UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

# FORM 8-K

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934**

**January 20, 2011
Date of Report (Date of earliest event reported)**

**Commission File No. 1-13300**

# CAPITAL ONE FINANCIAL CORPORATION

***(Exact name of registrant as specified in its charter)***

| | |
|---|---|
| **Delaware** | **54-1719854** |
| ***(State or Other Jurisdiction of Incorporation or Organization)*** | ***(I.R.S. Employer Identification No.)*** |
| **1680 Capital One Drive McLean, Virginia** | **22102** |
| ***(Address of Principal Executive Offices)*** | ***(Zip Code)*** |

**Registrant's telephone number, including area code: (703) 720-1000**

**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02.Results of Operations and Financial Condition.**

On January 20, 2011, the Company issued a press release announcing its financial results for the fourth quarter ended December 31, 2010. A copy of the Company's press release is attached and filed herewith as Exhibits 99.1 and 99.3 to this Form 8-K and is incorporated herein by reference.

**Item 7.01.Regulation FD Disclosure.**

The Company hereby furnishes the information in Exhibit 99.2 hereto, Fourth Quarter Earnings Presentation for the quarter ended December 31, 2010.

*Note:* Information in Exhibit 99.2 furnished pursuant to Item 7.01 shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. This report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD. Furthermore, the information provided in Exhibit 99.2 shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933.

**Item 8.01.Other Events.**

(a) See attached press release, at Exhibit 99.1.

(b) Cautionary Factors.

The attached press release and information provided pursuant to Items 2.02, 7.01 and 9.01 contain forward-looking statements, which involve a number of risks and uncertainties. The Company cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information as a result of various factors including, but not limited to, the following:

- general economic and business conditions in the U.S., the UK, or the Company's local markets, including conditions affecting employment levels, interest rates, consumer income 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);
- financial, legal, regulatory (including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations to be promulgated thereunder), tax or accounting changes or actions, including with respect to any litigation matter involving the Company;
- increases or decreases in interest rates;
- the success of the Company's marketing efforts in attracting and retaining customers;
- the ability of the Company to securitize its credit cards and consumer loans and to otherwise access the capital markets at attractive rates and terms to capitalize and fund its operations and future growth;
- with respect to financial and other products, increases or decreases in the Company's aggregate loan balances and/or 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 made by the Company and attrition of loan balances;
- the level of future repurchase or indemnification requests the Company may receive, the actual future performance of loans relating to such requests, the success rates of claimants against the Company, any developments in litigation, and the actual recoveries the Company may make on any collateral relating to claims against it;
- the amount and rate of deposit growth;
- the Company's ability to control costs;
- changes in the reputation of or expectations regarding the financial services industry and/or the Company with respect to practices, products or financial condition;
- any significant disruption in the Company's operations or technology platform;
- the Company's ability to maintain a compliance infrastructure suitable for its size and complexity;
- the amount of, and rate of growth in, the Company's expenses as the Company's business develops or changes or as it expands into new market areas;
- the Company's ability to execute on its strategic and operational plans;
- any significant disruption of, or loss of public confidence in, the United States Mail service affecting our response rates and consumer payments;
- the ability of the Company to recruit and retain experienced personnel to assist in the management and operations of new products and services;
- changes in the labor and employment market;
- the risk that the cost savings and any other synergies from the Company's acquisitions may not be fully realized or may take longer to realize than expected;
- disruption from acquisitions negatively impacting the Company's ability to maintain relationships with customers, employees or suppliers;
- competition from providers of products and services that compete with the Company's businesses; and
- other risk factors listed from time to time in the Company's SEC reports including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 2009.

**Item 9.01.Financial Statements, Pro Forma Financial Information and Exhibits.**

(c) Exhibits.

| Exhibit No. | Description of Exhibit |
|---|---|
| 99.1 | Press release, dated January 20, 2011. |
| 99.2 | Fourth Quarter Earnings Presentation. |
| 99.3 | Reconciliation of Non-GAAP Measures and Regulatory Capital Measures |

***Earnings Conference Call Webcast Information.***

Capital One will hold an earnings conference call on January 20, 2011, 5:00 PM Eastern Standard time. The conference call will be accessible through live webcast. Interested investors and other individuals can access the webcast via Capital One’s home page (http://www.capitalone.com). Choose “Investors” to access the Investor Center and view and/or download the earnings press release, a reconciliation to GAAP financial measures and other relevant financial information. The replay of the webcast will be archived on Capital One’s website through February 3, 2011.

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned, hereunto duly authorized.

**CAPITAL ONE FINANCIAL CORPORATION**

Dated: January 20, 2011

By: /s/ Gary L. Perlin

Gary L. Perlin
**Chief Financial Officer**

Exhibit 99.1

**Capital One Financial Corporation**
**Earnings Release Fourth Quarter 2010 — Financial Supplement**
**Table of Contents**

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 1: Financial & Statistical Summary—Reported Basis***

| *(dollars in millions, except per share data and as noted) (unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| **Earnings** | | | | | |
| Net interest income | $ 3,023 | $ 3,109 | $ 3,097 | $ 3,228 | $ 1,954 |
| Non-interest income [(1)(2)] | 939 | 907 | 807 | 1,061 [(10)] | 1,412 |
| Total revenue [(3)] | $ 3,962 | $ 4,016 | $ 3,904 | $ 4,289 | $ 3,366 |
| Provision for loan and lease losses | 839 | 867 | 723 | 1,478 | 844 |
| Marketing expenses | 308 | 250 | 219 | 180 | 188 |
| Restructuring expenses [(4)] | - | - | - | - | 32 |
| Operating expenses [(5)] | 1,783 | 1,746 | 1,781 | 1,667 | 1,728 |
| Income from continuing operations before income taxes | $ 1,032 | $ 1,153 | $ 1,181 | $ 964 | $ 574 |
| Income tax provision | 331 | 335 | 369 | 244 | 170 |
| Income from continuing operations, net of tax | 701 | 818 | 812 | 720 | 404 |
| Loss from discontinued operations, net of tax [(2)] | (4) | (15) | (204) | (84) | (28) |
| Net income | $ 697 | $ 803 | $ 608 | $ 636 | $ 376 |
| Net income available to common shareholders | $ 697 | $ 803 | $ 608 | $ 636 | $ 376 |
| **Common Share Statistics** | | | | | |
| Basic EPS: [(A)] | | | | | |
| Income from continuing operations | $ 1.55 | $ 1.81 | $ 1.79 | $ 1.59 | $ 0.90 |
| Loss from discontinued operations | (0.01) | (0.03) | (0.45) | (0.18) | (0.07) |
| Net income per basic common share | $ 1.54 | $ 1.78 | $ 1.34 | $ 1.41 | $ 0.83 |
| Diluted EPS: [(A)] | | | | | |
| Income from continuing operations | $ 1.53 | $ 1.79 | $ 1.78 | $ 1.58 | $ 0.89 |
| Loss from discontinued operations | (0.01) | (0.03) | (0.45) | (0.18) | (0.06) |
| Net income per diluted common share | $ 1.52 | $ 1.76 | $ 1.33 | $ 1.40 | $ 0.83 |
| Weighted average common shares outstanding: | | | | | |
| Basic EPS | 452.7 | 452.5 | 452.1 | 451.0 | 450.0 |
| Diluted EPS | 457.2 | 456.6 | 456.4 | 455.4 | 454.9 |
| Common shares outstanding (period end) | 452.8 | 452.6 | 452.3 | 451.9 | 450.4 |
| Dividends per common share | $ 0.05 | $ 0.05 | $ 0.05 | $ 0.05 | $ 0.05 |
| Tangible book value per common share (period end) [(B)] | $ 27.73 | $ 26.60 | $ 24.89 | $ 22.86 | $ 27.72 |
| Stock price per common share (period end) | $ 42.56 | $ 39.55 | $ 40.30 | $ 41.41 | $ 38.34 |
| Total market capitalization (period end) | $ 19,271 | $ 17,900 | $ 18,228 | $ 18,713 | $ 17,268 |
| **Reported Balance Sheet Statistics (Quarterly Averages)** | | | | | |
| Average loans held for investment | $ 125,441 | $ 126,307 | $ 128,203 | $ 134,206 | $ 94,732 |
| Average interest-earning assets | $ 173,991 | $ 172,473 | $ 174,650 | $ 181,881 | $ 143,663 |
| Total average assets | $ 197,597 | $ 196,598 | $ 199,329 | $ 207,207 | $ 169,856 |
| Average interest-bearing deposits | $ 106,597 | $ 104,186 | $ 104,163 | $ 104,018 | $ 101,144 |
| Total average deposits | $ 121,736 | $ 118,255 | $ 118,484 | $ 117,530 | $ 114,598 |
| Average equity [(D)] | $ 26,255 | $ 25,307 | $ 24,526 | $ 23,681 | $ 26,518 |
| Return on average assets (ROA) | 1.42% | 1.66% | 1.63% | 1.39% | 0.95% |
| Return on average equity (ROE) [(D)] | 10.68% | 12.93% | 13.24% | 12.16% | 6.09% |
| Return on average tangible common equity [(C)] | 22.90% | 28.95% | 30.97% | 29.98% | 13.02% |
| **Reported Balance Sheet Statistics (Period End)** | | | | | |
| Loans held for investment | $ 125,947 | $ 126,334 | $ 127,140 | $ 130,115 | $ 90,619 |
| Total assets [(D)] | $ 197,503 | $ 196,933 | $ 197,485 | $ 200,691 | $ 169,646 |
| Interest-bearing deposits | $ 107,162 | $ 104,741 | $ 103,172 | $ 104,013 | $ 102,370 |
| Total deposits | $ 122,210 | $ 119,212 | $ 117,331 | $ 117,787 | $ 115,809 |
| Tangible assets[(D) (E)] | $ 183,158 | $ 182,904 | $ 183,474 | $ 186,647 | $ 155,516 |
| Tangible common equity (TCE) [(D) (F)] | $ 12,558 | $ 12,037 | $ 11,259 | $ 10,330 | $ 12,483 |
| Tier 1 risk-based capital ratio [(6)] | 11.64% | 11.13% | 9.93% | 9.57% | 13.75% |
| Tangible common equity (TCE) ratio [(D) (G)] | 6.86% | 6.58% | 6.14% | 5.53% | 8.03% |
| Tier 1 common equity ratio [(7)] | 8.78% | 8.21% | 7.00% | 6.54% | 10.62% |
| **Performance Statistics (Reported)** | | | | | |
| Net interest income growth (quarter over quarter) [(8)] | (3)% | 0% | (4)% | 65% | (3)% [(5)] |
| Non-interest income growth (quarter over quarter) [(8)] | 4% | 12% | (24)% | (25)% | (9)% [(5)] |
| Revenue growth (quarter over quarter) [(8)] | (1)% | 3% | (9)% | 27% | (5)% [(5)] |
| Net interest margin | 6.95% | 7.21% | 7.09% | 7.10% | 5.44% |
| Revenue margin | 9.11% | 9.31% | 8.94% | 9.43% | 9.37% |
| Risk-adjusted margin [(H)] | 5.90% | 5.78 | 5.01% | 4.99% | 6.07% |
| Non-interest expense as a % of average loans held for investment (annualized) | 6.67% | 6.32% | 6.24% | 5.50% | 8.23% |
| Efficiency ratio [(I)] | 52.78% | 49.70% | 51.23% | 43.06% | 56.92% |
| Effective income tax rate | 32.1% | 29.1% | 31.2% | 25.3% | 29.6% |
| Full-time equivalent employees (in thousands) | 25.7 | 25.7 | 25.7 | 25.9 | 25.9 |
| **Credit Quality Statistics (Reported) [(9)]** | | | | | |
| Allowance for loan and lease losses | $ 5,628 | $ 6,175 | $ 6,799 | $ 7,752 | $ 4,127 |
| Allowance as a % of reported loans held for investment | 4.47% | 4.89% | 5.35% | 5.96% | 4.55% |
| Net charge-offs | $ 1,394 | $ 1,522 | $ 1,717 | $ 2,018 | $ 1,185 |
| Net charge-off rate | 4.45% | 4.82% | 5.36% | 6.02% | 5.00% |
| 30+ day performing delinquency rate | 3.60% | 3.71% | 3.81% | 4.22% | 4.13% |

