First Quarter 2014 Results

April 16, 2014

Forward-Looking Statements

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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 April 16, 2014, available on its website at www.capitalone.com under "Investors."

First Quarter 2014 Results

Income Statement

(Dollars in millions, except per share data) (unaudited)	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Earnings					
Net interest income	**$ 4,350**	$ 4,423	$ 4,560	$ 4,553	$ 4,570
Non-interest income	**1,020**	1,121	1,091	1,085	981
Total net revenue	**5,370**	5,544	5,651	5,638	5,551
Provision for credit losses	**735**	957	849	762	885
Non-interest expense:					
Marketing	**325**	427	299	330	317
Amortization of intangibles	**143**	166	161	167	177
Acquisition-related	**23**	60	37	50	46
Operating expenses	**2,441**	2,582	2,612	2,471	2,451
Total non-interest expense	**2,932**	3,235	3,109	3,018	2,991
Income from continuing operations before income taxes	**1,703**	1,352	1,693	1,858	1,675
Income tax provision	**579**	477	575	631	541
Income from continuing operations, net of tax	**1,124**	875	1,118	1,227	1,134
Income/(Loss) from discontinued operations, net of tax	**30**	(23)	(13)	(119)	(78)
Net income	**1,154**	852	1,105	1,108	1,056
Dividends and undistributed earnings allocated to participating securities	**(5)**	(4)	(5)	(4)	(5)
Preferred stock dividends	**(13)**	(13)	(13)	(13)	(13)
Net income available to common stockholders	**$ 1,136**	$ 835	$ 1,087	$ 1,091	$ 1,038
Diluted EPS:					
Net income from continuing operations	**$ 1.91**	$ 1.46	$ 1.86	$ 2.05	$ 1.90
Income/(Loss) from discontinued operations	**0.05**	(0.03)	(0.02)	(0.20)	(0.13)
Net income per diluted common share	**$ 1.96**	$ 1.43	$ 1.84	$ 1.85	$ 1.77

First Quarter 2014 Highlights

- Q1 2014 net income of $1.15 billion, or $1.96 per share; Q1 2014 continuing operations net income of $1.12 billion, or $1.91 per share
- Q1 2014 return on average tangible common equity of 16.83%
- Pre-provision earnings before tax of $2.4 billion
- Lower provision for credit losses – net charge-offs of $931 million; $208 million allowance release
- Adopted new accounting standard for low income housing tax credits in Commercial Banking business

Net Interest Margin

Average Balances, Net Interest Income and Net Interest Margin

(Dollars in millions)(unaudited)	2014 Q1 Average Balance	2014 Q1 Interest Inc/Exp	2014 Q1 Yield/Rate	2013 Q4 Average Balance	2013 Q4 Interest Inc/Exp	2013 Q4 Yield/Rate	2013 Q1 Average Balance	2013 Q1 Interest Inc/Exp	2013 Q1 Yield/Rate
Interest-earning assets:									
Loans, including loans held for sale	**$ 194,020**	**$ 4,307**	**8.88 %**	$ 193,368	$ 4,398	9.10 %	$ 200,441	$ 4,649	9.28 %
Investment securities	**62,124**	**416**	**2.68**	62,919	414	2.63	64,798	374	2.31
Cash equivalents and other	**6,515**	**30**	**1.84**	6,670	27	1.62	7,106	28	1.58
Total interest-earning assets	**$ 262,659**	**$ 4,753**	**7.24 %**	$ 262,957	$ 4,839	7.36 %	$ 272,345	$ 5,051	7.42 %
Interest-bearing liabilities:									
Interest-bearing deposits	**$ 184,183**	**$ 276**	**0.60 %**	$ 184,206	$ 288	0.63 %	$ 190,612	$ 326	0.68 %
Securitized debt obligations	**10,418**	**38**	**1.46**	9,873	40	1.62	11,758	56	1.91
Senior and subordinated notes	**14,162**	**77**	**2.17**	12,765	75	2.35	11,984	82	2.74
Other borrowings	**11,398**	**12**	**0.42**	13,825	13	0.38	17,832	17	0.38
Total interest-bearing liabilities	**$ 220,161**	**$ 403**	**0.73 %**	$ 220,669	$ 416	0.75 %	$ 232,186	$ 481	0.83 %
Net interest income/spread		**$ 4,350**	**6.51 %**		$ 4,423	6.61 %		$ 4,570	6.59 %
Impact of non-interest bearing			**0.11**			0.12			0.12
Net interest margin			**6.62 %**			6.73 %			6.71 %

