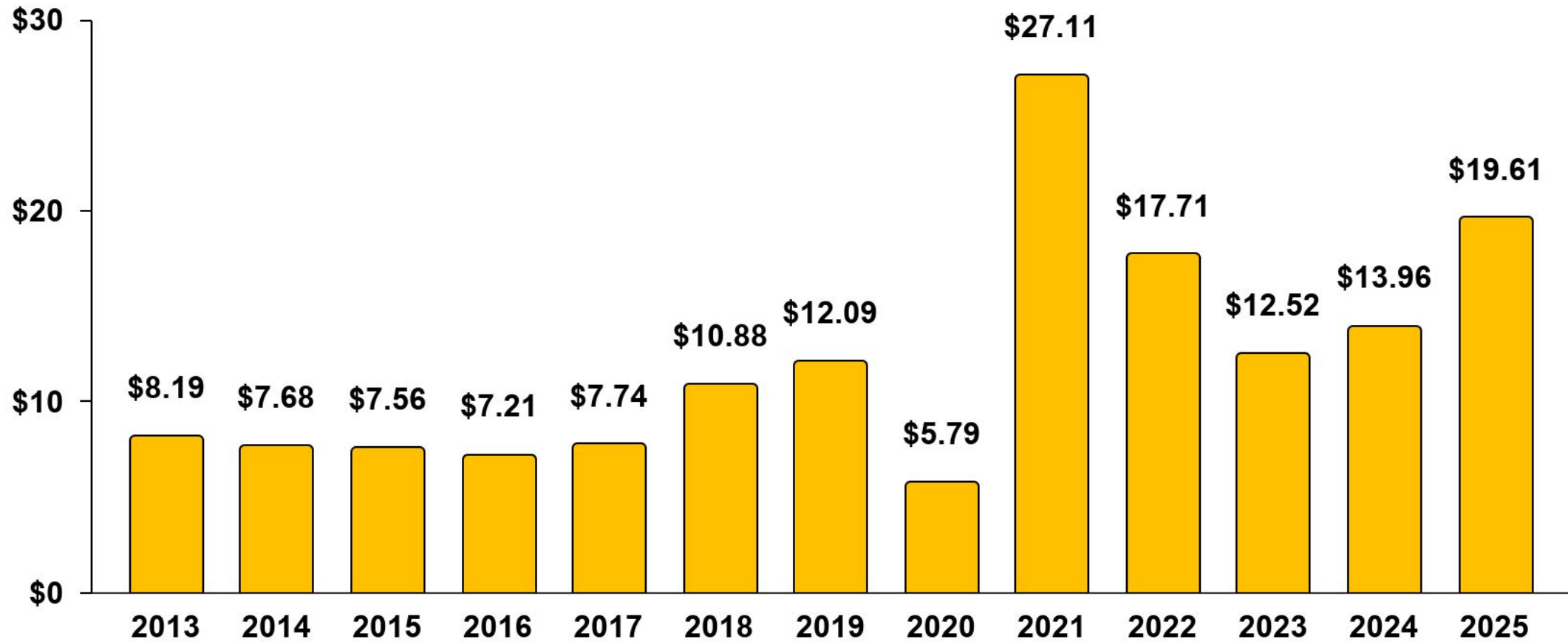
Our 2025 earnings included the costs of the Discover acquisition

Capital One Diluted Earnings per Common Share



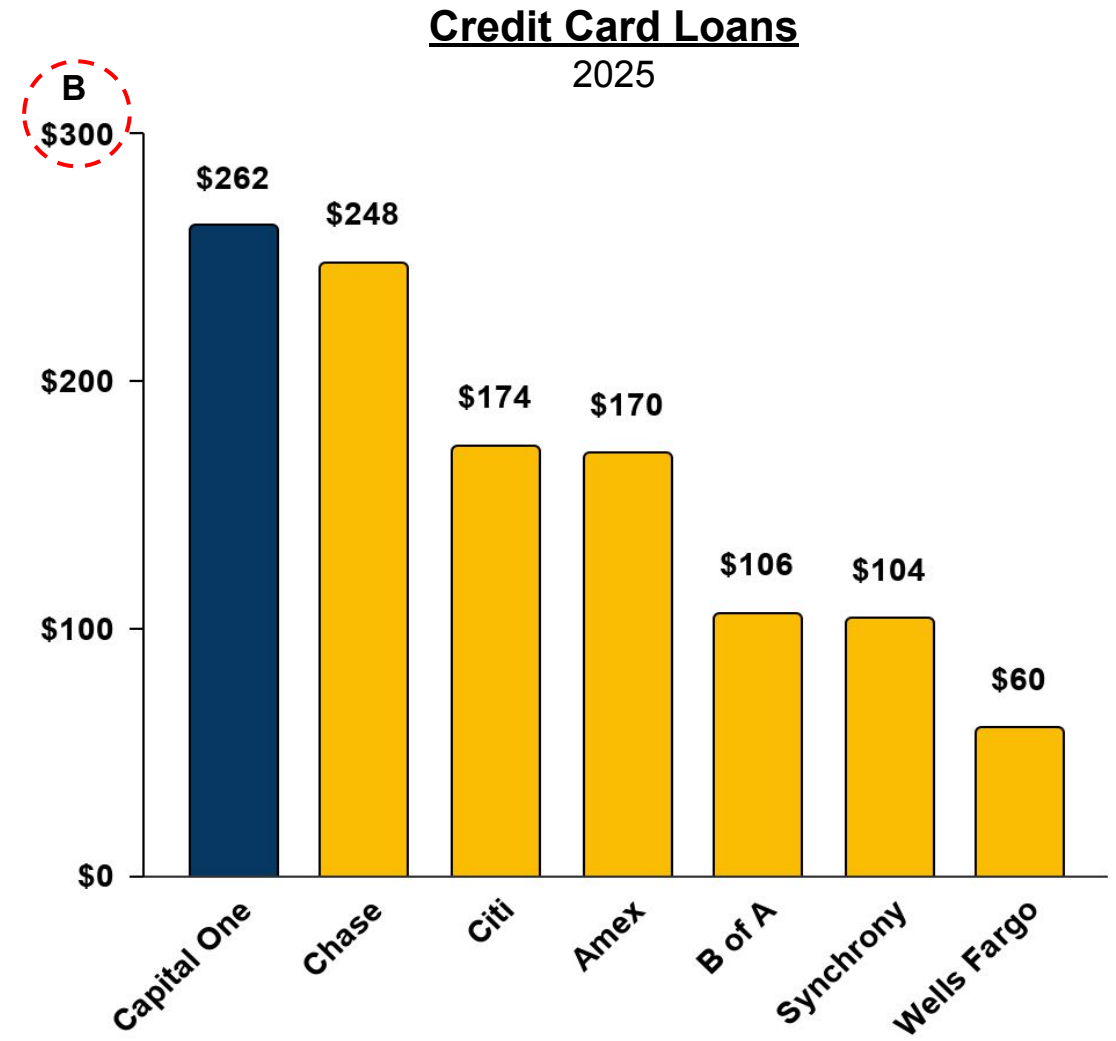
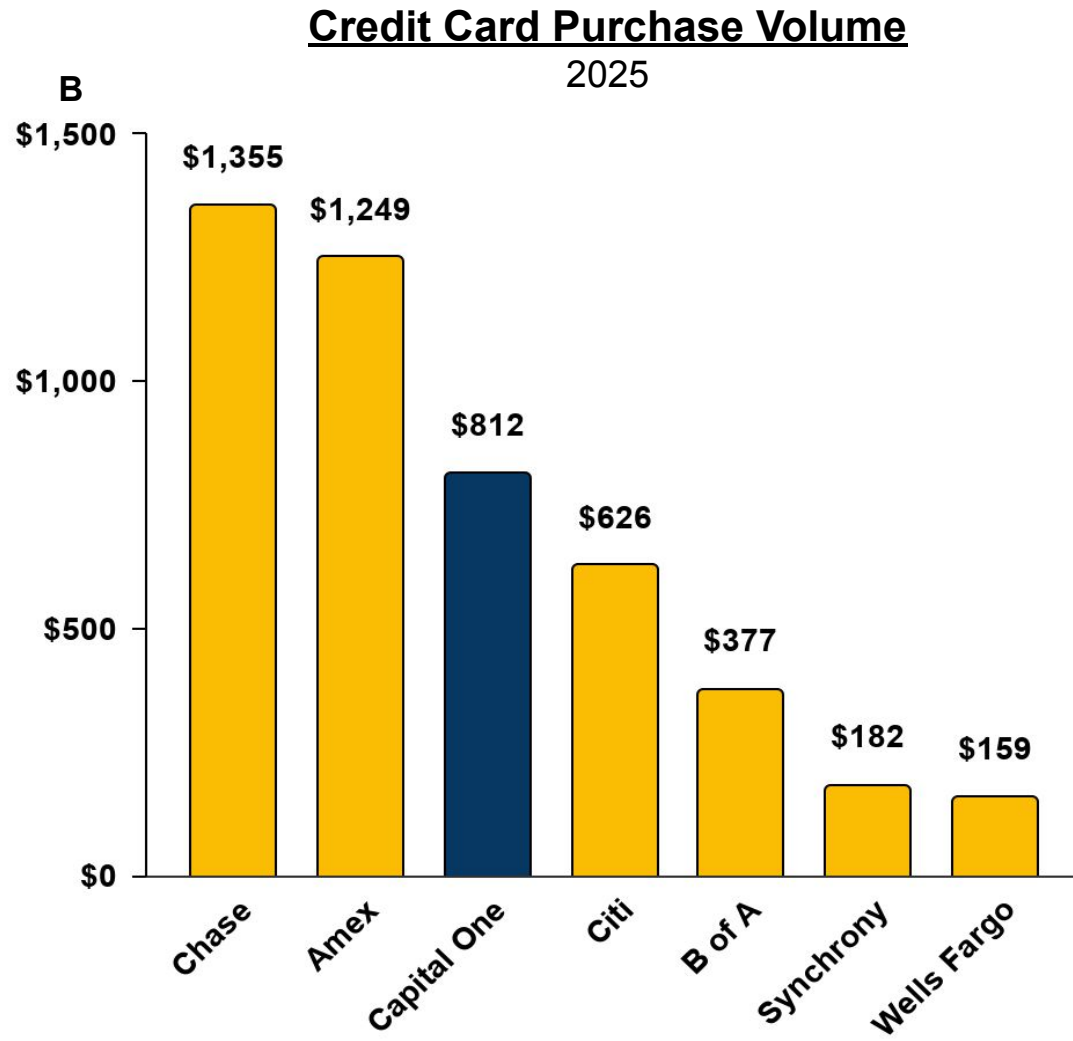
Our adjusted results show the strong underlying earnings power