* Effective January 1, 2010, Capital One prospectively adopted two new accounting standards that resulted in the consolidation of the majority of the Company's credit card securitization trusts. The adoption of these new accounting standards resulted in the addition of approximately $41.9 billion of assets, consisting primarily of credit card loan receivables, and a reduction of $2.9 billion in stockholders' equity as of January 1, 2010. As the new accounting standards were adopted prospectively, prior period results have not been adjusted. See "Table 4: Impact from Adoption of New Consolidation Accounting Guidance January 1, 2010." While the adoption of these new accounting standards had a significant

impact on the comparability of the Company's GAAP financial results prior to and subsequent to adoption, the Company's reported GAAP resul ts after adoption are now comparable to the prior "managed" results.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 2: Financial & Statistical Summary—Managed Basis***

| *(dollars in millions, except per share data and as noted) (unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| **Earnings** | | | | | |
| Net interest income | $ 3,023 | $ 3,109 | $ 3,097 | $ 3,228 | $ 3,170 |
| Non-interest income [(1)(2)] | 939 | 907 | 807 | 1,061(10) | 1,199 |
| Total revenue [(3)] | $ 3,962 | $ 4,016 | $ 3,904 | $ 4,289 | $ 4,369 |
| Provision for loan and lease losses | 839 | 867 | 723 | 1,478 | 1,847 |
| Marketing expenses | 308 | 250 | 219 | 180 | 188 |
| Restructuring expenses [(4)] | - | - | - | - | 32 |
| Operating expenses [(5)] | 1,783 | 1,746 | 1,781 | 1,667 | 1,728 |
| Income from continuing operations before income taxes | $ 1,032 | $ 1,153 | $ 1,181 | $ 964 | $ 574 |
| Income tax provision | 331 | 335 | 369 | 244 | 170 |
| Income from continuing operations, net of tax | $ 701 | $ 818 | $ 812 | $ 720 | $ 404 |
| Loss from discontinued operations, net of tax [(2)] | $ (4) | $ (15) | $ (204) | $ (84) | $ (28) |
| Net income | $ 697 | $ 803 | $ 608 | $ 636 | $ 376 |
| Net income available to common shareholders | $ 697 | $ 803 | $ 608 | $ 636 | $ 376 |
| **Common Share Statistics** | | | | | |
| Basic EPS: [(A)] | | | | | |
| Income from continuing operations | $ 1.55 | $ 1.81 | $ 1.79 | $ 1.59 | $ 0.90 |
| Loss from discontinued operations | (0.01) | (0.03) | (0.45) | (0.18) | (0.07) |
| Net income per basic common share | $ 1.54 | $ 1.78 | $ 1.34 | $ 1.41 | $ 0.83 |
| Diluted EPS:[(A)] | | | | | |
| Income from continuing operations | $ 1.53 | $ 1.79 | $ 1.78 | $ 1.58 | $ 0.89 |
| Loss from discontinued operations | (0.01) | (0.03) | (0.45) | (0.18) | (0.06) |
| Net income per diluted common share | $ 1.52 | $ 1.76 | $ 1.33 | $ 1.40 | $ 0.83 |
| Weighted average common shares outstanding: | | | | | |
| Basic EPS | 452.7 | 452.5 | 452.1 | 451.0 | 450.0 |
| Diluted EPS | 457.2 | 456.6 | 456.4 | 455.4 | 454.9 |
| Common shares outstanding (period end) | 452.8 | 452.6 | 452.3 | 451.9 | 450.4 |
| Dividends per common share | $ 0.05 | $ 0.05 | $ 0.05 | $ 0.05 | $ 0.05 |
| Tangible book value per common share (period end) [(B)] | $ 27.73 | $ 26.60 | $ 24.89 | $ 22.86 | $ 27.72 |
| Stock price per common share (period end) | $ 42.56 | $ 39.55 | $ 40.30 | $ 41.41 | $ 38.34 |
| Total market capitalization (period end) | $ 19,271 | $ 17,900 | $ 18,228 | $ 18,713 | $ 17,268 |
| **Managed Balance Sheet Statistics (Quarterly Averages)** | | | | | |
| Average loans held for investment | $ 125,441 | $ 126,391 | $ 128,335 | $ 134,379 | $ 138,184 |
| Average interest-earning assets | $ 173,991 | $ 172,557 | $ 174,782 | $ 182,054 | $ 183,899 |
| Total average assets | $ 197,597 | $ 196,598 | $ 199,329 | $ 207,207 | $ 210,425 |
| Average interest-bearing deposits | $ 106,597 | $ 104,186 | $ 104,163 | $ 104,018 | $ 101,144 |
| Total average deposits | $ 121,736 | $ 118,255 | $ 118,484 | $ 117,530 | $ 114,598 |
| Average equity [(D)] | $ 26,255 | $ 25,307 | $ 24,526 | $ 23,681 | $ 26,518 |
| Return on average assets (ROA) | 1.42% | 1.66% | 1.63% | 1.39% | 0.77% |
| Return on average equity (ROE) [(D)] | 10.68% | 12.93% | 13.24% | 12.16% | 6.09% |
| Return on average tangible common equity [(C)] | 22.90% | 28.95% | 30.97% | 29.98% | 13.02% |
| **Managed Balance Sheet Statistics (Period End)** | | | | | |
| Loans held for investment | $ 125,947 | $ 126,334 | $ 127,255 | $ 130,265 | $ 136,803 |
| Total assets [(D)] | $ 197,503 | $ 196,933 | $ 197,485 | $ 200,691 | $ 212,389 |
| Interest-bearing deposits | $ 107,162 | $ 104,741 | $ 103,172 | $ 104,013 | $ 102,370 |
| Total deposits | $ 122,210 | $ 119,212 | $ 117,331 | $ 117,787 | $ 115,809 |
| Tangible assets[(D) (E)] | $ 183,158 | $ 182,904 | $ 183,474 | $ 186,647 | $ 198,283 |
| Tangible common equity (TCE) [(D) (F)] | $ 12,558 | $ 12,037 | $ 11,259 | $ 10,330 | $ 12,483 |
| Tangible common equity (TCE) ratio [(D) (G)] | 6.86% | 6.58% | 6.14% | 5.53% | 6.30% |
| **Performance Statistics (Managed)** | | | | | |
| Net interest income growth (quarter over quarter) [(8)] | (3)% | 0% | (4)% | 2% | (1)% [(5)] |
| Non-interest income growth (quarter over quarter) [(8)] | 4% | 12% | (24)% | (12)% | (13)% [(5)] |
| Revenue growth (quarter over quarter) [(8)] | (1)% | 3% | (9)% | (2)% | (5)% [(5)] |
| Net interest margin | 6.95% | 7.21% | 7.09% | 7.09% | 6.90% |
| Revenue margin | 9.11% | 9.31% | 8.93% | 9.42% | 9.50% |
| Risk-adjusted margin [(H)] | 5.90% | 5.78% | 5.01% | 4.99% | 4.74% |
| Non-interest expense as a % of average loans held for investment (annualized) | 6.67% | 6.32% | 6.23% | 5.50% | 5.64% |
| Efficiency ratio [(I)] | 52.78% | 49.70% | 51.23% | 43.06% | 43.85% |
| Effective income tax rate | 32.1% | 29.1% | 31.2% | 25.3% | 29.6% |
| Full-time equivalent employees (in thousands) | 25.7 | 25.7 | 25.7 | 25.9 | 25.9 |
| **Credit Quality Statistics (Managed)** [(9)] | | | | | |
| Net charge-offs | $ 1,394 | $ 1,522 | $ 1,717 | $ 2,018 | $ 2,188 |
| Net charge-off rate | 4.45% | 4.82% | 5.35% | 6.01% | 6.33% |
| 30+ day performing delinquency rate | 3.60% | 3.71% | 3.81% | 4.22% | 4.73% |

*Prior to the January 1, 2010 adoption of the new consolidation accounting standards, management evaluated the Company and each of its lines of business results on a "managed" basis, which is a non-GAAP measure. With the adoption of the new consolidation accounting standards, the Company's reported results are comparable to the "managed" basis, which reflect the consolidation of the majority of the Company's credit card securitization trusts. The accompanying "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" presents a reconciliation of the Company's non-GAAP "managed" results to its reported GAAP results for periods prior to January 1, 2010. See the accompanying schedule "Table 4: Impact from Adoption of New Consolidation Accounting Guidance January 1, 2010" for additional information on the impact from the new accounting standards.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 3: Notes to Financial & Statistical Summaries (Tables 1 and 2)**

(1) Includes the impact from the change in fair value of retained interests, including the interest-only strips, which totaled $8 million in Q4 2010, $6 million in Q3 2010, $17 million in Q2 2010, $(36) million in Q1 2010 and $55 million in Q4 2009.

(2) The Company's mortgage representation and warranty reserve decreased to $816 million as of December 31, 2010, from $836 million as of September 30, 2010. The decrease in the reserve reflected a negative provision for repurchase losses of $(7) million in Q4 2010, compared with a provision for repurchase losses of $16 million, $404 million, $224 million and $47 million in Q3 2010, Q2 2010, Q1 2010 and Q4 2009, respectively. The majority of the provision for repurchase losses is recorded in discontinued operations, with the remaining portion recorded in non-interest income.

(3) In accordance with the Company's finance charge and fee revenue recognition policy, amounts billed but not included in revenue totaled: $144 million in Q4 2010, $190 million in Q3 2010, $261 million in Q2 2010, $354 million in Q1 2010 and $490 million in Q4 2009.

(4) In 2009, the Company completed its restructuring initiative that was initiated in 2007.

(5) Includes core deposit intangible amortization expense of $51 million in Q4 2010, $50 million in Q3 2010, $50 million in Q2 2010, $52 million in Q1 2010 and $54 million in Q4 2009 and integration costs of $15 million in Q4 2010, $27 million in Q3 2010, $22 million in Q2 2010, $17 million in Q1 2010 and $22 million in Q4 2009.

(6) Tier 1 risk-based capital ratio is a regulatory measure calculated based on Tier 1 capital divided by risk-weighted assets. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.

(7) Tier 1 common equity ratio is a non-GAAP measure calculated based on Tier 1 common equity divided by risk-weighted assets. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.

(8) Prior period amounts have been reclassified to conform with the current period presentation and adjusted to reflect purchase accounting refinements related to the acquisition of Chevy Chase Bank, FSB ("CCB").

(9) The credit quality statistics excluding the impact of loans acquired from Chevy Chase Bank (CCB) are as follows.

| *(dollars in millions) (unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| CCB period end acquired loan portfolio | $ 5,532 | $ 5,891 | $ 6,381 | $ 6,799 | $ 7,251 |
| CCB average acquired loan portfolio | $ 5,633 | $ 6,014 | $ 6,541 | $ 7,037 | $ 7,512 |
| Allowance as a % of loans held for investment, excluding CCB | 4.67% | 5.12% | 5.63% | 6.29% | 4.95% |
| Net charge-off rate (Reported), excluding CCB | 4.65% | 5.06% | 5.64% | 6.35% | 5.44% |
| Net charge-off rate (Managed), excluding CCB | 4.65% | 5.06% | 5.64% | 6.35% | 6.70% |
| 30+ day performing delinquency rate (Reported), excluding CCB | 3.76% | 3.89% | 4.01% | 4.46% | 4.49% |
| 30+ day performing delinquency rate (Managed), excluding CCB | 3.76% | 3.89% | 4.01% | 4.46% | 4.99% |

(10) During Q1 2010, certain mortgage trusts were deconsolidated based on the sale of interest-only bonds associated with the trusts. The net effect of the deconsolidation resulted in $128 million of income which is included in non-interest income.

**Statistical/Metric Calculations**

(A) Calculated based on net income (loss) available to common shareholders.

(B) Calculated based on tangible common equity divided by common shares outstanding, which is a non-GAAP measure. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.

(C) Calculated based on income from continuing operations divided by average tangible common equity, which is a non-GAAP measure. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.

(D) Calculated based on continuing operations, except for average equity and return on average equity (ROE), which are based on average stockholders' equity.

(E) Non-GAAP measure consisting of reported or managed assets less intangible assets. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.

(F) See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.

(G) Tangible common equity ratio ("TCE ratio") is a non-GAAP measure calculated based on tangible common equity divided by tangible assets. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.

(H) Calculated based on total revenue less net charge-offs divided by average earning assets.

(I) Calculated based on non-interest expense less restructuring expense divided by total revenue.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 4: Impact from Adoption of New Consolidation Accounting Guidance January 1, 2010**

**Consolidation Impact**

| *(dollars in millions)(unaudited)* | January 1, 2010 | Consolidation Impact | December 31, 2009 |
|---|---|---|---|
| **Assets:** | | | |
| Cash and due from banks | $ 12,683 | $ 3,998 | $ 8,685 |
| Loans held for investment | 138,184 | 47,565 | 90,619 |
| Allowance for loan and lease losses | (8,391) | (4,264) (2) | (4,127) |
| Net loans held for investment | 129,793 | 43,301 | 86,492 |
| Accounts receivable from securitizations | 166 | (7,463) | 7,629 |
| Other assets | 68,869 (1) | 2,029 | 66,840 |
| Total assets | $ 211,511 | $ 41,865 | $ 169,646 |
| **Liabilities:** | | | |
| Securitized debt | 48,300 | 44,346 | 3,954 |
| Other liabilities | 139,561 | 458 | 139,103 |
| Total liabilities | 187,861 | 44,804 | 143,057 |
| **Stockholders' equity** | 23,650 | (2,939) (2) | 26,589 |
| Total liabilities and stockholders' equity | $ 211,511 | $ 41,865 | $ 169,646 |

**Allocation of the Allowance by Segment**

| *(dollars in millions)(unaudited)* | January 1, 2010 | Consolidation Impact | December 31, 2009 |
|---|---|---|---|
| **Credit card:** | | | |
| Domestic credit card | $ 5,590 | $ 3,663 (2) | $ 1,927 |
| International credit card | 727 | 528 | 199 |
| Total credit card | 6,317 | 4,191 | 2,126 |
| **Consumer banking:** | | | |
| Automobile | 665 | - | 665 |
| Home loan (includes all new CCB originations) | 248 | 73 (3) | 175 |
| Other retail | 236 | - | 236 |
| Total consumer banking | 1,149 | 73 | 1,076 |
| **Commercial banking:** | | | |
| Commercial and multi-family real estate | 471 | - | 471 |
| Middle market | 131 | - | 131 |
| Specialty lending | 90 | - | 90 |
| Total commercial lending | 692 | - | 692 |
| Small-ticket commercial real estate | 93 | - | 93 |
| Total commercial banking | 785 | - | 785 |
| Other | 140 | - | 140 |
| Total company | $ 8,391 | $ 4,264 | $ 4,127 |

(1) Other assets includes a deferred tax asset of $3.9 billion as of January 1, 2010. Of this amount, $1.6 billion relates to the impact from the January 1, 2010 adoption of the new consolidation accounting standards.

(2) In the second quarter of 2010, an adjustment was made to reduce retained earnings and the allowance for loan and lease losses by $34 million. These adjustments, which related to the impairment of consolidated loans accounted for as troubled debt restructurings, are not reflected in the above table.