First Quarter 2014 Highlights

- 11 bps decrease in Net Interest Margin quarter-over-quarter more than entirely driven by 2 fewer days in the quarter
- Total average interest-earning assets down modestly versus prior quarter
- Total average interest-bearing liabilities down modestly versus prior quarter

Capital

- **The Federal Reserve did not object to Capital One's capital plan**
  - Expect to maintain a quarterly dividend of $0.30 per share
  - Expect to repurchase up to $2.5 billion of shares through the end of the first quarter of 2015[1]
- **Common equity Tier 1 capital ratio under Basel III Standardized Approach of 13.0% at March 31, 2014**
  - Beginning on January 1, 2014, we calculate our regulatory capital under the Basel III Standardized Approach, subject to transition provisions
- **Common equity Tier 1 capital ratio under Basel III Advanced Approach was above 8%[2] target at March 31, 2014**

1 The timing and exact amount of any Capital One common stock repurchases will depend on various factors, including market conditions, Capital One's capital position and amount of retained earnings. Capital One's share repurchase program does not include specific price targets, may be executed through open market purchases or privately negotiated transactions, including utilizing Rule 10b5-1 programs, and may be suspended at any time.

2 Estimated based on our current interpretation, expectations and understanding of the Basel III Advanced Approaches capital rules and other capital regulations issued by U.S. regulators and the application of such rules to our businesses as currently conducted. Basel III estimated calculations are necessarily subject to change based on, among other things, further changes to final rules and regulations, model calibration and other implementation guidance, changes in our businesses and certain actions of management, including those affecting the composition of our balance sheet. We believe our estimate of this capital ratio provides useful information to investors and others relative to an expected future regulatory capital standard.

Credit Card

Credit Card Performance Metrics

(Dollars in millions) (unaudited)	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Credit Card					
Earnings:					
Net interest income	**$ 2,525**	$ 2,576	$ 2,757	$ 2,804	$ 2,830
Non-interest income	**785**	833	834	832	821
Total net revenue	**3,310**	3,409	3,591	3,636	3,651
Provision for credit losses	**558**	751	617	713	743
Non-interest expense	**1,726**	1,868	1,904	1,819	1,848
Income from continuing operations before taxes	**1,026**	790	1,070	1,104	1,060
Income tax provision	**358**	274	376	385	374
Income from continuing operations, net of tax	**$ 668**	$ 516	$ 694	$ 719	$ 686
Selected performance metrics:					
Period-end loans held for investment	**$ 75,850**	$ 81,305	$ 77,967	$ 78,310	$ 78,397
Average loans held for investment	**77,502**	78,267	77,729	77,946	82,952
Average yield on loans held for investment	**14.43 %**	14.64 %	15.72 %	15.94 %	15.16 %
Total net revenue margin	**17.08**	17.43	18.48	18.66	17.61
Net charge-off rate	**4.02**	3.98	3.78	4.36	4.45
30+ day performing delinquency rate	**3.08**	3.46	3.51	3.13	3.44
30+ day delinquency rate	**3.16**	3.54	3.60	3.22	3.53
Nonperforming loan rate	**0.11**	0.11	0.12	0.12	0.12
Card loan premium amortization and other intangible accretion	**$ 37**	$ 39	$ 45	$ 57	$ 57
PCCR intangible amortization	**98**	102	106	110	116
Purchase volume	**47,434**	54,245	50,943	50,788	45,098