Capital One Adjusted Diluted Earnings per Common Share



Note: This is a non-GAAP measure; see Appendix slides for the reconciliation of non-GAAP measures to our reported results; this non-GAAP measure consists of our adjusted results that we believe help investors and users of our financial information understand the effect of adjusting items on our selected results, however, they may not be comparable to a similarly-titled measure reported by other companies; these adjusted results provide alternate measurements of our operating performance
Source: Company Reports

Discover has enhanced our scale in credit cards



Note: For credit card purchase volume: Chase is sales volume excluding commercial card; Amex is billed business for U.S. consumer services and U.S. commercial services; Capital One is domestic card; Citi is branded cards and retail services; B of A is credit card purchase volume; Synchrony is purchase volume; Wells Fargo is point of sale volume; for credit card loans: Chase is card services loans; Citi is branded card and retail services end-of-period loans; Amex is total consumer and commercial loans and receivables; Capital One is period-end loans held for investment; B of A is outstanding consumer credit card loans and leases; Synchrony is period-end credit loan receivables; Wells Fargo is period-end credit loans

Source: Company Reports

The network is a rare and valuable asset



On January 22, we announced the acquisition of Brex



\$4.5B

We are building leading payments businesses from small consumers to large corporations

**Consumer Debit
Cards**

**Consumer Credit
Cards**

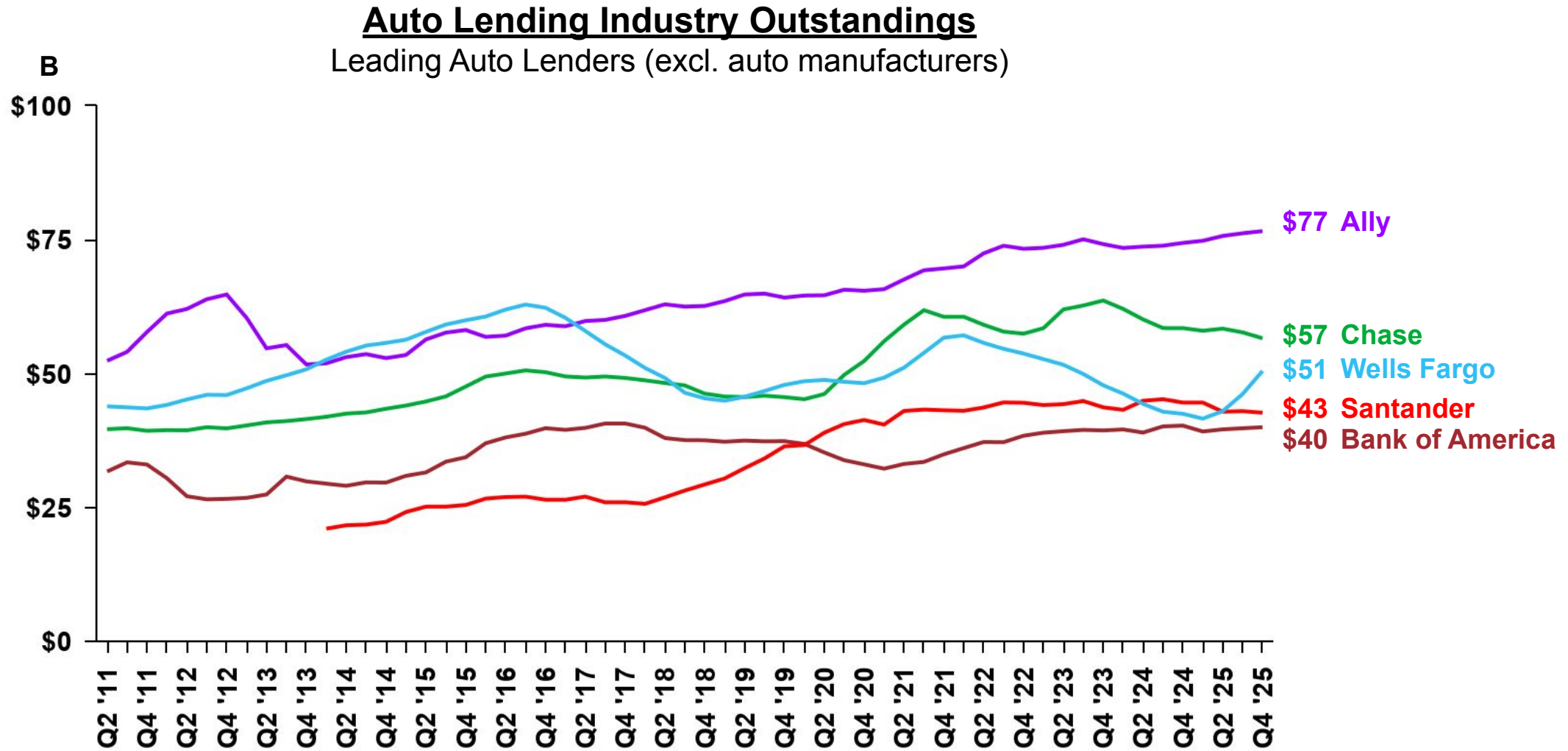
**Small Business
Credit Cards**

Corporate Cards

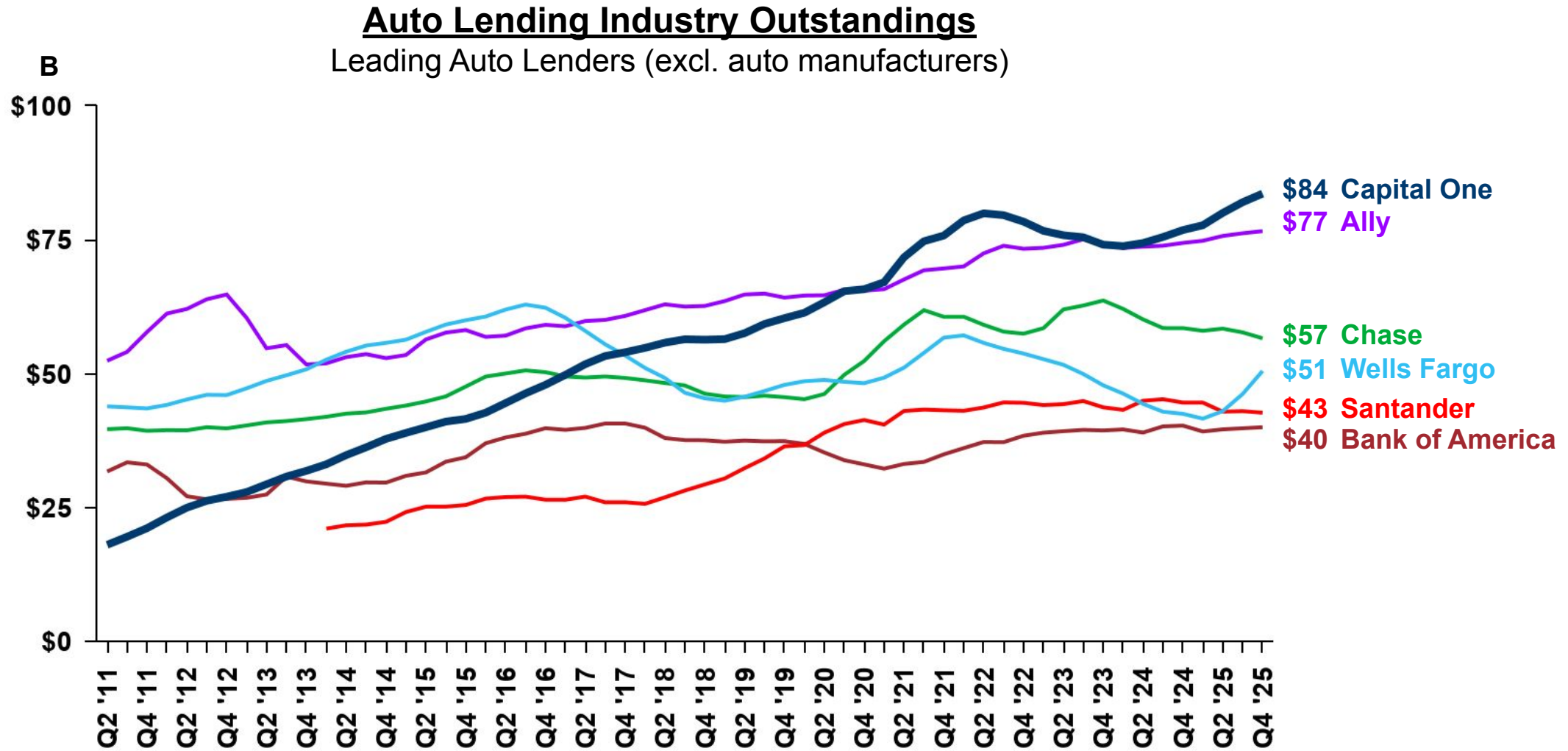
**Treasury
Management**

Brex offers corporate cards

The auto finance industry is very competitive



Capital One has risen to the top



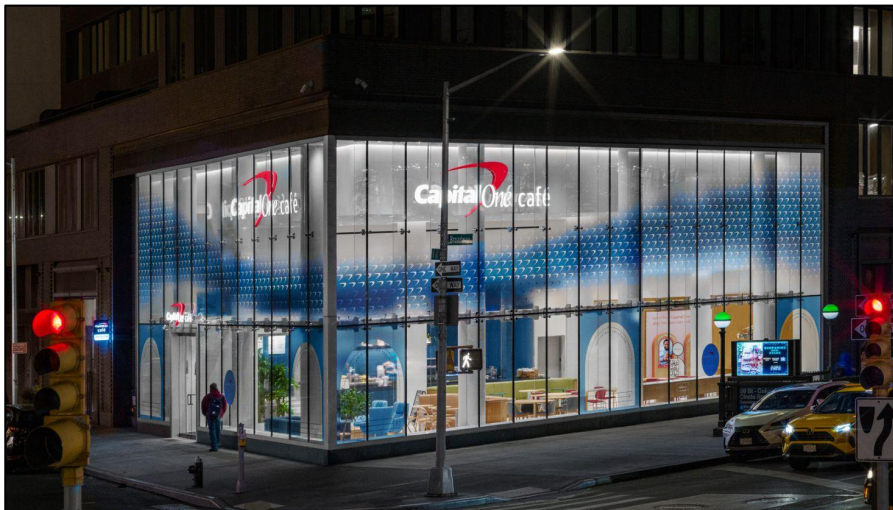
We are building the retail bank of the future