(3) $73 million of the reduction in the allowance in the first quarter of 2010 was related to the deconsolidation of certain mortgage trusts. The offset to the reduction in the allowance was recorded in non-interest income.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 5: Consolidated Statements of Income**

| *(dollars in millions, except per share data) (unaudited)* | Three Months Ended December 31, 2010 | Three Months Ended September 30, 2010 | Three Months Ended December 31, 2009 (1) | Year Ended December 31, 2010 | Year Ended December 31, 2009 (1) |
|---|---|---|---|---|---|
| **Interest income:** | | | | | |
| Loans held for investment, including past-due fees | $ 3,352 | $ 3,447 | $ 2,108 | $ 13,934 | $ 8,757 |
| Investment securities | 305 | 347 | 404 | 1,342 | 1,610 |
| Other | 17 | 21 | 83 | 77 | 297 |
| Total interest income | 3,674 | 3,815 | 2,595 | 15,353 | 10,664 |
| **Interest expense:** | | | | | |
| Deposits | 340 | 358 | 427 | 1,465 | 2,093 |
| Securitized debt | 165 | 191 | 54 | 809 | 282 |
| Senior and subordinated notes | 65 | 72 | 71 | 276 | 260 |
| Other borrowings | 81 | 85 | 89 | 346 | 332 |
| Total interest expense | 651 | 706 | 641 | 2,896 | 2,967 |
| **Net interest income** | 3,023 | 3,109 | 1,954 | 12,457 | 7,697 |
| Provision for loan and lease losses | 839 | 867 | 844 | 3,907 | 4,230 |
| Net interest income after provision for loan and lease losses | 2,184 | 2,242 | 1,110 | 8,550 | 3,467 |
| **Non-interest income:** | | | | | |
| Servicing and securitizations | 12 | 13 | 743 | 7 | 2,280 |
| Service charges and other customer-related fees | 496 | 496 | 503 | 2,073 | 1,997 |
| Interchange | 350 | 346 | 112 | 1,340 | 502 |
| Net other-than-temporary impairment losses recognized in earnings | (3) | (5) | (10) | (62) | (32) |
| Other | 84 | 57 | 64 | 356 | 539 |
| Total non-interest income | 939 | 907 | 1,412 | 3,714 | 5,286 |
| **Non-interest expense:** | | | | | |
| Salaries and associate benefits | 657 | 641 | 641 | 2,594 | 2,478 |
| Marketing | 308 | 250 | 188 | 958 | 588 |
| Communications and data processing | 182 | 178 | 171 | 693 | 740 |
| Supplies and equipment | 139 | 129 | 130 | 520 | 500 |
| Occupancy | 114 | 135 | 122 | 486 | 451 |
| Restructuring expense (2) | - | - | 32 | - | 119 |
| Other | 691 | 663 | 664 | 2,683 | 2,541 |
| Total non-interest expense | 2,091 | 1,996 | 1,948 | 7,934 | 7,417 |
| Income from continuing operations before income taxes | 1,032 | 1,153 | 574 | 4,330 | 1,336 |
| Income tax provision | 331 | 335 | 170 | 1,280 | 349 |
| Income from continuing operations, net of tax | 701 | 818 | 404 | 3,050 | 987 |
| Loss from discontinued operations, net of tax | (4) | (15) | (28) | (307) | (103) |
| Net income | $ 697 | $ 803 | $ 376 | $ 2,743 | $ 884 |
| Preferred stock dividends | - | - | - | - | (564) |
| Net income available to common shareholders | $ 697 | $ 803 | $ 376 | $ 2,743 | $ 320 |
| **Basic earnings per common share:** | | | | | |
| Income from continuing operations | $ 1.55 | $ 1.81 | $ 0.90 | $ 6.74 | $ 0.99 |
| Loss from discontinued operations | (0.01) | (0.03) | (0.07) | (0.67) | (0.24) |
| Net income per common share | $ 1.54 | $ 1.78 | $ 0.83 | $ 6.07 | $ 0.75 |
| **Diluted earnings per common share:** | | | | | |
| Income from continuing operations | $ 1.53 | $ 1.79 | $ 0.89 | $ 6.68 | $ 0.98 |
| Loss from discontinued operations | (0.01) | (0.03) | (0.06) | (0.67) | (0.24) |
| Net income per common share | $ 1.52 | $ 1.76 | $ 0.83 | $ 6.01 | $ 0.74 |
| **Weighted average common shares outstanding (in millions):** | | | | | |
| Basic EPS | 452.7 | 452.5 | 450.0 | 452.1 | 428.1 |
| Diluted EPS | 457.2 | 456.6 | 454.9 | 456.4 | 431.4 |
| Dividends per common share | $ 0.05 | $ 0.05 | $ 0.05 | $ 0.20 | $ 0.53 |

(1) Certain prior period amounts have been reclassified to conform to the current period presentation.

(2) In 2009, the Company completed its restructuring initiative that was initiated in 2007.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 6: Consolidated Balance Sheets**

| *(dollars in millions)(unaudited)* | December 31, 2010 | September 30, 2010 | December 31, 2009 (1) |
|---|---|---|---|
| **Assets:** | | | |
| Cash and due from banks | $ 2,067 | $ 2,015 | $ 3,100 |
| Interest-bearing deposits with banks | 2,776 | 2,391 | 5,043 |
| Federal funds sold and repurchase agreements | 406 | 536 | 542 |
| Cash and cash equivalents | 5,249 | 4,942 | 8,685 |
| Restricted cash for securitization investors | 1,602 | 2,686 | 501 |
| Investment in securities: | | | |
| Available for sale, at fair value | 41,537 | 39,926 | 38,830 |
| Held to maturity, at amortized cost | - | - | 80 |
| Total investment in securities | 41,537 | 39,926 | 38,910 |
| Loans held for investment: | | | |
| Unsecuritized loans held for investment, at amortized cost | 71,921 | 74,719 | 75,097 |
| Restricted loans for securitization investors | 54,026 | 51,615 | 15,522 |
| Total loans held for investment | 125,947 | 126,334 | 90,619 |
| Less: Allowance for loan and lease losses | (5,628) | (6,175) | (4,127) |
| Net loans held for investment | 120,319 | 120,159 | 86,492 |
| Loans held for sale, at lower-of-cost-or-fair-value | 228 | 197 | 268 |
| Accounts receivable from securitizations | 118 | 127 | 7,128 |
| Premises and equipment, net | 2,749 | 2,722 | 2,736 |
| Interest receivable | 1,070 | 1,025 | 936 |
| Goodwill | 13,591 | 13,593 | 13,596 |
| Other | 11,040 | 11,556 | 10,394 |
| Total assets | $ 197,503 | $ 196,933 | $ 169,646 |
| | | | |
| **Liabilities:** | | | |
| Interest payable | $ 488 | $ 464 | $ 509 |
| Customer deposits: | | | |
| Non-interest bearing deposits | 15,048 | 14,471 | 13,439 |
| Interest-bearing deposits | 107,162 | 104,741 | 102,370 |
| Total customer deposits | 122,210 | 119,212 | 115,809 |
| Securitized debt obligations | 26,915 | 29,504 | 3,954 |
| Other debt: | | | |
| Federal funds purchased and securities loaned or sold under agreements to repurchase | 1,517 | 947 | 1,140 |
| Senior and subordinated notes | 8,650 | 9,083 | 9,045 |
| Other borrowings | 4,714 | 4,799 | 6,875 |
| Total other debt | 14,881 | 14,829 | 17,060 |
| Other liabilities | 6,468 | 6,863 | 5,725 |
| Total liabilities | 170,962 | 170,872 | 143,057 |
| | | | |
| **Stockholders' equity:** | | | |
| Common stock | 5 | 5 | 5 |
| Paid-in capital, net | 19,084 | 19,059 | 18,955 |
| Retained earnings and accumulated other comprehensive income | 10,654 | 10,199 | 10,809 |
| Less: Treasury stock, at cost | (3,202) | (3,202) | (3,180) |
| Total stockholders' equity | 26,541 | 26,061 | 26,589 |
| Total liabilities and stockholders' equity | $ 197,503 | $ 196,933 | $ 169,646 |

(1) Certain prior period amounts have been reclassified to conform to the current period presentation.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 7: Average Balances, Net Interest Income and Net Interest Margin — Reported and Managed Basis[1]**

**Reported Basis**

| | Quarter Ended 12/31/10 | | | Quarter Ended 09/30/10 | | | Quarter Ended 12/31/09 [3] | | |
|---|---|---|---|---|---|---|---|---|---|
| *(dollars in millions)(unaudited)* | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate |
| **Interest-earning assets:** | | | | | | | | | |
| Loans held for investment | $ 125,441 | $ 3,352 | 10.69% | $ 126,307 | $ 3,447 | 10.92% | $ 94,732 | $ 2,108 | 8.90% |
| Investment securities [2] | 41,004 | 305 | 2.98% | 39,872 | 347 | 3.48% | 38,487 | 404 | 4.20% |
| Other | 7,546 | 17 | 0.90% | 6,294 | 21 | 1.33% | 10,444 | 83 | 3.18% |
| Total interest-earning assets | $ 173,991 | $ 3,674 | 8.45% | $ 172,473 | $ 3,815 | 8.85% | $ 143,663 | $ 2,595 | 7.23% |
| **Interest-bearing liabilities:** | | | | | | | | | |
| Interest-bearing deposits | | | | | | | | | |
| NOW accounts | $ 12,918 | $ 8 | 0.25% | $ 11,333 | $ 10 | 0.35% | $ 10,588 | $ 14 | 0.53% |
| Money market deposit accounts | 43,822 | 110 | 1.00% | 43,260 | 104 | 0.96% | 37,460 | 97 | 1.04% |
| Savings accounts | 25,121 | 54 | 0.86% | 22,572 | 49 | 0.87% | 15,416 | 35 | 0.91% |
| Other consumer time deposits | 16,941 | 112 | 2.64% | 18,726 | 133 | 2.84% | 27,273 | 201 | 2.95% |
| Public fund CD's of $100,000 or more | 204 | 1 | 1.96% | 220 | 1 | 1.82% | 754 | 2 | 1.06% |
| CD's of $100,000 or more | 6,696 | 54 | 3.23% | 7,256 | 59 | 3.25% | 8,634 | 77 | 3.57% |
| Foreign time deposits | 895 | 1 | 0.45% | 819 | 2 | 0.98% | 1,019 | 1 | 0.39% |
| Total interest-bearing deposits | $ 106,597 | $ 340 | 1.28% | $ 104,186 | $ 358 | 1.37% | $ 101,144 | $ 427 | 1.69% |
| Senior and subordinated notes | 8,096 | 65 | 3.21% | 8,677 | 72 | 3.32% | 8,759 | 71 | 3.24% |
| Other borrowings | 6,622 | 81 | 4.89% | 6,483 | 85 | 5.24% | 9,908 | 89 | 3.59% |
| Securitization debt obligations | 27,708 | 165 | 2.38% | 30,750 | 191 | 2.48% | 4,249 | 54 | 5.08% |
| Total interest-bearing liabilities | $ 149,023 | $ 651 | 1.75% | $ 150,096 | $ 706 | 1.88% | $ 124,060 | $ 641 | 2.07% |
| Net interest income/spread | | $ 3,023 | 6.70% | | $ 3,109 | 6.97% | | $ 1,954 | 5.16% |
| Interest income to average interest-earning assets | | | 8.45% | | | 8.85% | | | 7.23% |
| Interest expense to average interest-earning assets | | | 1.50% | | | 1.64% | | | 1.79% |
| Net interest margin | | | 6.95% | | | 7.21% | | | 5.44% |

**Managed Basis**

| | Quarter Ended 12/31/10 | | | Quarter Ended 09/30/10 | | | Quarter Ended 12/31/09 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate | Average Balance | Interest Income/ Expense | Yield/ Rate |
| **Interest-earning assets:** | | | | | | | | | |
| Loans held for investment | $ 125,441 | $ 3,352 | 10.69% | $ 126,391 | $ 3,447 | 10.91% | $ 138,184 | $ 3,637 | 10.53% |
| Investment securities [2] | 41,004 | 305 | 2.98% | 39,872 | 347 | 3.48% | 38,487 | 404 | 4.20% |
| Other | 7,546 | 17 | 0.90% | 6,294 | 21 | 1.33% | 7,228 | 17 | 0.94% |
| Total interest-earning assets | $ 173,991 | $ 3,674 | 8.45% | $ 172,557 | $ 3,815 | 8.84% | $ 183,899 | $ 4,058 | 8.83% |
| **Interest-bearing liabilities:** | | | | | | | | | |
| Interest-bearing deposits | | | | | | | | | |
| NOW accounts | $ 12,918 | $ 8 | 0.25% | $ 11,333 | $ 10 | 0.35% | $ 10,588 | $ 14 | 0.53% |
| Money market deposit accounts | 43,822 | 110 | 1.00% | 43,260 | 104 | 0.96% | 37,460 | 97 | 1.04% |
| Savings accounts | 25,121 | 54 | 0.86% | 22,572 | 49 | 0.87% | 15,416 | 35 | 0.91% |
| Other consumer time deposits | 16,941 | 112 | 2.64% | 18,726 | 133 | 2.84% | 27,273 | 201 | 2.95% |
| Public fund CD's of $100,000 or more | 204 | 1 | 1.96% | 220 | 1 | 1.82% | 754 | 2 | 1.06% |
| CD's of $100,000 or more | 6,696 | 54 | 3.23% | 7,256 | 59 | 3.25% | 8,634 | 77 | 3.57% |
| Foreign time deposits | 895 | 1 | 0.45% | 819 | 2 | 0.98% | 1,019 | 1 | 0.39% |
| Total interest-bearing deposits | $ 106,597 | $ 340 | 1.28% | $ 104,186 | $ 358 | 1.37% | $ 101,144 | $ 427 | 1.69% |
| Senior and subordinated notes | 8,096 | 65 | 3.21% | 8,677 | 72 | 3.32% | 8,759 | 71 | 3.24% |
| Other borrowings | 6,622 | 81 | 4.89% | 6,483 | 85 | 5.24% | 9,908 | 89 | 3.59% |
| Securitization debt obligations | 27,708 | 165 | 2.38% | 30,750 | 191 | 2.48% | 44,837 | 301 | 2.69% |
| Total interest-bearing liabilities | $ 149,023 | $ 651 | 1.75% | $ 150,096 | $ 706 | 1.88% | $ 164,648 | $ 888 | 2.16% |
| Net interest income/spread | | $ 3,023 | 6.70% | | $ 3,109 | 6.96% | | $ 3,170 | 6.67% |
| Interest income to average interest-earning assets | | | 8.45% | | | 8.84% | | | 8.83% |
| Interest expense to average interest-earning assets | | | 1.50% | | | 1.64% | | | 1.93% |
| Net interest margin | | | 6.95% | | | 7.21% | | | 6.90% |

(1) Reflects amounts based on continuing operations.
(2) Consists of available-for-sale and held-to-maturity securities.
(3) Certain prior period amounts have been reclassified to conform to the current period presentation.