Domestic Card

Domestic Card Performance Metrics

(Dollars in millions) (unaudited)	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Domestic Card					
Earnings:					
Net interest income	**$ 2,255**	$ 2,303	$ 2,492	$ 2,536	$ 2,556
Non-interest income	**702**	747	749	737	724
Total net revenue	**2,957**	3,050	3,241	3,273	3,280
Provision for credit losses	**486**	679	529	647	647
Non-interest expense	**1,545**	1,664	1,713	1,635	1,633
Income from continuing operations before taxes	**926**	707	999	991	1,000
Income tax provision	**331**	252	355	353	356
Income from continuing operations, net of tax	**$ 595**	$ 455	$ 644	$ 638	$ 644
Selected performance metrics:					
Period-end loans held for investment	**$ 68,275**	$ 73,255	$ 69,936	$ 70,490	$ 70,361
Average loans held for investment	**69,810**	70,368	69,947	69,966	74,714
Average yield on loans held for investment	**14.19 %**	14.44 %	15.65 %	15.91 %	15.07 %
Total net revenue margin	**16.94**	17.34	18.53	18.71	17.56
Net charge-off rate	**4.01**	3.89	3.67	4.28	4.43
30+ day performing delinquency rate	**3.02**	3.43	3.46	3.05	3.37
30+ day delinquency rate	**3.02**	3.43	3.46	3.05	3.37
Purchase volume	**$ 44,139**	$ 50,377	$ 47,420	$ 47,273	$ 41,831

First Quarter 2014 Highlights

- Ending loans down seasonally 7% from Q4 2013; ending loans down 3% from prior year
- Purchase volume on general purpose credit cards[1] up 11% year-over-year
- Revenue margin down seasonally versus prior quarter, remains strong at 16.9%
- Net charge-off rate of 4.01%, up 12 bps from Q4 2013

[1] Includes Branded & Co-Branded credit cards

Consumer Banking

Consumer Banking Performance Metrics

(Dollars in millions) (unaudited)	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Consumer Banking					
Earnings:					
Net interest income	**$ 1,433**	$ 1,468	$ 1,481	$ 1,478	$ 1,478
Non-interest income	**150**	195	184	189	181
Total net revenue	**1,583**	1,663	1,665	1,667	1,659
Provision for credit losses	**140**	212	202	67	175
Non-interest expense	**930**	1,018	927	910	890
Income from continuing operations before taxes	**513**	433	536	690	594
Income tax provision	**183**	154	191	246	211
Income from continuing operations, net of tax	**$ 330**	$ 279	$ 345	$ 444	$ 383
Selected performance metrics:					
Period-end loans held for investment	**$ 70,727**	$ 70,762	$ 71,285	$ 72,218	$ 73,613
Average loans held for investment	**70,663**	71,033	71,664	72,930	74,286
Average yield on loans held for investment	**6.18 %**	6.30 %	6.21 %	5.99 %	5.93 %
Auto loan originations	**$ 4,727**	$ 4,322	$ 4,752	$ 4,525	$ 3,789
Period-end deposits	**171,529**	167,652	168,437	169,789	172,605
Average deposits	**168,676**	167,870	169,082	170,733	171,089
Average deposit interest rate	**0.57 %**	0.60 %	0.63 %	0.64 %	0.64 %
Core deposit intangible amortization	**$ 30**	$ 32	$ 34	$ 35	$ 37
Net charge-off rate	**0.84 %**	1.09 %	0.95 %	0.60 %	0.78 %
30+ day performing delinquency rate	**2.57**	3.20	2.82	2.55	2.24
30+ day delinquency rate	**3.14**	3.89	3.46	3.15	2.81
Nonperforming loan rate	**0.74**	0.86	0.79	0.78	0.74
Nonperforming asset rate	**1.00**	1.12	1.01	0.97	0.91
Period-end loans serviced for others	**$ 6,868**	$ 7,665	$ 14,043	$ 14,313	$ 14,869