Rittenhouse, Philadelphia



Southport, Chicago

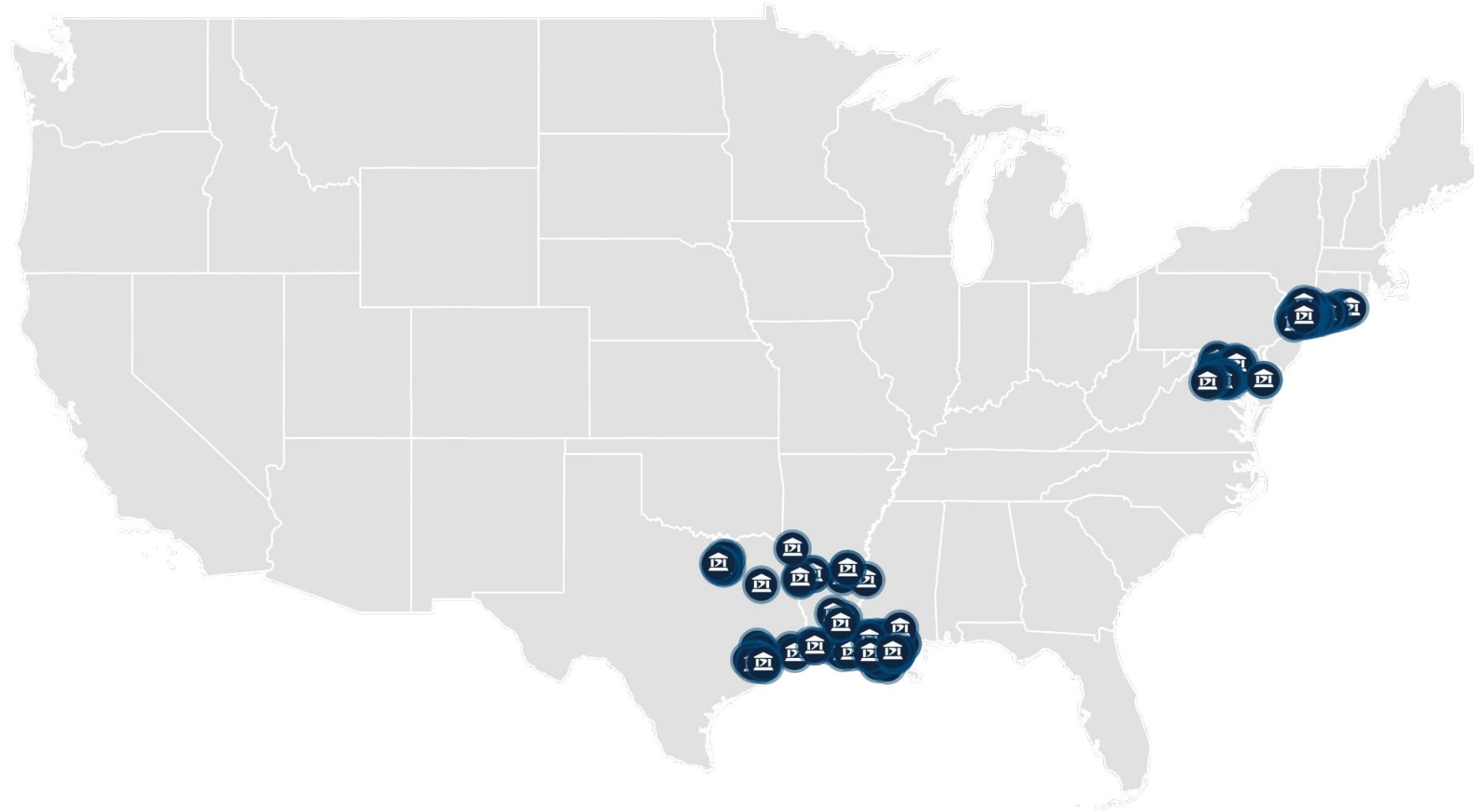


Columbus Circle, New York



Santa Monica, Los Angeles

We have a thin branch presence

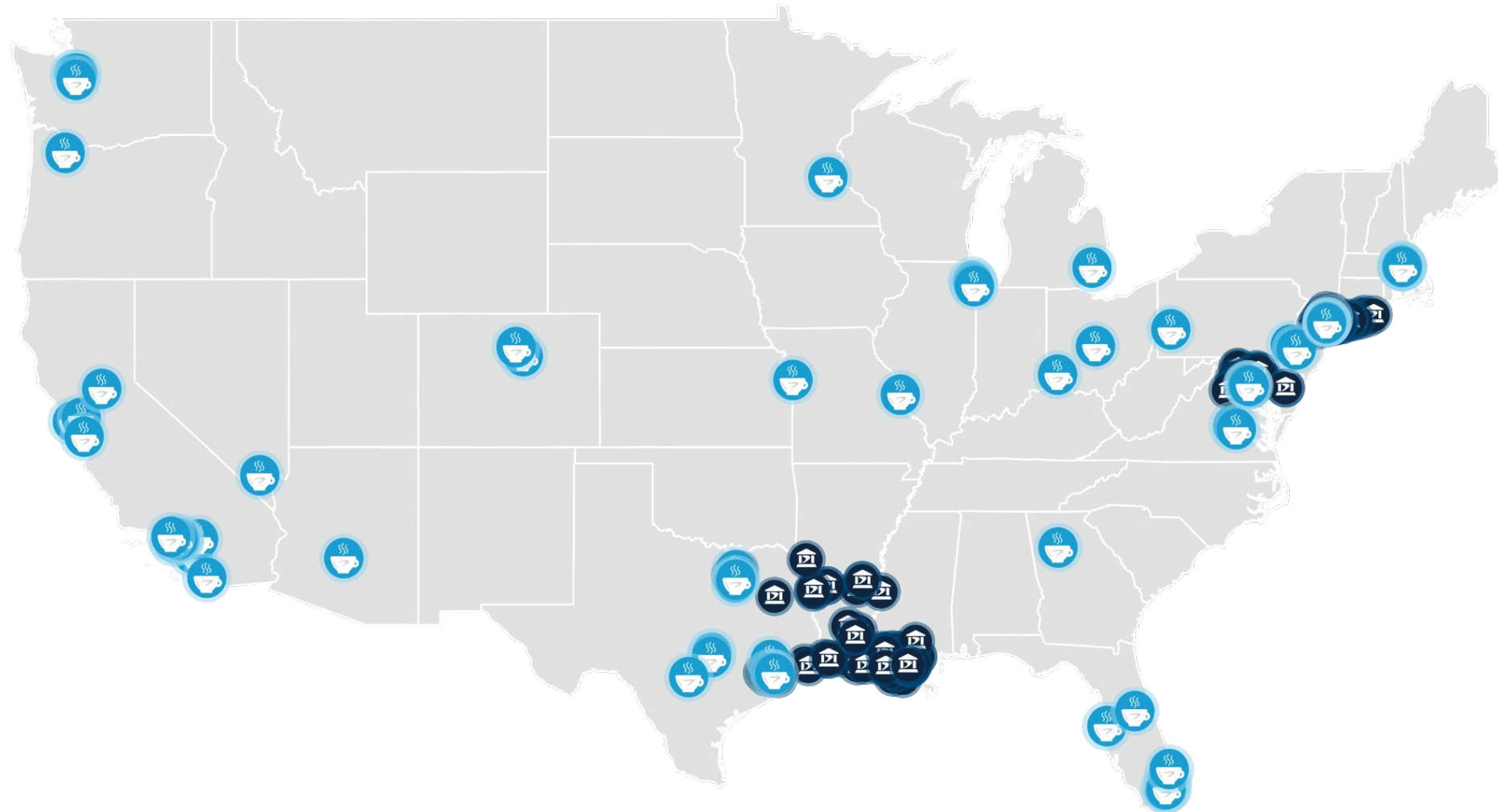


251
Branches

Note: Branch locations as of end of year 2025; branch counts include full service and select service branches and exclude high school, remote & satellite drive up locations, and commercial branches; includes Discover branch; NYC Collectives (Branch and Showroom collocated) are shown as 1 Branch and 1 Showroom on the map and in location counts

Source: Internal Data

We now have banking showrooms across the top markets in the US



 **251**
Branches

 **65**
Showrooms
in 24 of the top 25 metro areas

Note: Branch and Showroom locations as of end of year 2025; branch counts include full service and select service branches and exclude high school, remote & satellite drive up locations, and commercial branches; includes Discover branch; NYC Collectives (Branch and Showroom collocated) are shown as 1 Branch and 1 Showroom on the map and in location counts; top 25 MSAs with a Showroom include: New York (NY), Los Angeles (CA), Chicago (IL), Dallas (TX), Houston (TX), Miami (FL), Washington (DC), Philadelphia (PA), Atlanta (GA), Boston (MA), Phoenix (AZ), San Francisco (CA), Detroit (MI), Riverside (CA), Seattle (WA), Minneapolis (MN), Tampa (FL), San Diego (CA), Denver (CO), St. Louis (MO), Portland (OR), San Antonio (TX), Orlando (FL); Baltimore (MD) is an additional top 25 MSA with branches but no Showroom presence

Source: Internal Data

We offer market-leading checking accounts with a simple jingle



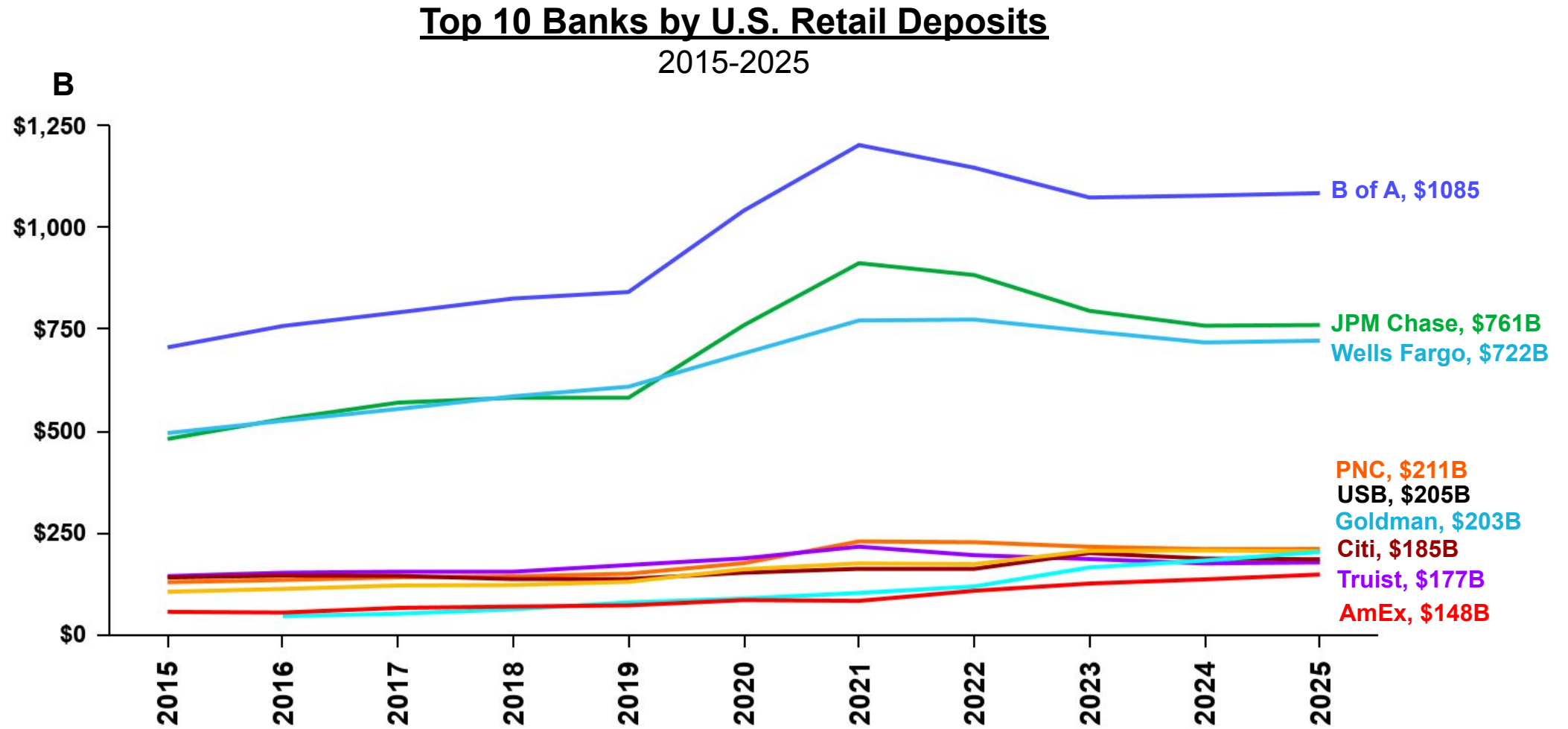
***“No fees, no minimums,
no overdraft fees”***

Our customers are feeling good

1 in J.D. Power National Banking Customer Satisfaction



Three banks are way the biggest in retail banking



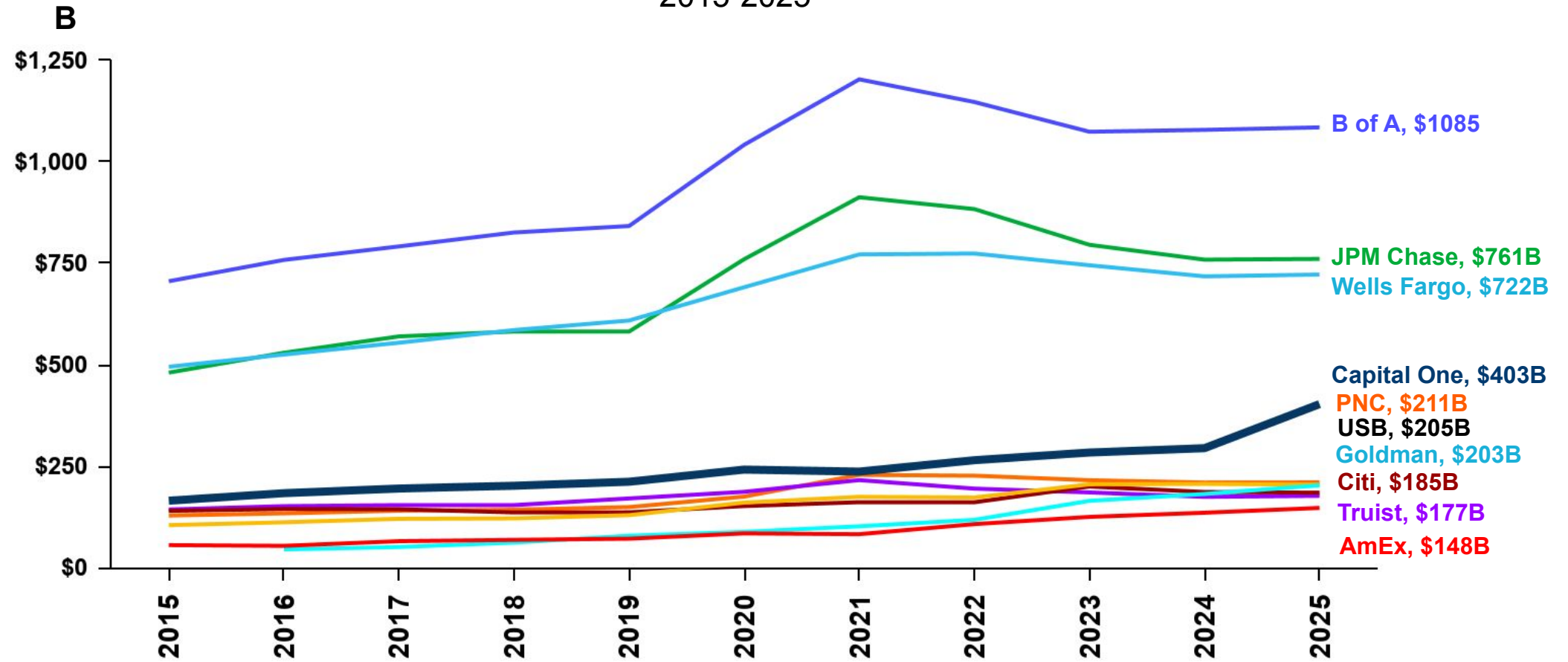
Note: Data as of Q4 of each year; represents transaction and non-transactional "deposit products intended primarily for individuals for personal, household, or family use" in FFIEC Call Report Filings, plus all time deposits with balances <\$250k from company Y9C filings; Truist figures prior to 2019 reflect the sum of BB&T and SunTrust; Peer set reflects the top 10 banks by retail deposits as of Q4'25