*Prior to the January 1, 2010 adoption of the new consolidation accounting standards, management evaluated the Company and each of its lines of business results on a "managed" basis, which is a non-GAAP measure. With the adoption of the new consolidation accounting standards, the Company's reported results are comparable to the "managed" basis, which reflect the consolidation of the majority of the Company's credit card securitization trusts. The accompanying "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" presents a reconciliation of the Company's non-GAAP "managed" results to its reported GAAP results for periods prior to January 1, 2010. See the accompanying schedule "Table 4: Impact from Adoption of New Consolidation Accounting Guidance January 1, 2010" for additional information on the impact from the new accounting standards.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 8: Lending Information and Statistics[1]**

| *(dollars in millions)(unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| **Period-end loans held for investment** | | | | | |
| Credit card: | | | | | |
| Domestic credit card | $ 53,849 | $ 53,839 | $ 54,628 | $ 56,228 | $ 60,300 |
| International credit card | 7,522 | 7,487 | 7,269 | 7,578 | 8,224 |
| Total credit card | 61,371 | 61,326 | 61,897 | 63,806 | 68,524 |
| Consumer banking: | | | | | |
| Automobile | 17,867 | 17,643 | 17,221 | 17,446 | 18,186 |
| Home loan | 12,103 | 12,763 | 13,322 | 13,967 | 14,893 |
| Retail banking | 4,413 | 4,591 | 4,770 | 4,970 | 5,135 |
| Total consumer banking | 34,383 | 34,997 | 35,313 | 36,383 | 38,214 |
| Commercial banking: | | | | | |
| Commercial and multifamily real estate | 13,396 | 13,383 | 13,580 | 13,618 | 13,843 |
| Middle market | 10,484 | 10,456 | 10,203 | 10,310 | 10,062 |
| Specialty lending | 4,020 | 3,813 | 3,815 | 3,619 | 3,555 |
| Total commercial lending | 27,900 | 27,652 | 27,598 | 27,547 | 27,460 |
| Small-ticket commercial real estate | 1,842 | 1,890 | 1,977 | 2,065 | 2,153[7] |
| Total commercial banking | 29,742 | 29,542 | 29,575 | 29,612 | 29,613 |
| Other loans [2] | 451 | 469 | 470 | 464 | 452 |
| Total | $ 125,947 | $ 126,334 | $ 127,255 | $ 130,265 | $ 136,803 |
| **Average loans held for investment** | | | | | |
| Credit card: | | | | | |
| Domestic credit card | $ 53,189 | $ 54,049 | $ 55,252 | $ 58,108 | $ 60,443 |
| International credit card | 7,419 | 7,342 | 7,427 | 7,814 | 8,300 |
| Total credit card | 60,608 | 61,391 | 62,679 | 65,922 | 68,743 |
| Consumer banking: | | | | | |
| Automobile | 17,763 | 17,397 | 17,276 | 17,769 | 18,768 |
| Home loan | 12,522 | 13,024 | 13,573 | 15,434 | 15,170 |
| Retail banking | 4,466 | 4,669 | 4,811 | 5,042 | 5,176 |
| Total consumer banking | 34,751 | 35,090 | 35,660 | 38,245 | 39,114 |
| Commercial banking: | | | | | |
| Commercial and multifamily real estate | 13,323 | 13,411 | 13,543 | 13,716 | 13,926 |
| Middle market | 10,460 | 10,352 | 10,276 | 10,324 | 10,052 |
| Specialty lending | 3,947 | 3,715 | 3,654 | 3,609 | 3,535 |
| Total commercial lending | 27,730 | 27,478 | 27,473 | 27,649 | 27,513 |
| Small-ticket commercial real estate | 1,887 | 1,957 | 2,060 | 2,074 | 2,354 |
| Total commercial banking | 29,617 | 29,435 | 29,533 | 29,723 | 29,867 |
| Other loans [2] | 465 | 475 | 463 | 489 | 460 |
| Total | $ 125,441 | $ 126,391 | $ 128,335 | $ 134,379 | $ 138,184 |
| **Net charge-off rates** | | | | | |
| Credit card: | | | | | |
| Domestic credit card | 7.28% | 8.23% | 9.49% | 10.48% | 9.59% |
| International credit card | 6.68% | 7.60% | 8.38% | 8.83% | 9.52% |
| Total credit card | 7.21% | 8.16% | 9.36% | 10.29% | 9.58% |
| Consumer banking: | | | | | |
| Automobile | 2.65% | 2.71% | 2.09% | 2.97% | 4.55% |
| Home loan[3] | 0.89% | 0.41% | 0.46% | 0.94% | 0.72% |
| Retail banking[3] | 2.40% | 2.20% | 2.11% | 2.11% | 2.93% |
| Total consumer banking[3] | 1.98% | 1.79% | 1.47% | 2.03% | 2.85% |
| Commercial banking: | | | | | |
| Commercial and multifamily real estate[3] | 1.15% | 1.78% | 1.17% | 1.45% | 3.02% |
| Middle market [3] | 0.94% | 0.43% | 0.78% | 0.82% | 0.75% |
| Specialty lending | 0.63% | 0.64% | 0.87% | 0.90% | 1.85% |
| Total commercial lending[3] | 1.00% | 1.11% | 0.98% | 1.14% | 2.04% |
| Small-ticket commercial real estate | 7.72% | 3.48% | 4.21% | 4.43% | 13.08%[7] |
| Total commercial banking[3] | 1.43% | 1.27% | 1.21% | 1.37% | 2.91% |
| Other loans | 21.11% | 17.63% | 27.95% | 18.82% | 28.25% |
| Total | 4.45% | 4.82% | 5.35% | 6.01% | 6.33% |
| **30+ day performing delinquency rates** | | | | | |
| Credit card: | | | | | |
| Domestic credit card | 4.09% | 4.53% | 4.79% | 5.30% | 5.78% |
| International credit card | 5.75% | 5.84% | 6.03% | 6.39% | 6.55% |
| Total credit card | 4.29% | 4.69% | 4.94% | 5.43% | 5.88% |
| Consumer banking: | | | | | |
| Automobile | 8.14% | 7.95% | 7.74% | 7.58% | 10.03% |

| | | | | | |
|---|---|---|---|---|---|
| Home loan(3) | 0.64% | 0.69% | 0.68% | 0.93% | 1.26% |
| Retail banking(3) | 0.93% | 1.08% | 0.87% | 1.02% | 1.23% |
| Total consumer banking(3) | 4.57% | 4.40% | 4.15% | 4.13% | 5.43% |
| **Nonperforming asset rates(5) (6)** | | | | | |
| Consumer banking: | | | | | |
| Automobile(4) | 0.64% | 0.60% | 0.56% | 0.55% | 0.92% |
| Home loan(3) | 4.25% | 4.09% | 3.78% | 3.17% | 2.24% |
| Retail banking(3) | 2.66% | 2.41% | 2.25% | 2.07% | 2.11% |
| Total consumer banking(3) | 2.17% | 2.11% | 2.00% | 1.76% | 1.60% |
| Commercial banking: | | | | | |
| Commercial and multifamily real estate(3) | 2.23% | 2.44% | 2.82% | 3.65% | 3.25% |
| Middle market (3) | 1.33% | 1.36% | 1.20% | 1.15% | 1.09% |
| Specialty lending | 1.30% | 1.75% | 1.94% | 2.18% | 2.25% |
| Total commercial lending(3) | 1.76% | 1.94% | 2.10% | 2.52% | 2.33% |
| Small-ticket commercial real estate | 2.38% | 2.04% | 3.57% | 4.18% | 4.87%(7) |
| Total commercial banking(3) | 1.80% | 1.94% | 2.20% | 2.64% | 2.52% |

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 9: Credit Card Segment Financial & Statistical Summary[1]**

| *(dollars in millions) (unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| **Credit Card** | | | | | |
| **Earnings:** | | | | | |
| Net interest income | $ 1,870 | $ 1,934 | $ 1,977 | $ 2,113 | $ 2,029 |
| Non-interest income | 672 | 671 | 659 | 718 | 897 |
| Total revenue | $ 2,542 | $ 2,605 | $ 2,636 | $ 2,831 | $ 2,926 |
| Provision for loan and lease losses | 589 | 660 | 765 | 1,175 | 1,204 |
| Non-interest expense | 1,056 | 978 | 1,002 | 914 | 943 |
| Income from continuing operations before taxes | 897 | 967 | 869 | 742 | 779 |
| Income tax provision | 311 | 336 | 301 | 253 | 269 |
| Income from continuing operations, net of tax | $ 586 | $ 631 | $ 568 | $ 489 | $ 510 |
| **Selected metrics:** | | | | | |
| Period end loans held for investment | $ 61,371 | $ 61,326 | $ 61,897 | $ 63,806 | $ 68,524 |
| Average loans held for investment | $ 60,608 | $ 61,391 | $ 62,679 | $ 65,922 | $ 68,743 |
| Loans held for investment yield | 13.97% | 14.27% | 14.24% | 14.88% | 14.21% |
| Revenue margin | 16.78% | 16.97% | 16.82% | 17.18% | 17.03% |
| Net charge-off rate | 7.21% | 8.16% | 9.36% | 10.29% | 9.58% |
| 30+ day performing delinquency rate | 4.29% | 4.69% | 4.94% | 5.43% | 5.88% |
| Purchase volume [8] | $ 29,379 | $ 27,039 | $ 26,570 | $ 23,924 | $ 26,866 |

| **Domestic Card** | | | | | |
|---|---|---|---|---|---|
| **Earnings:** | | | | | |
| Net interest income | $ 1,621 | $ 1,691 | $ 1,735 | $ 1,865 | $ 1,781 |
| Non-interest income | 594 | 575 | 560 | 618 | 794 |
| Total revenue | $ 2,215 | $ 2,266 | $ 2,295 | $ 2,483 | $ 2,575 |
| Provision for loan and lease losses | 505 | 577 | 675 | 1,096 | 1,033 |
| Non-interest expense | 935 | 844 | 869 | 809 | 833 |
| Income from continuing operations before taxes | 775 | 845 | 751 | 578 | 709 |
| Income tax provision | 276 | 301 | 268 | 206 | 248 |
| Income from continuing operations, net of tax | $ 499 | $ 544 | $ 483 | $ 372 | $ 461 |
| **Selected metrics:** | | | | | |
| Period end loans held for investment | $ 53,849 | $ 53,839 | $ 54,628 | $ 56,228 | $ 60,300 |
| Average loans held for investment | $ 53,189 | $ 54,049 | $ 55,252 | $ 58,108 | $ 60,443 |
| Loans held for investment yield | 13.57% | 13.95% | 13.98% | 14.78% | 14.08% |
| Revenue margin | 16.66% | 16.77% | 16.61% | 17.09% | 17.04% |
| Net charge-off rate | 7.28% | 8.23% | 9.49% | 10.48% | 9.59% |
| 30+ day performing delinquency rate | 4.09% | 4.53% | 4.79% | 5.30% | 5.78% |
| Purchase volume [8] | $ 26,985 | $ 24,858 | $ 24,513 | $ 21,988 | $ 24,593 |

| **International Card** | | | | | |
|---|---|---|---|---|---|
| **Earnings:** | | | | | |
| Net interest income | $ 249 | $ 243 | $ 242 | $ 248 | $ 248 |
| Non-interest income | 78 | 96 | 99 | 100 | 103 |
| Total revenue | $ 327 | $ 339 | $ 341 | $ 348 | $ 351 |
| Provision for loan and lease losses | 84 | 83 | 90 | 79 | 171 |
| Non-interest expense | 121 | 134 | 133 | 105 | 110 |
| Income from continuing operations before taxes | 122 | 122 | 118 | 164 | 70 |
| Income tax provision | 35 | 35 | 33 | 47 | 21 |
| Income from continuing operations, net of tax | $ 87 | $ 87 | $ 85 | $ 117 | $ 49 |
| **Selected metrics:** | | | | | |
| Period end loans held for investment | $ 7,522 | $ 7,487 | $ 7,269 | $ 7,578 | $ 8,224 |
| Average loans held for investment | $ 7,419 | $ 7,342 | $ 7,427 | $ 7,814 | $ 8,300 |
| Loans held for investment yield | 16.82% | 16.62% | 16.21% | 15.66% | 15.19% |
| Revenue margin | 17.63% | 18.47% | 18.37% | 17.81% | 16.90% |
| Net charge-off rate | 6.68% | 7.60% | 8.38% | 8.83% | 9.52% |
| 30+ day performing delinquency rate | 5.75% | 5.84% | 6.03% | 6.39% | 6.55% |
| Purchase volume [8] | $ 2,394 | $ 2,181 | $ 2,057 | $ 1,936 | $ 2,273 |

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 10: Consumer Banking Segment Financial & Statistical Summary[1]**

| *(dollars in millions) (unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| **Consumer Banking** | | | | | |
| **Earnings:** | | | | | |
| Net interest income | $ 950 | $ 946 | $ 935 | $ 896 | $ 833 |
| Non-interest income | 196 | 196 | 162 | 316 | 153 |
| Total revenue | $ 1,146 | $ 1,142 | $ 1,097 | $ 1,212 | $ 986 |
| Provision for loan and lease losses | 189 | 114 | (112) | 50 | 249 |
| Non-interest expense | 770 | 757 | 735 | 688 | 749 |
| Income from continuing operations before taxes | 187 | 271 | 474 | 474 | (12) |
| Income tax provision (benefit) | 67 | 96 | 169 | 169 | (4) |
| Income (loss) from continuing operations, net of tax | $ 120 | $ 175 | $ 305 | $ 305 | $ (8) |
| | | | | | |
| **Selected metrics:** | | | | | |
| Period end loans held for investment | $ 34,383 | $ 34,997 | $ 35,313 | $ 36,383 | $ 38,214 |
| Average loans held for investment | $ 34,751 | $ 35,090 | $ 35,660 | $ 38,245 | $ 39,114 |
| Loans held for investment yield | 9.20% | 9.28% | 8.99% | 8.96% | 8.83% |
| Auto loan originations | $ 2,217 | $ 2,439 | $ 1,765 | $ 1,343 | $ 1,018 |
| Period-end deposits | $ 82,959 | $ 79,506 | $ 77,407 | $ 76,883 | $ 74,145 |
| Average deposits | $ 81,834 | $ 78,224 | $ 77,082 | $ 75,115 | $ 72,976 |
| Deposit interest expense rate | 1.13% | 1.18% | 1.18% | 1.27% | 1.41% |
| Core deposit intangible amortization | $ 34 | $ 36 | $ 36 | $ 38 | $ 40 |
| Net charge-off rate [3] | 1.98% | 1.79% | 1.47% | 2.03% | 2.85% |
| Nonperforming loans as a percentage of loans held for investment [3][4] | 1.97% | 1.92% | 1.82% | 1.62% | 1.45% |
| Nonperforming asset rate [3] [4] | 2.17% | 2.11% | 2.00% | 1.76% | 1.60% |
| 30+ day performing delinquency rate [3] [4] | 4.57% | 4.40% | 4.15% | 4.13% | 5.43% |
| Period-end loans serviced for others | $ 20,689 | $ 20,298 | $ 21,425 | $ 26,778 | $ 30,283 |