First Quarter 2014 Highlights

- Period-end loans declined $35 million from Q4 2013; expected portfolio run-off in Home Loans partially offset by continued growth in Auto
- Revenue declined in the quarter; lower average loan volumes and margin compression in Auto
- Provision for credit losses improved; Net charge-off rate of 0.84%

Commercial Banking

Commercial Banking Performance Metrics

(Dollars in millions) (unaudited)	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Commercial Banking					
Earnings:					
Net interest income	**$ 421**	$ 447	$ 424	$ 402	$ 401
Non-interest income	**87**	131	87	93	84
Total net revenue	**508**	578	511	495	485
Provision for credit losses	**40**	(6)	31	(14)	(35)
Non-interest expense	**255**	281	228	228	221
Income from continuing operations before taxes	**213**	303	252	281	299
Income tax provision	**76**	108	90	100	106
Income from continuing operations, net of tax	**$ 137**	$ 195	$ 162	$ 181	$ 193
Selected performance metrics:					
Period-end loans held for investment	**$ 46,230**	$ 45,011	$ 42,399	$ 40,805	$ 39,150
Average loans held for investment	**45,435**	43,359	41,576	39,512	38,576
Average yield on loans held for investment	**3.47 %**	3.92 %	3.87 %	3.84 %	3.91 %
Period-end deposits	**$ 31,485**	$ 30,567	$ 30,592	$ 30,869	$ 30,275
Average deposits	**31,627**	31,033	30,685	30,746	30,335
Average deposit interest rate	**0.25 %**	0.25 %	0.27 %	0.26 %	0.28 %
Core deposit intangible amortization	**$ 6**	$ 6	$ 6	$ 8	$ 7
Net charge-off rate	**0.04 %**	(0.05) %	0.07 %	0.04 %	0.07 %
Nonperforming loan rate	**0.33**	0.33	0.47	0.60	0.71
Nonperforming asset rate	**0.36**	0.37	0.56	0.62	0.74

First Quarter 2014 Highlights

- Period-end loans grew 3% from Q4 2013 and 18% year-over-year, driven by growth in C&I and CRE
- Revenue up 5% year-over-year, driven by loan and deposit growth and the Beech Street acquisition, partially offset by lower yields
- Credit remains strong

We remain focused on delivering value

Improve Profitability

- Costs
- Credit
- Growth

Return Capital

- High, sustainable returns
- Strong capital & liquidity
- Strong strategic footprint
- Near-term asset run-off

Summary of Changes Due to New Accounting Rules for Low Income Housing Tax Credits ("LIHTC")

(Dollars in millions, except per share data and as noted) (unaudited)	2013				
Key Changes Impacting Prior Periods [1]	**Q4**	**Q3**	**Q2**	**Q1**	**FY 2013**
Consolidated					
Decrease in operating expense	(45)	(38)	(41)	(37)	(161)
Increase in Income tax provision	52	50	50	47	199
Income from continuing operations, net of tax	(7)	(12)	(9)	(10)	(38)
Increase in effective income tax rate for continuing operations	2.8%	2.3%	2.0%	2.1%	2.3%
Decrease in basic EPS	(0.01)	(0.02)	(0.01)	(0.02)	(0.06)
Decrease in diluted EPS	(0.02)	(0.02)	(0.02)	(0.02)	(0.07)
Commercial					
Decrease in net interest income	(57)	(56)	(55)	(53)	(221)
Decrease in non-interest expenses	(45)	(38)	(41)	(37)	(161)
Decrease in income tax provision	(5)	(6)	(5)	(6)	(22)
Income from continuing operations, net of tax	(7)	(12)	(9)	(10)	(38)
Other					
Decrease in net interest expense	57	56	55	53	221
Increase in income tax provision	57	56	55	53	221
Income from continuing operations, net of tax	-	-	-	-	-

[1] As required by the new LIHTC accounting standard, we have retroactively restated all prior periods. The table above presents the line item impact of the retrospective application compared to our previously presented results.