Source: Company Reports

Capital One is gaining share in retail banking

Top 10 Banks by U.S. Retail Deposits

2015-2025



Note: Data as of Q4 of each year; represents transaction and non-transactional "deposit products intended primarily for individuals for personal, household, or family use" in FFIEC Call Report Filings, plus all time deposits with balances <\$250k from company Y9C filings; Truist figures prior to 2019 reflect the sum of BB&T and SunTrust; Peer set reflects the top 10 banks by retail deposits as of Q4'25

Source: Company Reports

We have been on a two-decade journey to win at the top of the market



2010



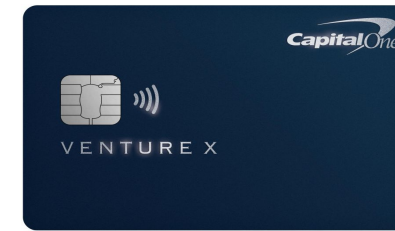
2011



2013



2018

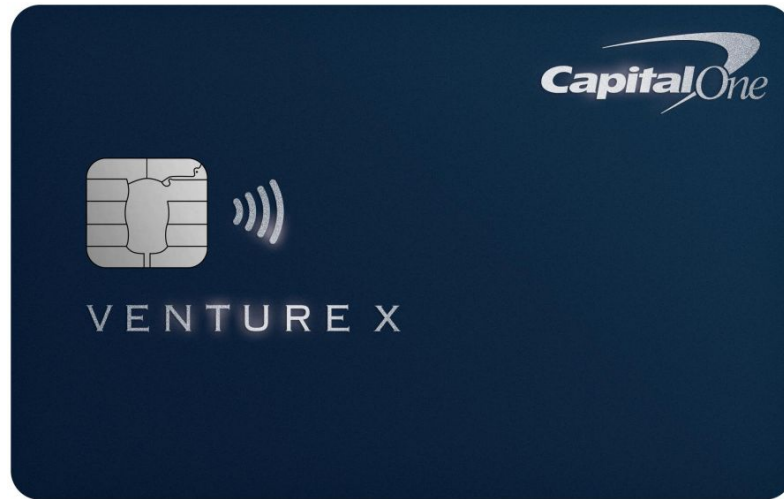


2021



2023

We launched Venture X in 2021 on the back of our travel and experience offerings



Launched in 2021



We continue to grow our airport lounge network



2021	2023	2024	2025	2026	Coming 2027		
							
Dallas- Ft. Worth	Washington Dulles	Denver	Washington National	Las Vegas	New York JFK	New York LaGuardia	Charlotte

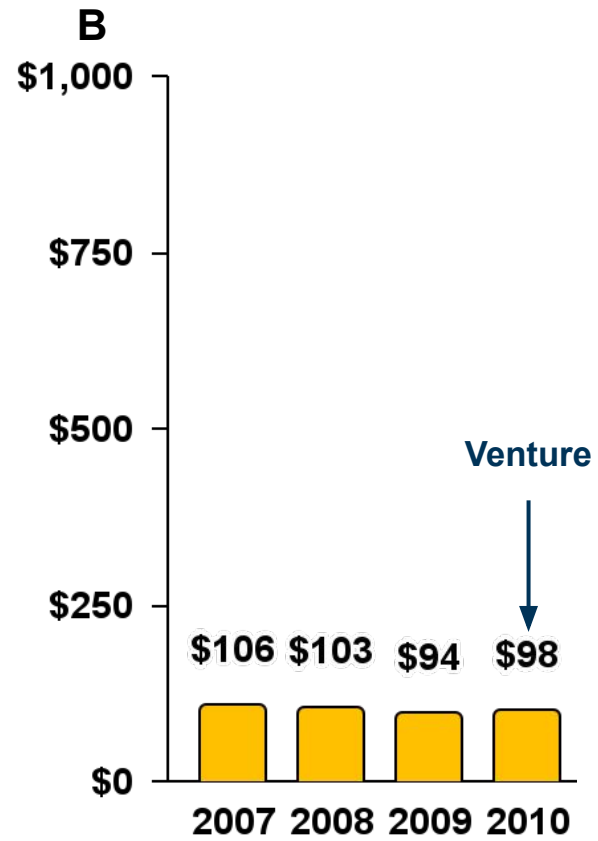
Note: Charlotte lease signed in Q3 2025 as a direct deal, and was publicly announced in January

Capital One Landing is now open at NY LaGuardia airport



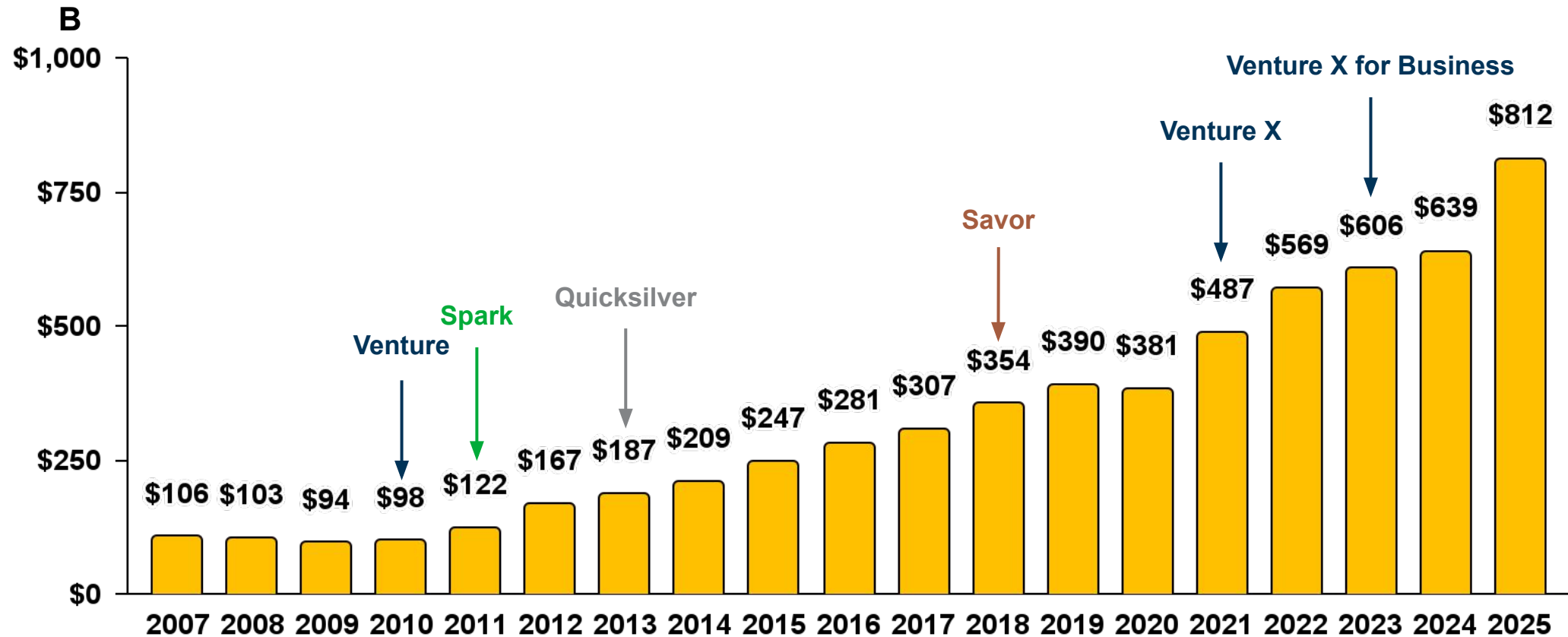
In 2010 we declared our quest to win at the top of the market