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 11: Commercial Banking Segment Financial & Statistical Summary[1]**

| *(dollars in millions) (unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| **Commercial Banking** | | | | | |
| **Earnings:** | | | | | |
| Net interest income | $ 336 | $ 325 | $ 319 | $ 312 | $ 318 |
| Non-interest income | 49 | 30 | 60 | 42 | 38 |
| Total revenue | $ 385 | $ 355 | $ 379 | $ 354 | $ 356 |
| Provision for loan and lease losses | 34 | 95 | 62 | 238 | 368 |
| Non-interest expense | 207 | 199 | 198 | 192 | 197 |
| Income (loss) from continuing operations before taxes | 144 | 61 | 119 | (76) | (209) |
| Income tax provision (benefit) | 51 | 22 | 42 | (27) | (73) |
| Income (loss) from continuing operations, net of tax | $ 93 | $ 39 | $ 77 | $ (49) | $ (136) |
| | | | | | |
| **Selected metrics:** | | | | | |
| Period end loans held for investment | $ 29,742 | $ 29,542 | $ 29,575 | $ 29,612 | $ 29,613 |
| Average loans held for investment | $ 29,617 | $ 29,435 | $ 29,533 | $ 29,723 | $ 29,867 |
| Loans held for investment yield | 5.13% | 5.13% | 4.94% | 5.03% | 5.11% |
| Period end deposits | $ 22,630 | $ 22,100 | $ 21,527 | $ 21,605 | $ 20,480 |
| Average deposits | $ 22,808 | $ 21,899 | $ 22,171 | $ 21,859 | $ 19,420 |
| Deposit interest expense rate | 0.61% | 0.67% | 0.67% | 0.72% | 0.80% |
| Core deposit intangible amortization | $ 13 | $ 14 | $ 14 | $ 14 | $ 14 |
| Net charge-off rate [3] | 1.43% | 1.27% | 1.21% | 1.37% | 2.91% |
| Nonperforming loans as a percentage of loans held for investment [3] | 1.66% | 1.81% | 2.04% | 2.48% | 2.37% |
| Nonperforming asset rate [3] | 1.80% | 1.94% | 2.20% | 2.64% | 2.52% |

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 12: Other and Total Segment Financial & Statistical Summary[1]**

| *(dollars in millions) (unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| **Other** | | | | | |
| **Earnings:** | | | | | |
| Net interest income (expense) | $ (133) | $ (93) | $ (132) | $ (91) | $ (11) |
| Non-interest income (expense) | 22 | 7 | (74) | (14) | 111 |
| Total revenue | $ (111) | $ (86) | $ (206) | $ (105) | $ 100 |
| Provision for loan and lease losses | 27 | (2) | 10 | 18 | 24 |
| Restructuring expense [9] | - | - | - | - | 32 |
| Non-interest expense | 58 | 62 | 65 | 53 | 27 |
| Income (loss) from continuing operations before taxes | (196) | (146) | (281) | (176) | 17 |
| Income tax benefit | (98) | (119) | (143) | (151) | (21) |
| Income (loss) from continuing operations, net of tax | $ (98) | $ (27) | $ (138) | $ (25) | $ 38 |
| **Selected metrics:** | | | | | |
| Period end loans held for investment [2] | $ 451 | $ 469 | $ 470 | $ 464 | $ 452 |
| Average loans held for investment [2] | $ 465 | $ 475 | $ 463 | $ 489 | $ 460 |
| Period end deposits | $ 16,621 | $ 17,606 | $ 18,397 | $ 19,299 | $ 21,184 |
| Average deposits | $ 17,094 | $ 18,132 | $ 19,231 | $ 20,556 | $ 22,202 |
| **Total** | | | | | |
| **Earnings:** | | | | | |
| Net interest income | $ 3,023 | $ 3,112 | $ 3,099 | $ 3,230 | $ 3,169 |
| Non-interest income | 939 | 904 | 807 | 1,062 | 1,199 |
| Total revenue | $ 3,962 | $ 4,016 | $ 3,906 | $ 4,292 | $ 4,368 |
| Provision for loan and lease losses | 839 | 867 | 725 | 1,481 | 1,845 |
| Restructuring expense [9] | - | - | - | - | 32 |
| Non-interest expense | 2,091 | 1,996 | 2,000 | 1,847 | 1,916 |
| Income from continuing operations before taxes | 1,032 | 1,153 | 1,181 | 964 | 575 |
| Income tax provision | 331 | 335 | 369 | 244 | 171 |
| Income from continuing operations, net of tax | $ 701 | $ 818 | $ 812 | $ 720 | $ 404 |
| **Selected metrics:** | | | | | |
| Period end loans held for investment | $ 125,947 | $ 126,334 | $ 127,255 | $ 130,265 | $ 136,803 |
| Average loans held for investment | $ 125,441 | $ 126,391 | $ 128,335 | $ 134,379 | $ 138,184 |
| Period end deposits | $ 122,210 | $ 119,212 | $ 117,331 | $ 117,787 | $ 115,809 |
| Average deposits | $ 121,736 | $ 118,255 | $ 118,484 | $ 117,530 | $ 114,598 |

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 13: Notes to Loan and Segment Disclosures (Tables 8 — 12)**

(1) Prior to the January 1, 2010 adoption of the new consolidation accounting standards, management evaluated the financial performance of the Company and the results of each of its business segments on a non-GAAP "managed" basis. Our managed presentations assumed that our securitized loans had not been sold and that the earnings from securitized loans were classified in our results of operations in the same manner as the earnings on loans that we owned. The adoption of the new consolidation accounting standards resulted in the consolidation of the majority of the Company's credit card securitization trusts. As a result, the Company's reported and managed basis presentations are generally comparable for periods beginning after January 1, 2010, except for one securitization trust that remained unconsolidated during the first two quarters of 2010. The Company exercised its clean-up call o ption on this trust effective September 15, 2010, which resulted in the consolidation of $93 million of loans underlying this trust in the third quarter of 2010. The accompanying Exhibit "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" presents a reconciliation of the Company's non-GAAP "managed" results to its reported GAAP results.

(2) Other loans held for investment includes unamortized premiums and discounts on loans acquired as part of the North Fork and Hibernia acquisitions.

(3) The credit quality statistics excluding the impact of loans acquired from Chevy Chase Bank (CCB) are as follows.

| *(in millions) (unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| CCB period end acquired loan portfolio | $ 5,532 | $ 5,891 | $ 6,381 | $ 6,799 | $ 7,251 |
| CCB average acquired loan portfolio | $ 5,633 | $ 6,014 | $ 6,541 | $ 7,037 | $ 7,512 |
| **Net charge-off rates** | | | | | |
| Consumer banking: | | | | | |
| Home loan | 1.46% | 0.68% | 0.77% | 1.02% | 1.24% |
| Retail banking | 2.49% | 2.29% | 2.23% | 2.22% | 3.20% |
| Total consumer banking | 2.32% | 2.11% | 1.76% | 2.28% | 3.45% |
| Commercial banking: | | | | | |
| Commercial and multifamily real estate | 1.17% | 1.81% | 1.19% | 1.48% | 3.05% |
| Middle market | 0.97% | 0.44% | 0.82% | 0.87% | 0.75% |
| Total commercial lending | 1.02% | 1.14% | 1.01% | 1.48% | 2.05% |
| Total commercial banking | 1.45% | 1.30% | 1.24% | 1.41% | 2.93% |
| **30+ day performing delinquency rates** | | | | | |
| Consumer banking: | | | | | |
| Home loan | 1.06% | 1.16% | 1.14% | 1.58% | 2.18% |
| Retail banking | 0.97% | 1.12% | 0.91% | 1.07% | 1.30% |
| Total consumer banking | 5.35% | 5.19% | 4.93% | 4.95% | 6.56% |
| **Nonperforming asset rates** | | | | | |
| Consumer banking: | | | | | |
| Home loan | 7.05% | 6.83% | 6.30% | 5.36% | 3.88% |
| Retail banking | 2.77% | 2.51% | 2.37% | 2.17% | 2.23% |
| Total consumer banking | 2.54% | 2.49% | 2.38% | 2.11% | 1.93% |
| Commercial banking: | | | | | |
| Commercial and multifamily real estate | 2.28% | 2.47% | 2.90% | 3.71% | 3.34% |
| Middle market | 1.36% | 1.42% | 1.25% | 1.23% | 1.13% |
| Total commercial lending | 1.79% | 1.98% | 2.16% | 2.60% | 2.39% |
| Total commercial banking | 1.83% | 1.98% | 2.26% | 2.72% | 2.62% |
| **Nonperforming loans as a percentage of loans held for investment** | | | | | |
| Consumer banking | 2.30% | 2.26% | 2.16% | 1.93% | 1.75% |
| Commercial banking | 1.69% | 1.84% | 2.09% | 2.55% | 2.43% |

(4) Includes nonaccrual consumer auto loans 90+ days past due.

(5) Nonperforming assets consist of nonperforming loans and real estate owned ("REO") and foreclosed assets. The nonperforming asset ratios are calculated based on nonperforming assets for each segment divided by the combined total of loans held for investment, REO and foreclosed assets for each respective segment.

(6) As permitted by regulatory guidance, the Company's policy is not to classify delinquent credit card loans as nonperforming. Instead, we continue to accrue finance charges and fees on credit card loans until the loan is charged off, typically when the account becomes 180 days past due. Billed finance charges and fees considered uncollectible are not recognized in income.

(7) During Q4 2009, the Company reclassified small-ticket commercial real estate loans totaling $128 million to loans held for sale from loans held for investment and recognized charge-offs of $80 million.

(8) Includes credit card purchase transactions net of returns. Excludes cash advance transactions.

(9) In 2009, the Company completed its restructuring initiative that was initiated in 2007.

**FOR IMMEDIATE RELEASE: January 20, 2011**


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**Capital One Reports Fourth Quarter 2010 Net Income of $697 million, or $1.52 per share**

*Earnings for full year 2010 were $2.7 billion, or $6.01 per share*
*Compared to fourth quarter 2009, earnings were up $321 million, or 85 percent*

**Credit performance continues to improve**

Charge-offs improved by approximately 36 percent, or nearly $0.8 billion, from the fourth quarter of 2009
Charge-offs improved $128 million in the fourth quarter compared to the third quarter of 2010
Domestic Card charge-off rate improved 231 basis points relative to fourth quarter of 2009 to 7.28 percent

**Balance sheet remains strong**

Excluding run-off portfolios, loans grew $1 billion in the quarter
Strong deposit growth with disciplined pricing continued, with Commercial and Consumer Banking deposits up more than $10 billion, or 11.6 percent, in 2010
Tier 1 common equity ratio improved to 8.78 percent in the fourth quarter

**McLean, Va. (January 20, 2011) –** Capital One Financial Corporation (NYSE: COF) today announced net income for the fourth quarter of 2010 of $697 million, or $1.52 per common share, an increase of 85 percent compared to fourth quarter 2009 net income of $376 million, or $0.83 per share. For the full year of 2010, net income was $2.7 billion, or $6.01 per share, compared to net income of $320 million, or $0.74 per share for 2009 including the ($563.9) million, or ($1.31) per share, impact to net income from the repayment of the government's TARP preferred share investment in 2009.

"In the second half of 2010, improvements in our credit results outpaced the economic recovery, and we began to see some stabilization in loan volumes and early signs of a return to loan growth in 2011," said Richard D. Fairbank, Capital One's Chairman and Chief Executive Officer. "With high performing businesses, a well-recognized brand, and a strong balance sheet, we have emerged from the recession well-positioned to create shareholder value in 2011 and beyond."

**Total Company Results**

- Total revenue in the fourth quarter of 2010 of $4.0 billion decreased $54 million, or 1.3 percent, reflecting slightly lower average loans and the full quarter impact of implementing the CARD Act.
  - Net interest income decreased $86 million, and net interest margin declined to 6.95 percent from 7.21 percent.
  - Non-interest income increased $32 million in the fourth quarter relative to the prior quarter.
- Provision expense of $839 million in the fourth quarter decreased $28 million from the prior quarter driven by lower charge-offs which were partially offset by a smaller allowance release in the fourth quarter. Continued improvement in charge-offs and delinquency performance in the portfolio was the primary driver of the fourth quarter allowance release.
- The allowance as a percentage of loans was 4.47 percent at the end of the fourth quarter of 2010 compared with 4.89 percent at the end of the prior quarter.
- Charge-offs as a percentage of loans were 4.45 percent at the end of the fourth quarter of 2010 compared with 4.82 percent at the end of the prior quarter and 6.33 percent at the end of 2009.
- Ending managed loans held for investment declined $387 million, or 0.3 percent, in the fourth quarter to $125.9 billion at December 31, 2010.
  - Excluding the expected run-off in the company's Installment Loan portfolio in Domestic Card, Home Loan portfolio in Consumer Banking, and Small-Ticket CRE portfolio in Commercial Banking, loan balances grew approximately $1.0 billion in the fourth quarter of 2010.
- For the year 2010, ending managed loans declined by $10.9 billion, or 7.9 percent, with approximately $6.0 billion of that decline coming from the expected runoff of Home Loans, Installment Loans, and Small-Ticket CRE.
- Average total deposits increased $3.5 billion, or 2.9 percent, during the quarter to $121.7 billion. Period-end total deposits increased by $3.0 billion, or 2.5 percent, to $122.2 billion.

- The cost of funds decreased to 1.50 percent in the fourth quarter from 1.64 percent in the prior quarter, driven by the continuing replacement of higher cost wholesale funding with lower cost deposits.

- Non-interest expense of $2.0 billion in the fourth quarter of 2010 increased $95 million, or 4.8 percent, compared with the prior quarter, driven in large part by an increase in marketing expenses. Compared with the prior year, non-interest expenses increased $517 million, or 7.0 percent, driven primarily by a 63 percent increase in marketing relative to 2009.

