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March 20, 2024

By FedEZFile

Mr. Brent Hassell
Assistant Vice President
Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23261

Re: Application to the Federal Reserve by Capital One Financial Corporation to Discover Financial Services, Inc.

Dear Mr. Hassell,

We are submitting an application and a notification on behalf of our client, Capital One Financial Corporation (“COFC”), in connection with its acquisition of Discover Financial Services (“Discover”) via a merger. First, please find the application (the “Fed Application”) by CONA and Vega Merger Sub, Inc. (“Merger Sub”) requesting approval by the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of Richmond (collectively, the “Federal Reserve”) to acquire Discover via a merger, and thereby acquiring control of its wholly owned subsidiary, Discover Bank, a Delaware state-chartered nonmember bank, pursuant to Sections 3(a)(3) and 3(a)(5) of the Bank Holding Company Act of 1956, as amended (the “BHC Act”), and Section 225.15 of the Federal Reserve’s Regulation Y. COFC will acquire Discover through a merger of Merger Sub, a newly formed, wholly owned merger

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subsidiary, with and into Discover, with Discover continuing as the surviving corporation and a subsidiary of COFC (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, Capital One, National Association (“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”).

The Fed Application consists of (1) the Fed Application, (2) a Public Exhibits Volume, and (3) a Confidential Exhibits Volume.

Second, we are submitting a notification to the Federal Reserve in connection with COFC’s acquisition of certain of the nonbanking subsidiaries of Discover as part of the Proposed Transaction pursuant to Sections 4(c)(8) and 4(j) of the BHC Act and Section 225.24 of the Federal Reserve’s Regulation Y (the “Notification”).

The Notification consists of (i) the Notification, (2) a Public Exhibits Volume, and (3) a Confidential Exhibits Volume.

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 Federal Reserve, for the information contained in the Confidential Exhibits Volume to this application (the “Confidential Materials”). The Confidential Materials include, for example, nonpublic pro forma financial information and information regarding the business strategies and plans of (1) COFC, 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 as defined in the Federal Reserve’s regulations at 12 CFR § 261.2. 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 Federal Reserve’s implementing regulations.

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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.

If you have any questions about the Fed Application, the Notification or our request for confidential treatment, please feel free to contact Richard Kim or me.

Very truly yours,

Rose Spaziani
Rosemary Spaziani

Enclosures