Capital One Purchase Volume Domestic Card



We have grown our spender franchise dramatically

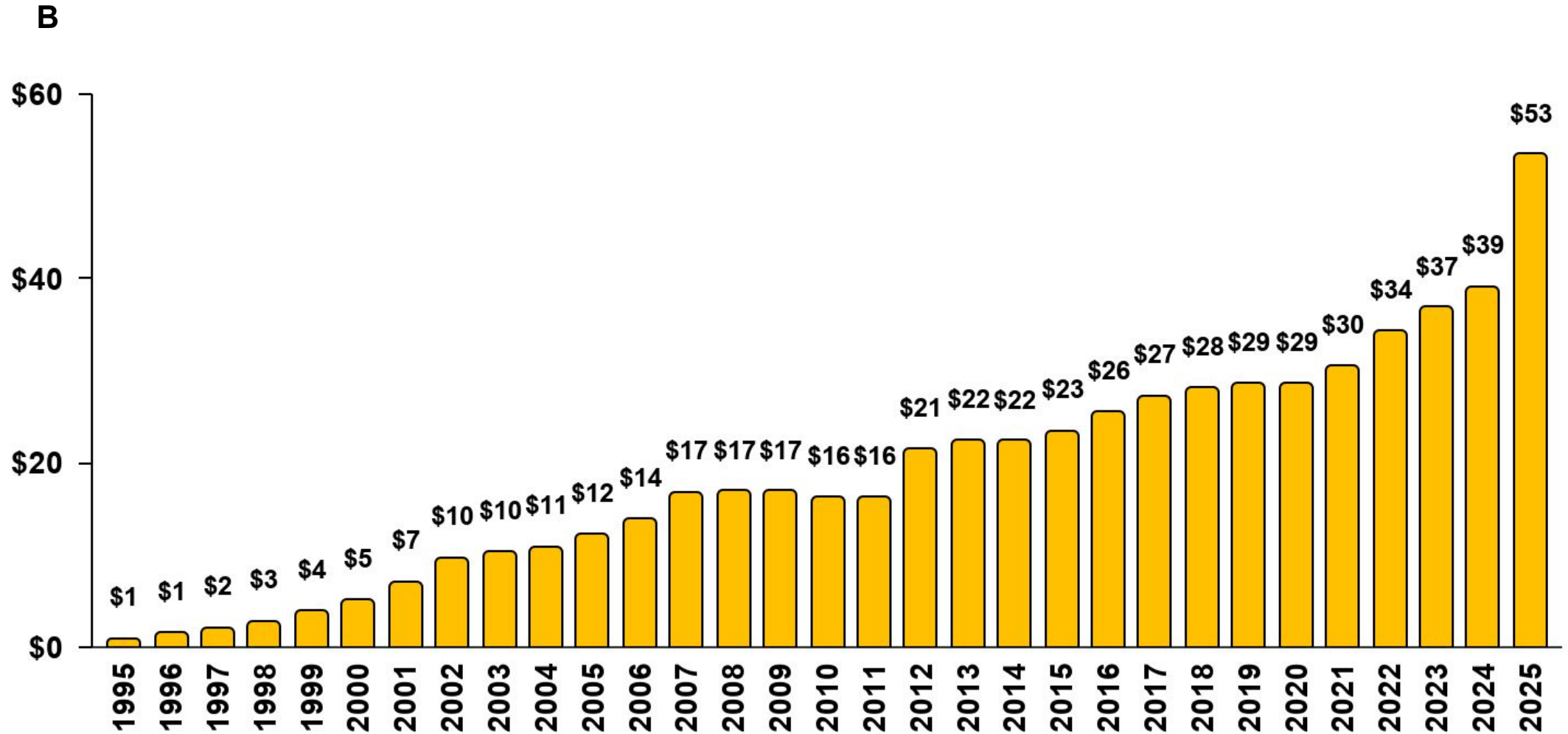
Capital One Purchase Volume Domestic Card



Note: 2025 customer spend is inclusive of a partial year of Discover purchase volume
Source: Company Reports

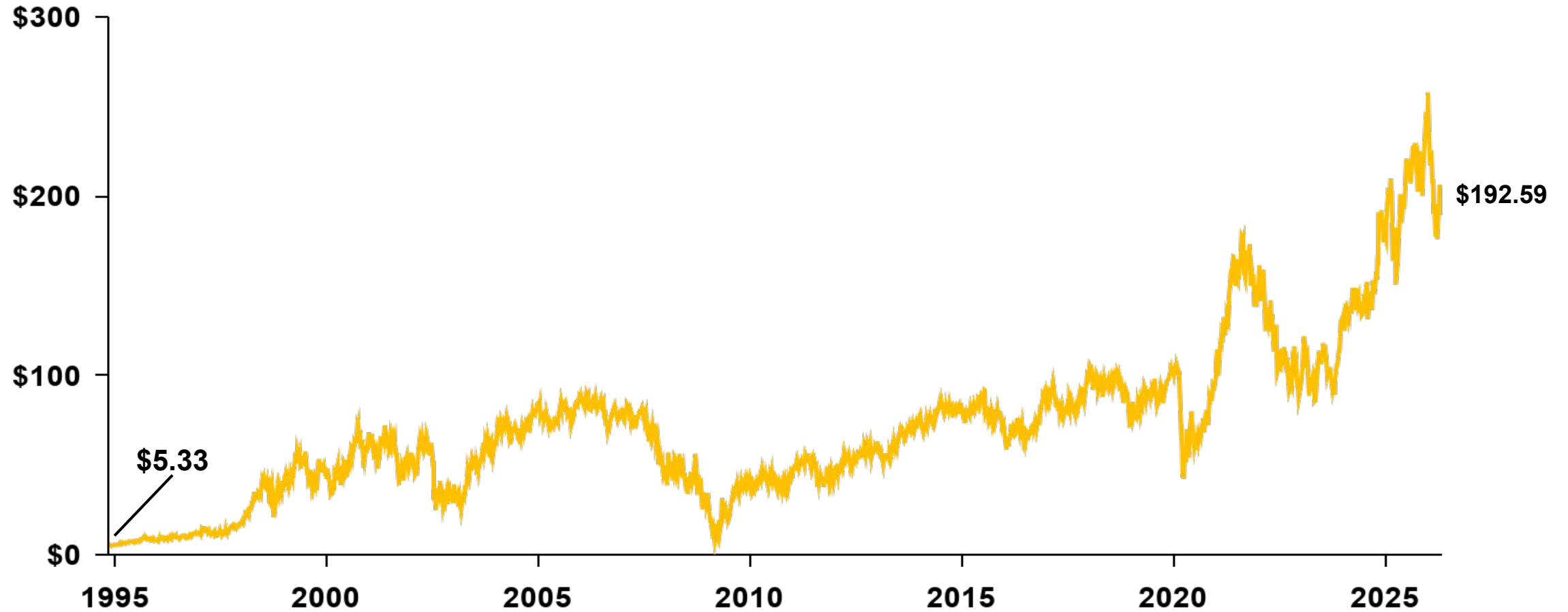
Our revenues continue to grow

Capital One Total Net Revenue



We have delivered strong shareholder returns

Capital One Stock Price Since 1994 (IPO)



Note: Ending stock price as of May 7, 2026
Source: FactSet

We continue to tell our story





Appendix: Reconciliations of non-GAAP Diluted EPS

2013 Reconciliation of non-GAAP Diluted EPS - presented quarterly

<i>(Dollars in millions, except per share data and as noted) (unaudited)</i>	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Non-GAAP Deal Adjusted Net Income				
Net income	\$ 859	\$ 1,117	\$ 1,117	\$ 1,066
Add back:				
Card loan premium amortization and other intangible accretion	39	45	57	57
Amortization of intangibles	166	161	167	177
Acquisition-related costs	60	37	50	46
Total deal-related items, pre-tax	265	243	274	280
Income tax effect	(86)	(77)	(88)	(85)
Total deal-related items, net of tax ¹	179	166	186	195
Non-GAAP deal adjusted net income	\$ 1,038	\$ 1,283	\$ 1,303	\$ 1,261
Dividends and undistributed earnings allocated to participating securities	(4)	(5)	(4)	(5)
Preferred stock dividends	(13)	(13)	(13)	(13)
Non-GAAP deal adjusted net income available to common shareholders	\$ 1,021	\$ 1,265	\$ 1,286	\$ 1,243
Weighted average shares outstanding (in millions) for diluted EPS	582.6	591.1	588.8	586.3
Non-GAAP diluted EPS	\$ 1.75	\$ 2.14	\$ 2.18	\$ 2.12

2014-2015 Reconciliation of non-GAAP Diluted EPS

<i>(Dollars in millions, except per share data and as noted) (unaudited)</i>	YTD Q4 2015			YTD Q4 2014		
	Reported Results	Adjustments ⁽¹⁾	Adjusted Results	Reported Results	Adjustments ⁽²⁾	Adjusted Results
Income Statement						
Net interest income	\$ 18,834	\$ 36	\$ 18,870	\$ 17,818	\$ 13	\$ 17,831
Non-interest income	4,579	50	4,629	4,472	15	4,487
Total net revenue	23,413	86	23,499	22,290	28	22,318
Provision for credit losses	4,536	(49)	4,487	3,541	—	3,541
Non-interest expense	12,996	(231)	12,765	12,180	(33)	12,147
Income from continuing operations before income taxes	5,881	366	6,247	6,569	61	6,630
Income tax provision	1,869	96	1,965	2,146	13	2,159
Income from continuing operations, net of tax	4,012	270	4,282	4,423	48	4,471
Income from discontinued operations, net of tax	38	—	38	5	—	5
Net income	4,050	270	4,320	4,428	48	4,476
Net income available to common stockholders	3,872	270	4,142	4,343	48	4,391
Selected performance metrics:						
Diluted EPS	\$ 7.07	\$ 0.49	\$ 7.56	\$ 7.59	\$ 0.09	\$ 7.68
Net interest margin	6.66%	2bps	6.68%	6.67%	—	6.67%
Efficiency ratio	55.51	(119)	54.32	54.64	(21)bps	54.43
Average yield on loans held for investment - Credit Card	14.28	4	14.32	14.48	1	14.49
Average yield on loans held for investment - International Card	15.02	45	15.47	16.53	15	16.68
Net revenue margin - Credit Card	16.81	10	16.91	17.25	4	17.29
Net revenue margin - International Card	15.66	108	16.74	17.95	36	18.31