- The company's Tier 1 common equity ratio of 8.78 percent increased 57 basis points relative to the ratio of 8.21 percent in the prior quarter.

"Loan balances are stabilizing, marketing and partnership opportunities are evident, and headwinds such as charge-offs and the runoff of portfolios continue to abate," said Gary L. Perlin, Capital One's Chief Financial Officer. "We also expect that our strong capital position and generation will enable us to deploy capital in the service of shareholders to generate attractive returns in 2011 and beyond."

**Segment Results**

The company reports the results of its business through three operating segments: Credit Card, Commercial Banking and Consumer Banking. Please refer to the Financial Supplement for additional details.

***Credit Card Highlights***

*For more lending information and statistics on the segment results, please refer to the Financial Supplement.*

- Period-end loans in the Domestic Card segment were $53.8 billion in the fourth quarter, flat with the prior quarter, as expected run-off from the Installment Loan portfolio offset seasonal growth. Excluding the run-off of the Installment Loans, loans grew $679 million compared to the third quarter of 2010.

- Fourth quarter Domestic Card purchase volumes increased $2.1 billion, or 8.6 percent, relative to the prior quarter, even as overall loan balances have declined.

- International credit card loans increased in the quarter by $35 million, or 0.47 percent, to $7.5 billion, due to seasonality.

- Domestic Card revenue margin declined 11 basis points to 16.66 percent in the fourth quarter from 16.77 percent in the prior quarter driven by a full quarter of lower late fees resulting from implementing the CARD Act.

- Domestic Card provision expense decreased $72 million in the fourth quarter relative to the prior quarter, driven by lower charge-offs.

- Net charge-off rates relative to the prior quarter:

  – Domestic Card – improved 95 basis points to 7.28 percent from 8.23 percent
  – International Card – improved 92 basis points 6.68 to percent from 7.60 percent

- Delinquency rates relative to the prior quarter:

  – Domestic Card – improved 44 basis points to 4.09 percent from 4.53 percent
  – International Card – improved 9 basis points to 5.75 percent from 5.84 percent

***Commercial Banking Highlights***

*For more lending information and statistics on the segment results, please refer to the Financial Supplement.*

The Commercial Banking segment consists of commercial and multi-family real-estate, middle market lending and specialty lending.

- Revenues increased $30 million, or 8.5 percent, in the fourth quarter due to modest loan growth with stable loan yields and an increase in non-interest income due to the absence of a third quarter loss from the sale of GreenPoint HFS loans.

- Provision expense decreased $61 million due to an allowance release in the fourth quarter.

- Average deposits grew $909 million, or 4.2 percent, to $22.8 billion. The deposit interest expense rate improved 6 basis points to 61 basis points.

- Charge-off rate relative to the prior quarter:

  – Total Commercial Banking – 1.43 percent, an increase of 16 basis points
  – Commercial lending – 1.00 percent, a decrease of 11 basis points

- Non-performing asset rate relative to the prior quarter:

  – Total Commercial Banking – 1.80 percent, a decline of 14 basis points
  – Commercial lending – 1.76 percent, a decline of 18 basis points

***Consumer Banking Highlights***

*For more lending information and statistics on the segment results, please refer to the Financial Supplement.*

- Revenues were stable in the fourth quarter at $1.1 billion, while non-interest expenses increased $13 million during the quarter, primarily due to higher marketing.

- Provision expense increased $75 million relative to the prior quarter as a result of increased charge-offs in the quarter and a modest increase in allowance in Home Loan.

- Net charge-off rates relative to the prior quarter:

  - Auto – 2.65 percent, a decrease of 6 basis points
  - Home Loan – 0.89 percent, an increase of 48 basis points
  - Retail banking – 2.40 percent, an increase of 20 basis points

- Period-end loans relative to the prior quarter:

  - Auto – modest growth of $224 million, or 1.3 percent, to $17.9 billion. Third and fourth quarter 2010 originations equate to an annual “run rate” of approximately $9 billion.
  - Home Loan – Home loans continued to reflect expected run-off in the portfolio with a decline of $660 million, or 5.2 percent, to $12.1 billion.
  - Retail banking – declined $178 million, or 3.9 percent, to $4.4 billion.

- Deposits in Consumer Banking showed strong growth in the quarter, with average deposits increasing $3.6 billion, or 4.6 percent, to $81.8 billion and ending the year at $83 billion.

Tier 1 common equity ratio and related ratios, as used throughout this release, are non-GAAP financial measures. For additional information, see Table 1 in the Financial Supplement.

**Forward looking statements**

The company cautions that its current expectations in this release dated January 20, 2011, and the company's plans, objectives, expectations, and intentions, are forward-looking statements. Actual results could differ materially from current expectations due to a number of factors, including: general economic conditions in the U.S., the UK, or the company's local markets, including conditions affecting consumer income, confidence, spending, and savings which may affect consumer bankruptcies, defaults, charge-offs, deposit activity, and interest rates; changes in the labor and employment market; changes in the credit environment; the company's ability to execute on its strategic and operational plans; competition from providers of products and services that compete with the company's businesses; increases or decrea ses in the company's aggregate accounts and balances, or the growth rate and/or composition thereof; changes in the reputation of or expectations regarding the financial services industry or the company with respect to practices, products, or financial condition; financial, legal, regulatory (including the impact of the Dodd-Frank Act and the regulations to be promulgated thereunder), tax or accounting changes or actions, including with respect to any litigation matter involving the company; and the success of the company's marketing efforts in attracting or retaining customers. A discussion of these and other factors can be found in the company's annual report and other reports filed with the Securities and Exchange Commission, including, but not limited to, the company's report on Form 10-K for the fiscal year ended December 31, 2009 and report on Form 10-Q for the quarters ended March 31, 2010, and June 30, 2010, and September 30, 2010.

***About Capital One***

Capital One Financial Corporation (www.capitalone.com) is a financial holding company whose subsidiaries, which include Capital One, N.A. and Capital One Bank (USA), N. A., had $122.2 billion in deposits and $197.5 billion in total assets outstanding as of December 31, 2010. Headquartered in McLean, Virginia, Capital One offers a broad spectrum of financial products and services to consumers, small businesses and commercial clients. Capital One, N.A. has approximately 1,000 branch locations primarily in New York, New Jersey, Texas, Louisiana, Maryland, Virginia and the District of Columbia. A Fortune 500 company, Capital One trades on the New York Stock Exchange under the symbol "COF" and is included in the S&P 100 index.

###

NOTE:
Fourth quarter 2010 financial results, SEC Filings, and earnings conference call slides are accessible on Capital One's home page (www.capitalone.com). Choose "Investors" on the bottom of the home page to view and download the earnings press release, slides and other financial information. Additionally, a podcast and webcast of the earnings conference call is accessible through the same link.

# Fourth Quarter 2010 Results

January 20, 2011

# Forward looking statements

Please note that the following materials containing information regarding Capital One's financial performance speak 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, 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, accruals for claims in litigation and for other claims against us, earnings per share or other financial measures for Capital One; future financial and operating results; and 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 our actual results to differ materially from those described in such forward-looking statements, including, among other things: general economic and business conditions in the U.S., the UK, or Capital One's local markets, including conditions affecting employment levels, interest rates, consumer income 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); financial, legal, regulatory (including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations to be promulgated thereunder), tax or accounting changes or actions, including with respect to any litigation matter involving Capital One; increases or decreases in interest rates; the success of Capital One's marketing efforts in attracting and retaining customers; the ability of Capital One to securitize our credit cards and consumer loans and to otherwise access the capital markets at attractive rates and terms to capitalize and fund its operations and future growth; with respect to financial and other products, increases or decreases in Capital One's aggregate loan balances and/or the number of customers and the growth rate and composition thereof, including increases or decreases resulting from factors such as a shifting product mix, the amount of actual marketing expenses made by Capital One and attrition of loan balances; the level of future repurchase or indemnification requests Capital One may receive, the actual future performance of loans relating to such requests, the success rates of claimants against Capital One, any developments in litigation, and the actual recoveries Capital One may make on any collateral relating to claims against us; the amount and rate of deposit growth; Capital One's ability to control costs; changes in the reputation of or expectations regarding the financial services industry and/or Capital One with respect to practices, products or financial condition; any significant disruption in Capital One's operations or technology platform; Capital One's ability to maintain a compliance infrastructure suitable for its size and complexity; the amount of, and rate of growth in, Capital One's expenses as Capital One's business develops or changes or as it expands into new market areas; Capital One's ability to execute on its strategic and operational plans; any significant disruption of, or loss of public confidence in, the United States Mail service affecting our response rates and consumer payments; Capital One's ability to recruit and retain experienced personnel to assist in the management and operations of new products and services; changes in the labor and employment markets; the risk that cost savings and any other synergies from acquisitions may not be fully realized or may take longer to realize than expected; disruptions from Capital One's acquisitions negatively impacting Capital One's ability to maintain relationships with customers, employees or suppliers; competition from providers of products and services that compete with Capital One's businesses; and other risk factors listed from time to time in reports that Capital One files with the Securities and Exchange Commission (the "SEC"), including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 2009. 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 Form 10-K concerning annual financial results and in our most recent Form 8-K filed January 20, 2011, available on Capital One's website at www.capitalone.com under "Investors".

# Fourth quarter 2010 earnings were $697MM or $1.52 per share, compared with $803MM, or $1.76 per share, in the third quarter

| $MM | Q410 | Q310 | Fav/(Unfav) ($) | Fav/(Unfav) (%) |
|---|---|---|---|---|
| Net Interest Income | 3,023 | 3,109 | (86) | (3) |
| Non-Interest Income | 939 | 907 | 32 | 4 |
| **Revenue** | **3,962** | **4,016** | **(54)** | **(1)** |
| Marketing Expense | 308 | 250 | (58) | (23) |
| Operating Expense | 1,783 | 1,746 | (37) | (2) |
| **Non-Interest Expense** | **2,091** | **1,996** | **95** | **5** |
| **Pre-Provision Earnings (before tax)** | **1,871** | **2,020** | **(149)** | **(7)** |
| Net Charge-offs | 1,394 | 1,522 | 128 | 8 |
| Other | (8) | (31) | (23) | (74) |
| Allowance Build (Release) | (547) | (624) | (77) | (12) |
| **Provision Expense** | **839** | **867** | **28** | **3** |
| **Pretax Income** | **1,032** | **1,153** | **(121)** | **(11)** |
| **Tax Expense** | **331** | **335** | **4** | **(1)** |
| **Operating Earnings (after tax)** | **701** | **818** | **(117)** | **(14)** |
| Discontinued Operations, net of tax | (4) | (15) | 11 | 73 |
| **Total Company (after tax)** | **697** | **803** | **(106)** | **(13)** |
| **EPS Available to Common Shareholders** | $1.52 | $1.76 | (0.24) | (14) |

# Full year 2010 earnings were $2,743MM, or $6.01 per share, compared with $884MM, or $0.74 per share in full year 2009

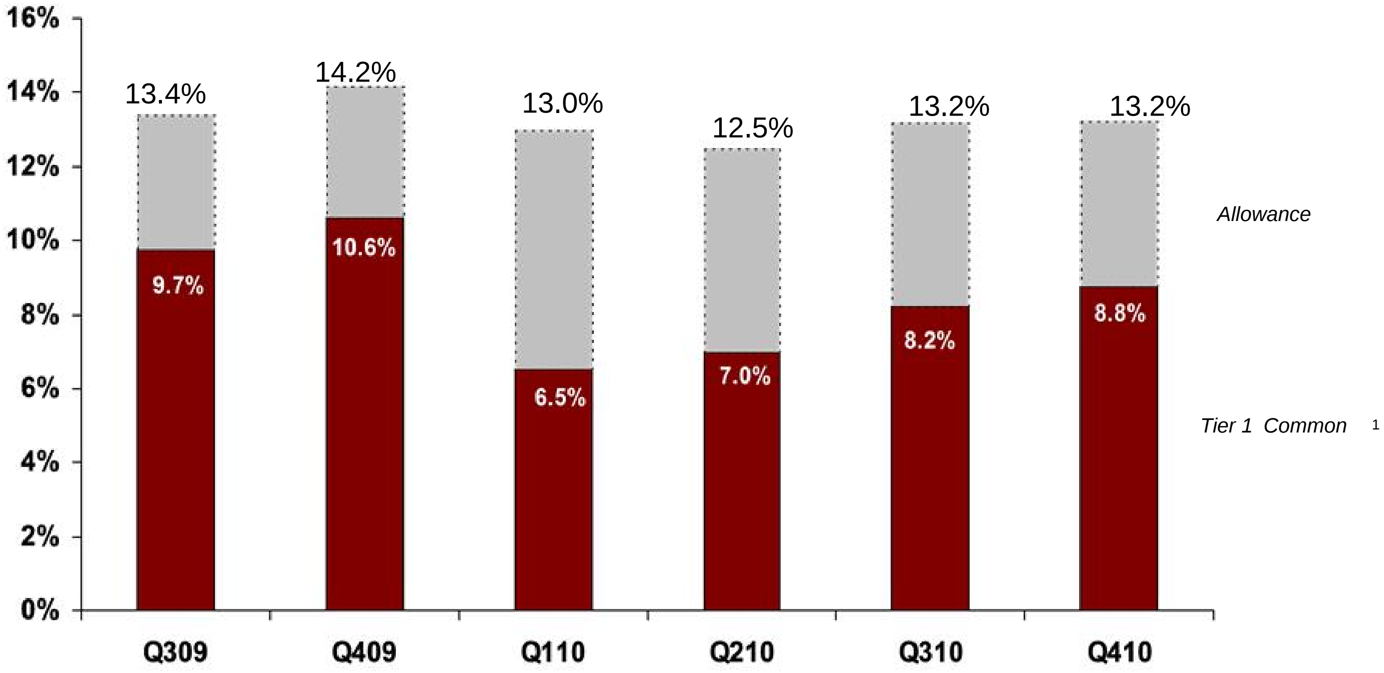
| $MM | 2010 | 2009 [1] | Fav/(Unfav) ($) | Fav/(Unfav) (%) |
|---|---|---|---|---|
| Net Interest Income | 12,457 | 12,089 | 368 | 3 |
| Non-Interest Income | 3,714 | 4,747 | (1,033) | (22) |
| **Revenue** | **16,171** | **16,836** | **(665)** | **(4)** |
| Marketing Expense | 958 | 588 | (370) | (63) |
| Operating Expense | 6,976 | 6,710 | (266) | (4) |
| Restructuring Expense | 0 | 119 | 119 | 100 |
| **Non-Interest Expense** | **7,934** | **7,417** | **(517)** | **(7)** |
| **Pre-Provision Earnings (before tax)** | **8,237** | **9,419** | **(1,182)** | **(13)** |
| Net Charge-offs | 6,651 | 8,421 | 1,770 | 21 |
| Other | 0 | 59 | 59 | 100 |
| Allowance Build (Release) | (2,744) | (397) | 2,347 | 591 |
| **Provision Expense** | **3,907** | **8,083** | **4,176** | **52** |
| **Pretax Income** | **4,330** | **1,336** | **2,994** | **224** |
| **Tax Expense** | **1,280** | **349** | **(931)** | **(267)** |
| **Operating Earnings (after tax)** | **3,050** | **987** | **2,063** | **209** |
| Discontinued Operations, net of tax | (307) | (103) | (204) | (198) |
| **Total Company (after tax)** | **2,743** | **884** | **1,859** | **210** |
| **EPS Available to Common Shareholders** | $6.01 | $0.74 [2] | $5.27 | 712 |
| **Average Loans Held For Investment** | 128,526 | 143,514 | (14,988) | (10) |
| **Revenue Margin** | 9.20% | 9.05% | 15 bps | 2 |
| **Net Interest Margin** | 7.09% | 6.50% | 59 bps | 9 |

