First Quarter 2013 Results

April 18, 2013

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 most recent Current Report on Form 8-K filed April 18, 2013, available on its website at www.capitalone.com under "Investors."

Highlights

- **Q1 2013 net income of $1.07B or $1.79 per share vs Q4 2012 net income of $843MM or $1.41 per share**
  - $2.52B pre-provision earnings vs. $2.37B in Q4 2012
  - Provision for credit losses down 23%, including $261MM allowance release
  - $97MM Rep & Warranty expense

- **Notable events**
  - Called $3.6B of high coupon trust preferred securities
    - ($65MM) one-time charge reduced non-interest income
    - $75MM benefit to interest expense
  - Announced agreement to sell Best Buy partnership
    - Sale expected to close in Q3; moved ~$7B portfolio to HFS as of February 1
    - $87MM pre-tax benefit, or $0.11 per share after tax, in Q1

- **Balance sheet highlights**
  - Tier 1 Common ratio (Basel I) increased 80 bps to 11.8%; above fully phased-in Basel III assumed target
  - Expect to increase quarterly dividend to $0.30 per share from $0.05 per share
  - Expect continued strong capital trajectory

First quarter results

$ and shares in millions, except per share data	Q1'13	Q4'12
Net interest income	4,570	4,528
Non-interest income	981	1,096
Total net revenue	**5,551**	**5,624**
Operating expense including:	2,711	2,862
Purchased Intangible Amortization	*177*	*191*
Integration & Deal Costs	*46*	*69*
Marketing	317	393
Non-interest expense	**3,028**	**3,255**
Pre-provision earnings	**2,523**	**2,369**
Net charge-offs	1,079	1,150
Allowance build/(release)	(261)	2
Other	67	(1)
Provision for credit losses	**885**	**1,151**
Pretax income from continuing operations	1,638	1,218
Income tax provision	494	370
Operating earnings, net of tax	**1,144**	**848**
Discontinued operations, net of tax	(78)	(5)
Net income	**1,066**	**843**
Net income avail to common stockholders	**1,048**	**825**
Diluted earnings per common share	**$1.79**	**$1.41**
Wtd avg common shares outstanding	**586.3**	**585.6**

Highlights

Revenue:

- Seasonally lower average loan balances & purchase volumes partially offset by higher margins
- Includes:
  - $40MM benefit from Best Buy HFS
  - $9MM benefit from redemption of TruPS
    - ($65MM) one-time charge in non-interest income
    - $75MM benefit to interest expense
- Premium amortization of $111MM in Q1 2013 vs $124MM in Q4 2012

Provision Expense:

- $71MM lower charge-offs and $261MM allowance release partially offset by $67MM reserve build for unfunded commercial commitments & foreign currency adjustment

Discontinued Ops:

- $107MM Rep & Warranty charge in Discontinued Operations

Net interest margin

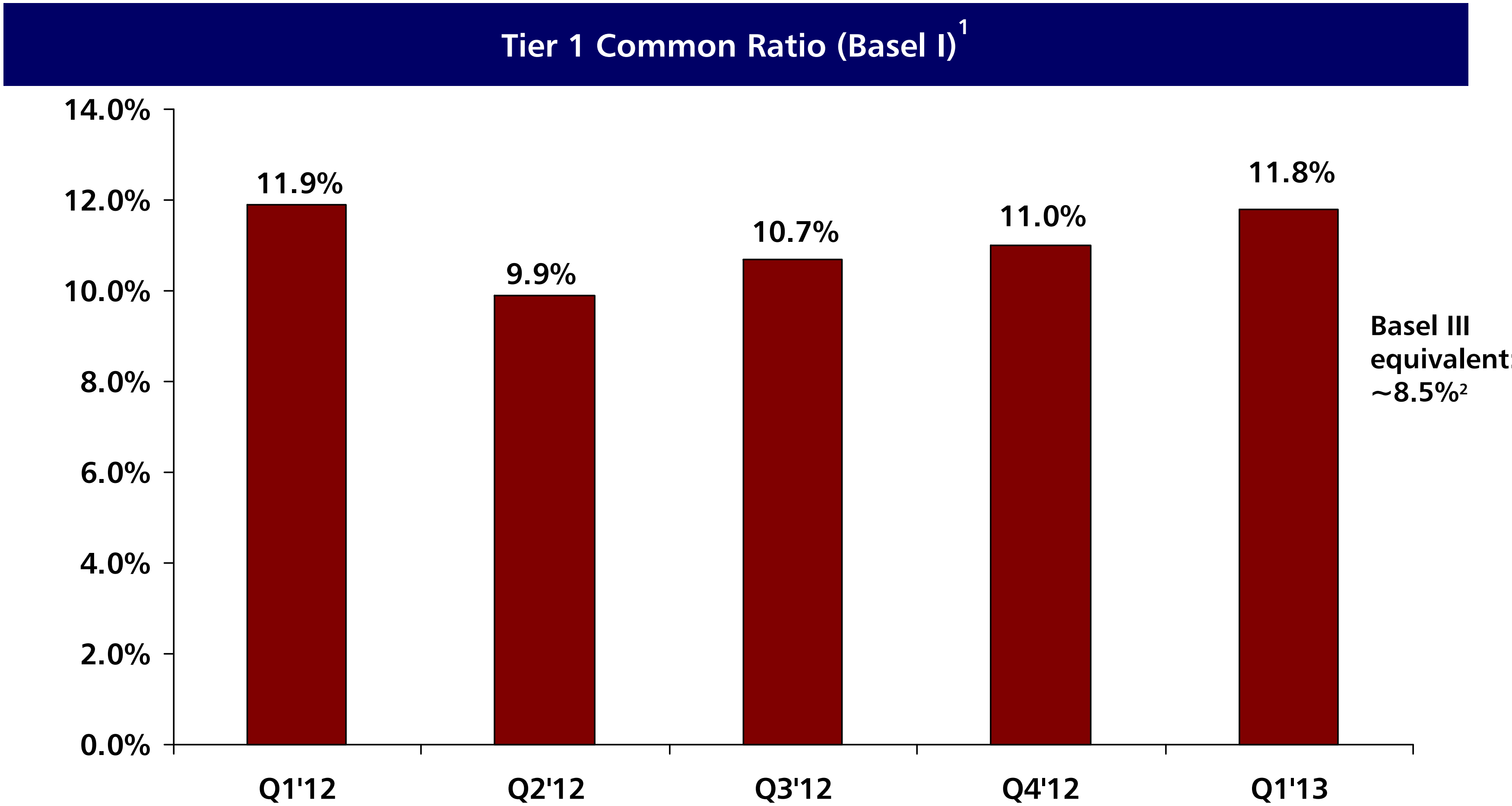
Average Balances & Margin Highlights

(Dollars in millions)	Q1'13 Average Balance	Q1'13 Yield/ Rate	Q4'12 Average Balance	Q4'12 Yield/ Rate
Interest-earning assets:				
Loans, including loans HFS	$ 200,441	9.28 %	$ 203,132	9.31 %
Investment securities	64,798	2.31	64,174	2.25
Cash equivalents and other	7,106	1.58	10,580	1.02
Total interest-earning assets	**$ 272,345**	**7.42 %**	**$ 277,886**	**7.36 %**
Interest-bearing liabilities:				
Total interest-bearing deposits	$ 190,612	0.68 %	$ 192,122	0.72 %
Securitized debt obligations	11,758	1.91	12,119	1.91
Senior and subordinated notes	11,984	2.74	11,528	2.95
Other borrowings	17,832	0.38	20,542	1.87
Interest-bearing liabilities	**$ 232,186**	**0.83 %**	**$ 236,311**	**0.99 %**
Impact of non-interest bearing funding		0.12 %		0.15 %
Net interest margin		**6.71 %**		**6.52 %**

Q1 Margin Highlights

- 19 bps increase in NIM due to redemption of TruPS
  - 11bps benefit from lower interest expense
  - 8 bps benefit from lower cash balances
- 7 bps benefit from movement of partnership portfolio to HFS
- 15 bps reduction due to 2 fewer days in the quarter

Capital generation



	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13
RWA ($B)	183	216	218	223	216
EOP Loans ($B)	174	203	203	206	191

1 Tier 1 common ratio is a regulatory capital measure calculated based on Tier 1 common capital divided by risk-weighted assets. See "Exhibit 99.2—Table 13: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures" for the calculation of this ratio.