Note: (1) In Q4 2015, we recorded charges totaling \$72 million associated with (i) closing the GE Healthcare acquisition and establishing an initial allowance and reserve related to the loans acquired; (ii) certain planned site closures; and (iii) revisions to the restructuring charges recorded in Q2 2015 to reflect updated information. We recorded a build in the U.K. Payment Protection Insurance customer refund reserve ("U.K. PPI Reserve") of \$69 million in Q3 2015 and \$78 million in Q2 2015. In Q2 2015, we also recorded restructuring charges of \$147 million for severance and related benefits pursuant to our ongoing benefit program as a result of the realignment of our workforce. (2) We recorded a build in the U.K. PPI Reserve of \$61 million in 2014.

Source: Company Reports

2016 Reconciliation of non-GAAP Diluted EPS

	Three Months Ended December 31, 2016			Nine Months Ended September 30, 2016			Year Ended December 31, 2016		
	Reported Results	Adj. ⁽¹⁾	Adjusted Results	Reported Results	Adj. ⁽¹⁾	Adjusted Results	Reported Results	Adj. ⁽¹⁾	Adjusted Results
<i>(Dollars in millions, except per share data and as noted)</i>									
Selected income statement data:									
Net interest income	\$ 5,447	\$ 13	\$ 5,460	\$ 15,426	\$ 41	\$ 15,467	\$ 20,873	\$ 54	\$ 20,927
Non-interest income	1,119	14	1,133	3,509	21	3,530	4,628	35	4,663
Total net revenue	6,566	27	6,593	18,935	62	18,997	25,501	89	25,590
Provision for credit losses	1,752	—	1,752	4,707	—	4,707	6,459	—	6,459
Non-interest expense	3,679	(45)	3,634	9,879	(31)	9,848	13,558	(76)	13,482
Income from continuing operations before income taxes	1,135	72	1,207	4,349	93	4,442	5,484	165	5,649
Income tax provision (benefit)	342	10	352	1,372	(7)	1,365	1,714	3	1,717
Income from continuing operations, net of tax	793	62	855	2,977	100	3,077	3,770	162	3,932
Loss from discontinued operations, net of tax	(2)	—	(2)	(17)	—	(17)	(19)	—	(19)
Net income	791	62	853	2,960	100	3,060	3,751	162	3,913
Dividends and undistributed earnings allocated to participating securities ⁽²⁾	(6)	—	(6)	(18)	—	(18)	(24)	—	(24)
Preferred stock dividends	(75)	—	(75)	(139)	—	(139)	(214)	—	(214)
Net income available to common stockholders	\$ 710	\$ 62	\$ 772	\$ 2,803	\$ 100	\$ 2,903	\$ 3,513	\$ 162	\$ 3,675
Selected performance metrics:									
Diluted EPS ⁽²⁾	\$ 1.45	\$ 0.13	\$ 1.58	\$ 5.42	\$ 0.20	\$ 5.62	\$ 6.89	\$ 0.32	\$ 7.21
Efficiency ratio	56.03%	(91)bps	55.12%	52.17%	(33)bps	51.84%	53.17%	(49)bps	52.68%

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 and provide an alternate measurement of our performance. 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⁾ The adjustments in 2016 consist of:

	Three Months Ended	Nine Months Ended	Year Ended
	December 31, 2016	December 31, 2016	December 31, 2016
<i>(Dollars in millions)</i>			
U.K. PPI Reserve	\$ 44	\$ 117	\$ 161
Impairment associated with certain acquired intangible and software assets	28	—	28
Gain related to the exchange of our ownership interest in Visa Europe with Visa Inc. as a result of Visa Inc’s acquisition of Visa Europe	—	(24)	(24)
Total	72	93	165
Income tax provision (benefit)	10	(7)	3
Net income (loss)	\$ 62	\$ 100	\$ 162

⁽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.

2017 Reconciliation of non-GAAP Diluted EPS

	Three Months Ended December 31, 2017			Nine Months Ended September 30, 2017			Year Ended December 31, 2017		
	Reported Results	Adj. ⁽¹⁾	Adjusted Results	Reported Results	Adj. ⁽¹⁾	Adjusted Results	Reported Results	Adj. ⁽¹⁾	Adjusted Results
<i>(Dollars in millions, except per share data and as noted)</i>									
Selected income statement data:									
Net interest income	\$ 5,813	\$ 11	\$ 5,824	\$ 16,647	\$ 33	\$ 16,680	\$ 22,460	\$ 44	\$ 22,504
Non-interest income	1,200	9	1,209	3,577	37	3,614	4,777	46	4,823
Total net revenue	7,013	20	7,033	20,224	70	20,294	27,237	90	27,327
Provision for credit losses	1,926	—	1,926	5,625	(88)	5,537	7,551	(88)	7,463
Non-interest expense	3,779	(87)	3,692	10,415	(166)	10,249	14,194	(253)	13,941
Income from continuing operations before income taxes	1,308	107	1,415	4,184	324	4,508	5,492	431	5,923
Income tax provision (benefit)	2,170	(1,742)	428	1,205	82	1,287	3,375	(1,660)	1,715
Income (loss) from continuing operations, net of tax	(862)	1,849	987	2,979	242	3,221	2,117	2,091	4,208
Loss from discontinued operations, net of tax	(109)	—	(109)	(26)	—	(26)	(135)	—	(135)
Net income (loss)	(971)	1,849	878	2,953	242	3,195	1,982	2,091	4,073
Dividends and undistributed earnings allocated to participating securities ⁽²⁾	(1)	(5)	(6)	(21)	—	(21)	(13)	(15)	(28)
Preferred stock dividends	(80)	—	(80)	(185)	—	(185)	(265)	—	(265)
Net income (loss) available to common stockholders	\$ (1,052)	\$ 1,844	\$ 792	\$ 2,747	\$ 242	\$ 2,989	\$ 1,704	\$ 2,076	\$ 3,780
Selected performance metrics:									
Diluted EPS ⁽²⁾	\$ (2.17)	\$ 3.79	\$ 1.62	\$ 5.63	\$ 0.49	\$ 6.12	\$ 3.49	\$ 4.25	\$ 7.74
Efficiency ratio	53.89%	(139)bps	52.50%	51.50%	(100)bps	50.50%	52.11%	(109)bps	51.02%

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 and provide an alternate measurement of our performance. 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) The adjustments in 2017 consist of:

	Three Months Ended December 31, 2017	Nine Months Ended September 30, 2017	Year Ended December 31, 2017
	<i>(Dollars in millions)</i>		
Impacts of the Tax Act	\$ 1,769	—	\$ 1,769
Restructuring charges	76	\$ 108	184
U.K. Payment Protection Insurance customer refund reserve ("U.K. PPI Reserve")	31	99	130
Charges related to the Cabela's acquisition	—	117	117
Total	1,876	324	2,200
Income tax provision (benefit)	27	82	109
Net income (loss)	\$ 1,849	\$ 242	\$ 2,091

(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.

2018 Reconciliation of non-GAAP Diluted EPS

	Three Months Ended December 31, 2018			Nine Months Ended September 30, 2018			Year Ended December 31, 2018		
	Reported Results	Adj. ⁽¹⁾	Adjusted Results	Reported Results	Adj. ⁽¹⁾	Adjusted Results	Reported Results	Adj. ⁽¹⁾	Adjusted Results
<i>(Dollars in millions, except per share data and as noted)</i>									
Selected income statement data:									
Net interest income	\$ 5,820	\$ 6	\$ 5,826	\$ 17,055	\$ 26	\$ 17,081	\$ 22,875	\$ 32	\$ 22,907
Non-interest income	1,193	(64)	1,129	4,008	(514)	3,494	5,201	(578)	4,623
Total net revenue	7,013	(58)	6,955	21,063	(488)	20,575	28,076	(546)	27,530
Provision for credit losses	1,638	—	1,638	4,218	48	4,266	5,856	48	5,904
Non-interest expense	4,132	(34)	4,098	10,770	(248)	10,522	14,902	(282)	14,620
Income from continuing operations before income taxes	1,243	(24)	1,219	6,075	(288)	5,787	7,318	(312)	7,006
Income tax provision (benefit)	(21)	266	245	1,314	(121)	1,193	1,293	145	1,438
Income from continuing operations, net of tax	1,264	(290)	974	4,761	(167)	4,594	6,025	(457)	5,568
Income (loss) from discontinued operations, net of tax	(3)	—	(3)	(7)	—	(7)	(10)	—	(10)
Net income	1,261	(290)	971	4,754	(167)	4,587	6,015	(457)	5,558
Dividends and undistributed earnings allocated to participating securities ⁽²⁾	(9)	2	(7)	(32)	1	(31)	(40)	3	(37)
Preferred stock dividends	(80)	—	(80)	(185)	—	(185)	(265)	—	(265)
Net income available to common stockholders	\$ 1,172	\$ (288)	\$ 884	\$ 4,537	\$ (166)	\$ 4,371	\$ 5,710	\$ (454)	\$ 5,256
Selected performance metrics:									
Diluted EPS ⁽²⁾	\$ 2.48	\$ (0.61)	\$ 1.87	\$ 9.32	\$ (0.34)	\$ 8.98	\$ 11.82	\$ (0.94)	\$ 10.88
Efficiency ratio	58.92%	—	58.92%	51.13%	1bps	51.14%	53.08%	3bps	53.11%
Operating efficiency ratio	47.07	(10)bps	46.97	44.76	(15)	44.61	45.33	(12)	45.21