*[1] 2009 amounts represent our managed results.*

*[2] Includes ($1.31) impact of dividend and repayment expense of the government's preferred share investment.*

# Our capacity to generate capital is strong

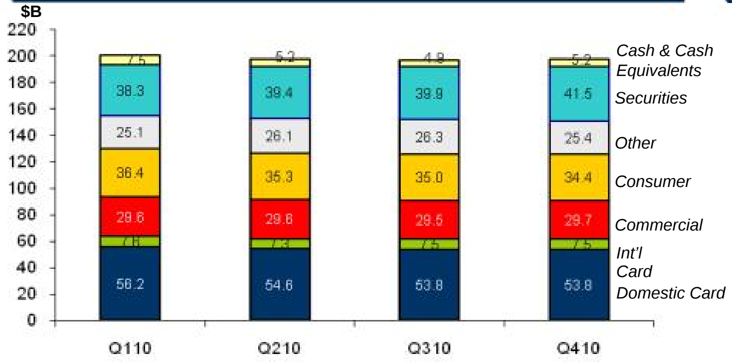
**Tier 1 Common Equity + Allowance Ratio to Risk-Weighted Assets**




[1] Tier 1 common equity ratio is a non-GAAP measure calculated based on Tier 1 common equity divided by risk-weighted assets. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.

# Loan balances are stabilizing

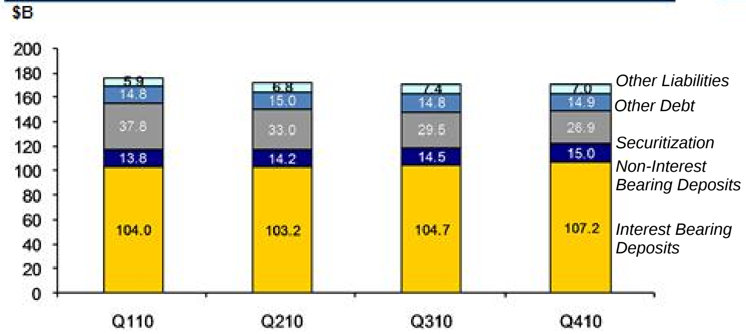
## End of Period Assets[1]




## Asset Highlights

- End of period loans down $11B in 2010, or 8%
  - More than $6B from run-off portfolios
- End of period loans down $387MM in Q4, or less than 1%
  - Run-off portfolios down $1.4B
  - Excluding run off portfolios, loan balances higher

## End of Period Liabilities[1]



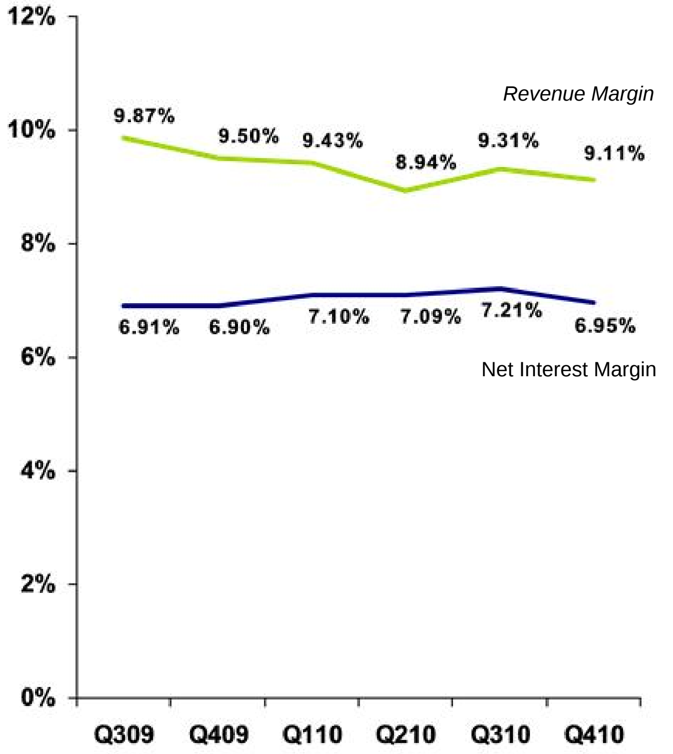

| | Q110 | Q210 | Q310 | Q410 |
|---|---|---|---|---|
| **Cost of Interest-Bearing Liabilities** | 1.96% | 1.91% | 1.88% | 1.75% |
| **Total Cost of Funds** | 1.76% | 1.69% | 1.64% | 1.50% |

## Liability Highlights

- Cost of funds decreased to 1.50% quarter over quarter
- Continued shift in funding to lower priced deposits from securitization
- Loan to deposit ratio at 1.03

# Margins remain attractive, although asset yields were down modestly in the quarter

**Margins as % of Managed Assets**




**Modest NIM decline**

- Lower asset yields
- Slight mix shift from loans to investment portfolio

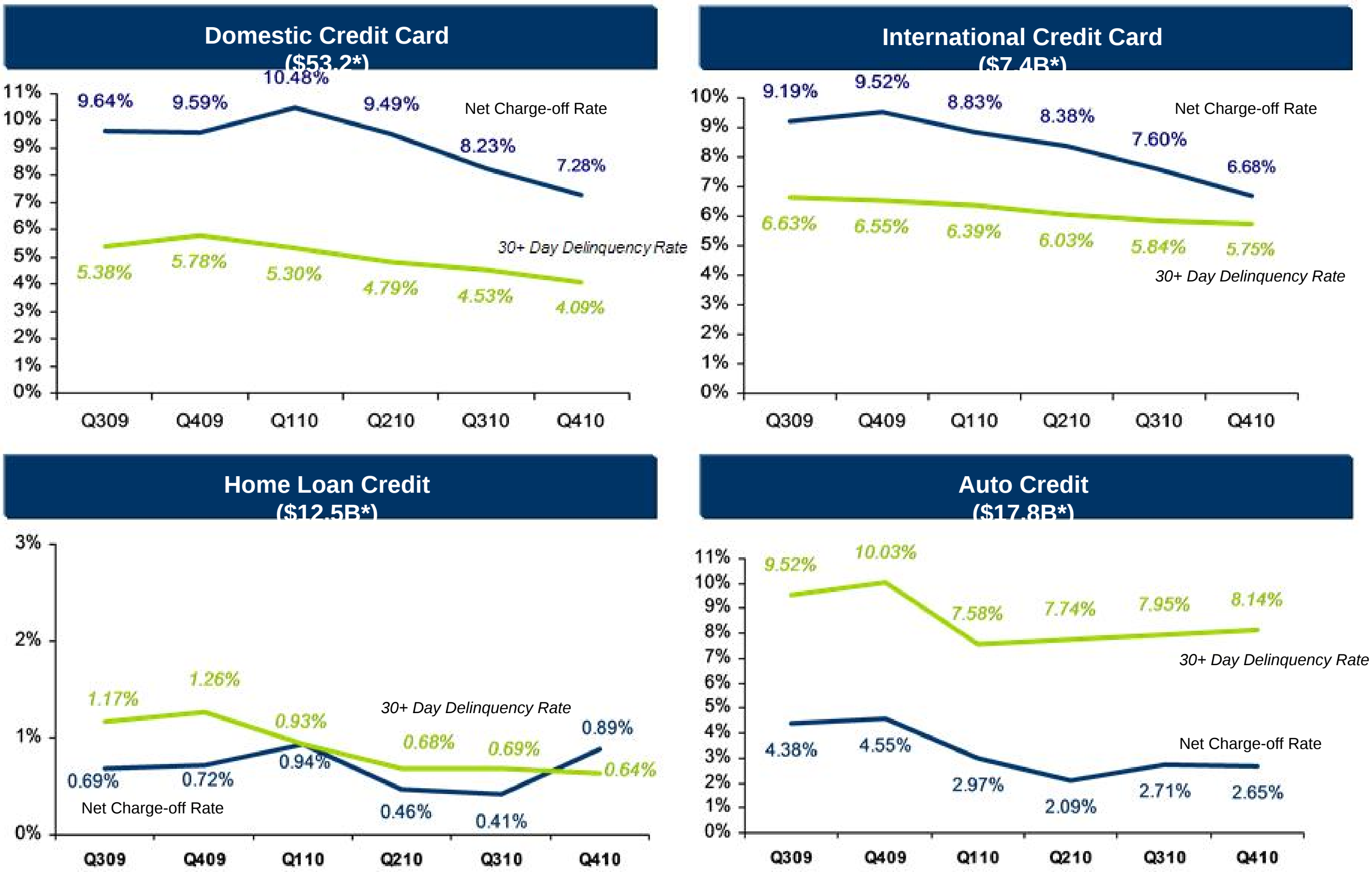
**Revenue Margin decreased**

- Lower net interest margin
- Reduced FCFR release

*Partially offset by:*

- Gain on MSR impairment

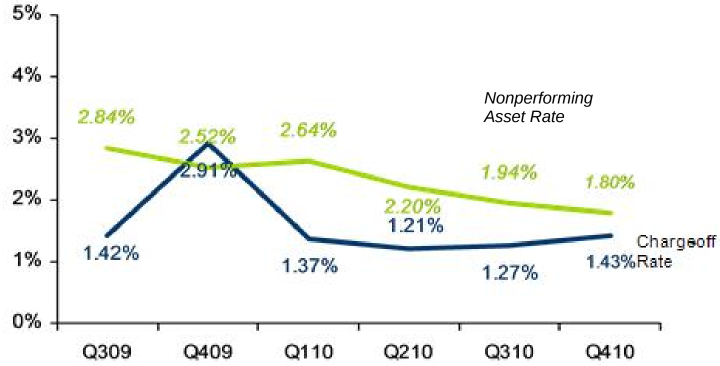
# Credit improvement in our consumer businesses continues to run ahead of broader economic indicators



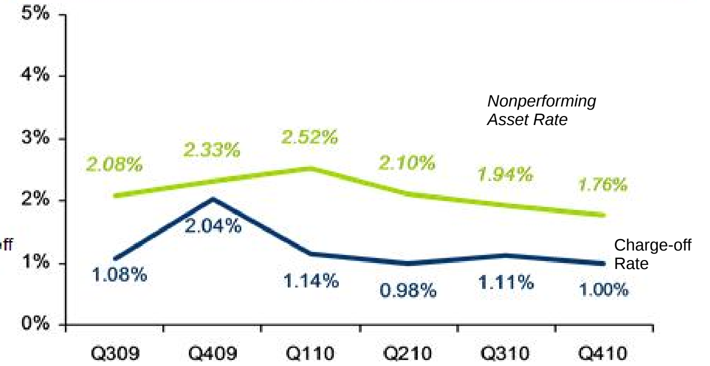

** Average assets for Q4*

# Commercial Banking credit metrics are showing signs of improvement

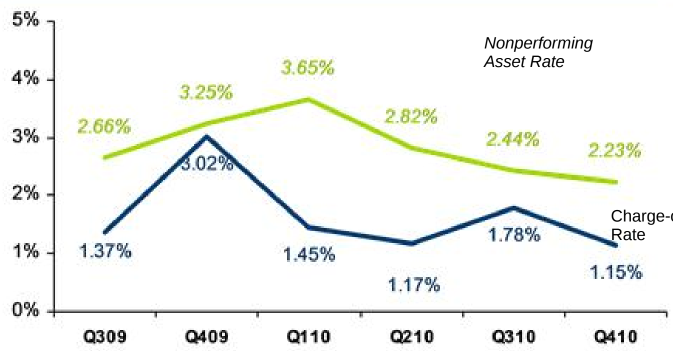
**Total Commercial Banking ($29.8B*)**



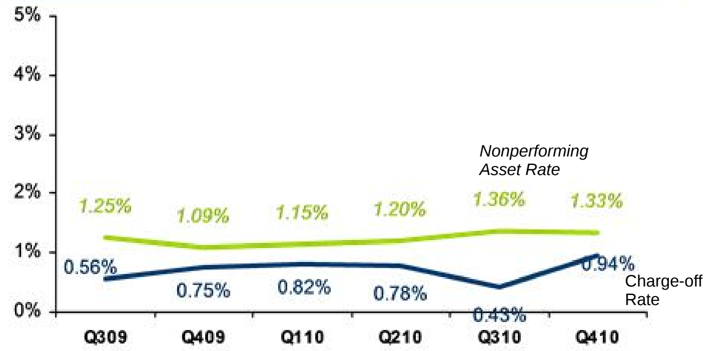

**Total Commercial Lending Excluding Small Ticket CRE**




**Commercial & MultiFamily Real Estate ($13.4B*)**




**Middle Market ($10.5B*)**




** Period end assets for Q4*

# As a bank with great national lending and local banking businesses, Capital One is well positioned to generate attractive returns