2 Estimated based on our current interpretation, expectations and understanding of the Basel III capital rules and other capital regulations proposed by U.S. regulators and the application of such rules to our businesses as currently conducted. The estimated Basel III equivalent Tier 1 common ratio is a non-GAAP measure, and its calculation is necessarily subject to change based on, among other things, the scope and terms of the 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 this ratio provides useful information to investors and others by measuring our progress against expected future regulatory capital standards.

Our businesses delivered strong results in the quarter

Domestic Card

- Ending loans down 15% from Q412, driven by HFS accounting, seasonality, and expected run-off
  - Excluding HFS accounting, ending loans declined 7%
  - Excluding HFS accounting, average loans declined 2%
- Purchase volumes grew 33% year-over-year
  - Excluding HSBC, purchase volumes grew 5.6%, or 8% adjusted for day count
- Revenue margin of 17.6%
  - Excluding HFS accounting, revenue margin was 16.3%, in line with seasonal patterns
- Charge-off rate of 4.4%
- Delinquency rate of 3.4%

Consumer Banking

- Ending loans declined $1.5B
  - $2.2B of expected run-off of Home Loans
  - $817MM of growth in Auto Finance loans
- Revenue stable quarter-over-quarter
- Modest seasonal improvement in Auto Finance credit trends
- Home Loans charge-off rate remains below 1%

Commercial Banking

- Ending loans grew 1% in the quarter and 12% year-over-year
- Net revenue up 4% year-over-year
- Non-interest expense decreased 12% in the quarter, driven by the absence of several non-recurring items from last quarter
- Charge-off rate of 7 bps

Our businesses are well positioned

Commercial Banking

- Diverse set of businesses in attractive markets
- Healthy loan growth, credit & profitability trends continue

Consumer Banking

- Local scale in attractive markets
- Successful brand conversion – Capital One 360 now the leading digital bank
- Auto loan growth, more than offset by planned mortgage run-off

Domestic Card

- Strong & sustainable returns & capital generation
- Growth reflects run-off portfolio and focus on resilience

We are focused on delivering value

Manage Costs

- Manage the business to ensure reduction in intangible amortization hits the bottom line
- Manage down integration costs
- Operate more efficiently across our businesses

Return Capital

- Strong capital position and trajectory
- Plan to increase quarterly dividend to $0.30 per share following successful 2013 CCAR process
- Highly focused on share repurchases as next step

Appendix

The sale of the ~$7B Best Buy partnership is expected to close late in the third quarter of 2013

	Expected 2013 Capital One Income Statement Impacts from Best Buy Sale				
($M)	Q113	Q213 (F)	Q313 (F)	Q413 (F)	Commentary
Revenue	40	67	(30)	(198)	Revenue favorably impacted through final sale date as reversals are absorbed by the net HFS balance and other minor factors; post-close revenue reflects absence of partnership revenue
Non-Interest Expense	(5)	(8)	(14)	(44)	PCCR Amortization ceased in Q1 2013; additional reductions in Operating Expense projected to begin Q3 2013 and continue into 2014
Provision Expense	(41)	(67)	(72)	(75)	$289MM ALLL reclassified against loans HFS; provision will be favorably impacted through final sale date as charge-offs are applied against loan discount and not recognized in Provision Expense
Pre-Tax Income[1]	86	142	56	(79)	

[1]Assumes no gain or loss at close

Estimated impact on operating expense from amortization of acquired intangibles & acquisition related expenses

	2012 (A)	2013 (F)	2014 (F)
Amortization of Acquired Intangibles			
PCCR	350	434	369
CDI	193	165	129
Other[1]	66	57	56
Total	**609**	**656**	**554**
Acquisition related expenses			
Deal Costs	78	0	0
Integration & Restructuring	258	211	52
Total	**336**	**211**	**52**
Total Operating Expense Impact	**945**	**867**	**606**

[1] Other cost amortization includes Trade Name / Trade Mark Intangible, Contract Intangible, Broker Intangible, Non Compete Intangible, Partnership Contract Intangible

[2] Includes impact from acquisition of ING Direct, HSBC US Card business, and prior acquisitions