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 and provide an alternate measurement of our performance, both in the current period and across 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 in 2018 consist of:

	Three Months Ended December 31, 2018	Nine Months Ended September 30, 2018	Year Ended December 31, 2018
<i>(Dollars in millions)</i>			
Net gains on the sales of exited businesses	\$ (74)	\$ (541)	\$ (615)
Benefit as a result of tax methodology change on rewards costs	(284)	—	(284)
Legal reserve build	—	170	170
U.K. Payment Protection Insurance customer refund reserve ("U.K. PPI Reserve")	50	49	99
Restructuring charges	—	34	34
Total	(308)	(288)	(596)
Income tax provision	18	121	139
Net income	\$ (290)	\$ (167)	\$ (457)

⁽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.

2019-2020 Reconciliation of non-GAAP Diluted EPS

<i>(Dollars in millions, except per share data and as noted)</i>	2020				2019				Year Ended December 31,	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2020	2019
Adjusted diluted EPS:										
Net income (loss) available to common stockholders (GAAP)	\$ 2,462	\$ 2,319	\$ (1,009)	\$ (1,420)	\$ 1,041	\$ 1,270	\$ 1,533	\$ 1,348	\$ 2,375	\$ 5,192
Legal reserve activity, including insurance recoveries	(37)	40	265	45	—	—	—	—	313	—
U.K. Payment Protection Insurance customer refund reserve ("U.K. PPI Reserve")	—	(36)	—	—	—	212	—	—	(36)	212
Cybersecurity Incident expenses, net of insurance	6	6	11	4	16	22	—	—	27	38
Initial allowance build on acquired Walmart portfolio	—	—	—	—	84	—	—	—	—	84
Walmart launch and related integration expenses	—	—	—	—	48	84	54	25	—	211
Restructuring charges	—	—	—	—	—	—	28	—	—	28
Adjusted net income (loss) available to common stockholders before income tax impacts (non-GAAP)	2,431	2,329	(733)	(1,371)	1,189	1,588	1,615	1,373	2,679	5,765
Income tax impacts	5	(12)	(3)	(12)	(35)	(21)	(19)	(6)	(22)	(81)
Dividends and undistributed earnings allocated to participating securities ⁽⁹⁾	—	—	—	—	(1)	(2)	(1)	—	(2)	(3)
Adjusted net income (loss) available to common stockholders (non-GAAP)	\$ 2,436	\$ 2,317	\$ (736)	\$ (1,383)	\$ 1,153	\$ 1,565	\$ 1,595	\$ 1,367	\$ 2,655	\$ 5,681
Diluted weighted-average common shares outstanding (in millions) (GAAP)	460.2	458.5	456.7	457.6	463.4	471.8	473.0	471.6	458.9	469.9
Diluted EPS (GAAP)	\$ 5.35	\$ 5.06	\$ (2.21)	\$ (3.10)	\$ 2.25	\$ 2.69	\$ 3.24	\$ 2.86	\$ 5.18	\$ 11.05
Impact of adjustments noted above	(0.06)	(0.01)	0.60	0.08	0.24	0.63	0.13	0.04	0.61	1.04
Adjusted diluted EPS	\$ 5.29	\$ 5.05	\$ (1.61)	\$ (3.02)	\$ 2.49	\$ 3.32	\$ 3.37	\$ 2.90	\$ 5.79	\$ 12.09

⁽¹⁾ 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.

2021-2022 Reconciliation of non-GAAP Diluted EPS

	2022	2022	2022	2022	2021	Year Ended December 31,	
<i>(Dollars in millions, except per share data and as noted)</i>	Q4	Q3	Q2	Q1	Q4	2022	2021
Adjusted diluted earnings per share (“EPS”):							
Net income available to common stockholders (GAAP)	\$ 1,161	\$ 1,616	\$ 1,949	\$ 2,318	\$ 2,296	\$ 7,044	\$ 11,965
Insurance recoveries and legal reserve activity	(177)	—	—	—	—	(177)	100
Restructuring Charges	72	—	—	—	—	72	—
Adjusted net income available to common stockholders before income tax impacts (non-GAAP)	1,056	1,616	1,949	2,318	2,296	6,939	12,065
Income tax impacts	25	—	—	—	—	25	(24)
Adjusted net income available to common stockholders (non-GAAP)	\$ 1,081	\$ 1,616	\$ 1,949	\$ 2,318	\$ 2,296	\$ 6,964	\$ 12,041
Diluted weighted-average common shares outstanding (in millions) (GAAP)	383.7	384.6	392.6	412.2	424.3	393.2	444.2
Diluted EPS (GAAP)	\$ 3.03	\$ 4.20	\$ 4.96	\$ 5.62	\$ 5.41	\$ 17.91	\$ 26.94
Impact of adjustments noted above	(0.21)	—	—	—	—	(0.20)	0.17
Adjusted diluted EPS (non-GAAP)	\$ 2.82	\$ 4.20	\$ 4.96	\$ 5.62	\$ 5.41	\$ 17.71	\$ 27.11

2023-2024 Reconciliation of non-GAAP Diluted EPS

	2024	2024	2024	2024	2023	Year Ended December 31,	
<i>(Dollars in millions, except per share data and as noted)</i>	Q4	Q3	Q2	Q1	Q4	2024	2023
Adjusted diluted earnings per share (“EPS”):							
Net income available to common stockholders (GAAP)	\$ 1,022	\$ 1,692	\$ 531	\$ 1,200	\$ 639	\$ 4,445	\$ 4,582
Allowance build for Walmart program agreement loss sharing termination	—	—	826	—	—	826	—
Walmart program agreement termination contra revenue impact	—	—	27	—	—	27	—
Discover integration expenses	140	63	31	—	—	234	—
Legal reserve activity	75	—	—	—	—	75	—
FDIC special assessment	—	(9)	8	42	289	41	289
Adjusted net income available to common stockholders before income tax impacts (non-GAAP)	1,237	1,746	1,423	1,242	928	5,648	4,871
Income tax impacts	(52)	(13)	(218)	(10)	(70)	(293)	(70)
Adjusted net income available to common stockholders (non-GAAP)	<u>\$ 1,185</u>	<u>\$ 1,733</u>	<u>\$ 1,205</u>	<u>\$ 1,232</u>	<u>\$ 858</u>	<u>\$ 5,355</u>	<u>\$ 4,801</u>
Diluted weighted-average common shares outstanding (in millions) (GAAP)	383.4	383.7	383.9	383.4	382.8	383.6	383.4
Diluted EPS (GAAP)	\$ 2.67	\$ 4.41	\$ 1.38	\$ 3.13	\$ 1.67	\$ 11.59	\$ 11.95
Impact of adjustments noted above	0.42	0.10	1.76	0.08	0.57	2.37	0.57
Adjusted diluted EPS (non-GAAP)	<u>\$ 3.09</u>	<u>\$ 4.51</u>	<u>\$ 3.14</u>	<u>\$ 3.21</u>	<u>\$ 2.24</u>	<u>\$ 13.96</u>	<u>\$ 12.52</u>

2025 Reconciliation of non-GAAP Diluted EPS

<i>(Dollars in millions, except per share data and as noted)</i>	2025
Adjusted diluted earnings per share (“EPS”):	
Net income (loss) available to common stockholders (GAAP)	\$ 2,181
Initial allowance build for Discover non-PCD loans	8,767
Discover intangible amortization expense	1,262
Discover loan and deposit fair value mark amortization	227
Discover integration expenses	1,109
Legal reserve activities	356
Gain on sale of home loan portfolio	(483)
FDIC special assessment	(29)
Allowance build for Walmart program agreement loss sharing termination	—
Walmart program agreement termination contra revenue impact	—
Adjusted net income available to common stockholders before income tax impacts (non-GAAP)	13,390
Income tax impacts	(2,775)
Adjusted net income available to common stockholders (non-GAAP)	\$ 10,615
Diluted weighted-average common shares outstanding (in millions) (GAAP)	541.3
Diluted EPS (GAAP)	\$ 4.03
Impact of adjustments noted above	15.58
Adjusted diluted EPS (non-GAAP)	\$ 19.61