**National Lending**

- Card
- Auto

- Industry Leading ROA
- Moderate to Strong Growth
- Access to Assets

**Local Banking**

- Commercial Banking
- Retail Banking

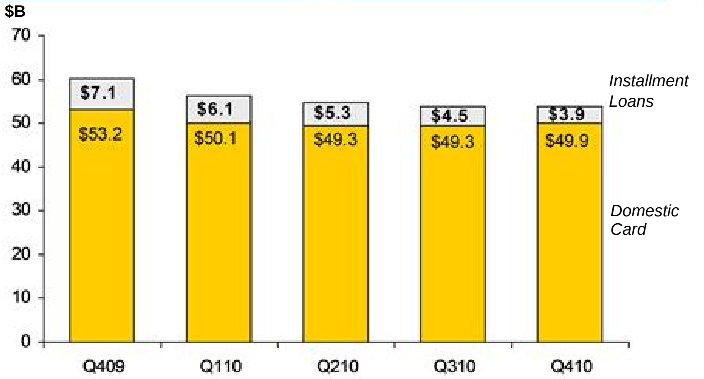
- Low Risk Commercial Assets
- Strong Deposit Growth
- Moderate Loan Growth
- Core Deposit Funding

**Powerful Brand, Strong Balance Sheet**

# *Appendix*

# Excluding "run off" portfolios, ending loan balances grew modestly in Q4

## Domestic Card




## Commentary

- $1.4 billion decline in "run off" portfolios of ILs, Home Loans and Small-Ticket CRE
- Excluding "run off" portfolios, ending loan balances grew $1.0 billion in Q4

## Commercial Banking


## Consumer Banking

# Strong credit continues to drive Domestic Card profits

| Domestic Card<br>(in millions) | Q4 2010 | Q3 2010 | Q4 2009 |
|---|---|---|---|
| **Earnings** | | | |
| Net interest income | 1,621 | 1,691 | 1,781 |
| Non-interest income | 594 | 575 | 794 |
| Total revenue | 2,215 | 2,266 | 2,575 |
| Provision for loan and lease losses | 505 | 577 | 1,033 |
| Non-interest expenses | 935 | 844 | 833 |
| Income before taxes | 775 | 845 | 709 |
| Income taxes | 276 | 301 | 248 |
| Net income | 499 | 544 | 461 |
| **Selected Metrics** | | | |
| Period end loans held for investment | 53,849 | 53,839 | 60,300 |
| Average loans held for investment | 53,189 | 54,049 | 60,443 |
| Loans held for investment yield | 13.57% | 13.95% | 14.08% |
| Revenue margin | 16.66% | 16.77% | 17.04% |
| Net charge-off rate | 7.28% | 8.23% | 9.59% |
| 30+ day performing delinquency rate | 4.09% | 4.53% | 5.78% |
| Purchase volume | 26,985 | 24,858 | 24,593 |

**Highlights**

- Revenue margin declined by 11 bps from Q3
  - Full quarter of reasonable fees driving lower net interest income
- NIE increase driven by higher marketing and seasonally elevated operating expenses
- Credit improvement continued
  - Lower provision from declining charge-offs
  - Delinquency rate improved 44bps from Q3 despite seasonal pressure
- Ending Loans flat compared to Q3
  - Installment loans run-off offset seasonal growth
  - Excluding IL run off, loans grew $679 million compared to Q3
- Seasonally strong Q4 purchase volume growth was also 10% higher YoY
  - Improving retail sales
  - Shift toward higher spend Rewards products

# International Card net income was stable in Q4

| International Card (in million) | Q4 2010 | Q3 2010 | Q4 2009 |
|---|---|---|---|
| **Earnings** | | | |
| Net interest income | 249 | 243 | 248 |
| Non-interest income | 78 | 96 | 103 |
| Total revenue | 327 | 339 | 351 |
| Provision for loan and lease losses | 84 | 83 | 171 |
| Non-interest expenses | 121 | 134 | 110 |
| Income before taxes | 122 | 122 | 70 |
| Income taxes | 35 | 35 | 21 |
| Net income | 87 | 87 | 49 |
| **Selected Metrics** | | | |
| Period end loans held for investment | 7,522 | 7,487 | 8,224 |
| Average loans held for investment | 7,419 | 7,342 | 8,300 |
| Loans held for investment yield | 16.82% | 16.62% | 15.19% |
| Revenue margin | 17.63% | 18.47% | 16.90% |
| Net charge-off rate | 6.68% | 7.60% | 9.52% |
| 30+ day performing delinquency rate | 5.75% | 5.84% | 6.55% |
| Purchase volume | 2,394 | 2,181 | 2,273 |

**Highlights**

- Revenue decreased slightly in Q4, primarily driven by a decrease in non-interest income in UK
- Non-interest expense decreased due to an adjustment to the reserve for Canada goods and service tax
- Credit improved along with economic improvements in UK and Canada
  - Lower charge-offs drove reduced Provision expense
  - Delinquency rate improved 9bps from Q3
- Ending loans increased slightly in the quarter due to seasonality

# Commercial Banking net profits were higher in Q4 driven by lower provision expenses and increased revenue

**Commercial Banking**

(in millions)

| **Earnings** | **Q4 2010** | **Q3 2010** | **Q4 2009** |
|---|---|---|---|
| Net interest income | 336 | 325 | 318 |
| Non-interest income | 49 | 30 | 38 |
| Total revenue | 385 | 355 | 356 |
| Provision for loan and lease losses | 34 | 95 | 368 |
| Non-interest expenses | 207 | 199 | 197 |
| Income (loss) before taxes | 144 | 61 | (209) |
| Income taxes (benefit) | 51 | 22 | (73) |
| Net income (loss) | 93 | 39 | (136) |
| **Selected Metrics** | | | |
| Period end loans held for investment | 29,742 | 29,542 | 29,613 |
| Average loans held for investment | 29,617 | 29,435 | 29,867 |
| Loans held for investment yield | 5.11% | 5.13% | 5.11% |
| Period end deposits | 22,630 | 22,100 | 20,480 |
| Average deposits | 22,808 | 21,899 | 19,420 |
| Deposit interest expense rate | 0.61% | 0.67% | 0.80% |
| Core deposit intangible amortization | 13 | 14 | 14 |
| Net charge-off rate | 1.43% | 1.27% | 2.91% |
| Non-performing loans as a % of loans HFI | 1.66% | 1.81% | 2.37% |
| Non-performing asset rate | 1.80% | 1.94% | 2.52% |

**Highlights**

- Revenues increased from Q3 to Q4
  - Modest loan growth with stable loan yield drove higher Net Interest Income
  - Non-interest income increased due to the absence of a Q3 loss on the sale of Greenpoint HFS loans
- Provision expenses decreased due to an allowance release in Q4
- Non-performing loans as a % of loans HFI improved 15 bps compared to Q3
- Deposits grew and deposit interest expense improved in the quarter

# Consumer Banking net income decreased due to higher provision expenses and higher non-interest expenses

Consumer Banking

(in millions)

| Earnings | Q4 2010 | Q3 2010 | Q4 2009 |
|---|---|---|---|
| Net interest income | 950 | 946 | 833 |
| Non-interest income | 196 | 196 | 153 |
| Total revenue | 1,146 | 1,142 | 986 |
| Provision for loan and lease losses | 189 | 114 | 249 |
| Non-interest expenses | 770 | 757 | 749 |
| Income (loss) before taxes | 187 | 271 | (12) |
| Income taxes (benefit) | 67 | 96 | (4) |
| Net income (loss) | 120 | 175 | (8) |
| **Selected Metrics** | | | |
| Period end loans held for investment | 34,383 | 34,997 | 38,214 |
| Average loans held for investment | 34,751 | 35,090 | 39,114 |
| Loans held for investment yield | 9.20% | 9.28% | 8.83% |
| Auto loan originations | 2,217 | 2,439 | 1,018 |
| Period end deposits | 82,959 | 79,506 | 74,145 |
| Average deposits | 81,834 | 78,224 | 72,976 |
| Deposit interest expense rate | 1.13% | 1.18% | 1.41% |
| Core deposit intangible amortization | 34 | 36 | 40 |
| Net charge-off rate | 1.98% | 1.79% | 2.85% |
| Non-performing loans as a % of loans HFI | 1.97% | 1.92% | 1.45% |
| Non-performing asset rate | 2.17% | 2.11% | 1.60% |
| 30+ day performing delinquency rate | 4.57% | 4.40% | 5.43% |
| Period end loans serviced for others | 20,019 | 20,298 | 30,283 |

## Highlights

- Revenue stable in Q4
- Non-interest expenses increased slightly due primarily to higher marketing
- Provision expense increased
  - Higher NACO and a modest allowance build in Mortgage
  - Auto Finance credit performance remained strong
- Ending loans declined $0.6B from Q3
  - Continuing run off in Home Loans
  - Modest growth in Auto loans
  - Q3 and Q4 Auto loan originations equivalent to $9 billion annual "run rate"
- Strong deposit growth with continued improvement in the deposit interest expense rate

Capital One℠

Exhibit 99.3

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Reconciliation of Non-GAAP Measures and Regulatory Capital Measures**

We refer to our consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") as our "reported" or GAAP financial statements. Effective January 1, 2010, we prospectively adopted two new consolidation accounting standards that resulted in the consolidation of the substantial majority of our securitization trusts that had been previously treated as off-balance sheet. Prior to our adoption of these new consolidation accounting standards, management evaluated the company's performance on a non-GAAP "managed" basis, which assumed that securitized loans were not sold and the earnings from securitized loans were classified in our results of operations in the same manner as the earnings from loans that we owned. We believed that our managed basis information is usef ul to investors because it portrays the results of both on- and off-balance sheet loans that we manage, which enables investors to understand and evaluate the credit risks associated with the portfolio of loans reported on our consolidated balance sheet and our retained interests in securitized loans. Our non-GAAP managed basis measures may not be comparable to similarly titled measures used by other companies.

As a result of the January 1, 2010 adoption of the new consolidation accounting standards, the accounting for the loans in our securitization trusts in our reported GAAP financial statements is similar to how we accounted for these loans on a managed basis prior to January 1, 2010. Consequently, we believe our managed basis presentations for periods prior to January 1, 2010 are generally comparable to our reported basis presentations for periods beginning after January 1, 2010. In periods prior to January 1, 2010, certain of our non-GAAP managed basis measures differed from our comparable reported measures because we assumed, for our managed basis presentation, that securitized loans that were accounted for as sales in our GAAP financial statements remained on our balance sheet.

The following tables, which are described below, provide a reconciliation of reported GAAP financial measures to the non-GAAP managed basis financial measures included in our filing. We also provide the details of the calculation of certain non-GAAP capital measures that management uses in assessing its capital adequacy.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 1: Financial & Statistical Summary—Reported GAAP Measures[1]**

| *(dollars in millions)(unaudited)* | 2009 Full Year | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 [2] | 2008 Full Year |
|---|---|---|---|---|---|---|
| **Earnings** | | | | | | |
| Net interest income | $ 7,697 | $ 1,954 | $ 2,005 | $ 1,945 | $ 1,793 | $ 7,149 |
| Non-interest income [3] | 5,286 | 1,411 | 1,553 | 1,232 [4] | 1,090 | 6,744 |
| Total revenue [5] | $ 12,983 | $ 3,365 | $ 3,558 | $ 3,177 | $ 2,883 | $ 13,893 |
| Provision for loan and lease losses | 4,230 | 844 | 1,173 | 934 | 1,279 | 5,101 |
| **Balance Sheet Statistics (Period Average)** | | | | | | |
| Average loans held for investment | $ 99,787 | $ 94,732 | $ 99,354 | $ 104,682 | $ 103,242 | $ 98,971 |
| Average earning assets | 145,310 | 143,663 | 145,280 | 150,804 | 145,172 | 133,123 |
| Average assets | 171,598 | 169,856 | 173,428 | 177,628 | 168,489 | 156,292 |
| Average liabilities | 144,992 | 143,338 | 147,426 | 149,960 | 141,485 | 131,014 |
| Return on average assets (ROA) | 0.58% | 0.95% | 1.01% | 0.52% | (0.20)% | 0.05% |
| **Balance Sheet Statistics (Period End)** | | | | | | |
| Loans held for investment | $ 90,619 | $ 90,619 | $ 96,714 | $ 100,940 | $ 104,921 | $ 101,018 |
| Total assets | 169,646 | 169,646 | 168,464 | 171,994 | 177,462 | 165,913 |
| Total liabilities | 143,057 | 143,057 | 142,272 | 146,662 | 150,714 | 139,301 |
| Tangible assets [A] | 155,516 | 155,516 | 154,315 | 157,782 | 163,230 | 153,410 |
| Tangible common equity (TCE) ratio [B] | 8.03% | 8.03% | 7.82% | 7.10%[6] | 5.75% | 7.18% |
| **Performance Statistics** | | | | | | |
| Net interest income growth (quarter over quarter) [7] | 8% | (3)% | 3% | 8% | (1)% | 9% |
| Non-interest income growth (quarter over quarter) [7] | (22)% | (9)% | 26% | 13% | (20)% | (16)% |
| Revenue growth (quarter over quarter) | (7)% | (5)% | 12% | 10% | (9)% | (5)% |
| Net interest margin | 5.30% | 5.44% | 5.52% | 5.16% | 4.94% | 5.37% |
| Revenue margin | 8.94% | 9.37% | 9.80% | 8.43% | 7.94% | 10.44% |
| Risk-adjusted margin [C] | 5.79% | 6.07% | 6.69% | 5.46% | 4.81% | 7.83% |
| Non-interest expense as a % of average loans held for investment (annualized) | 7.43% | 8.23% | 7.25% | 7.34% | 6.76% | 8.30% |
| Efficiency ratio [D] | 56.21% | 56.92% | 49.92% | 59.11% | 59.93% | 58.13% |
| **Credit Quality Statistics** | | | | | | |
| Net charge-offs | $ 4,568 | $ 1,185 | $ 1,128 | $ 1,117 | $ 1,138 | $ 3,478 |
| Net charge-off rate [8] | 4.58% | 5.00% | 4.54% | 4.28% | 4.41% | 3.51% |
| 30+ day performing delinquencies | $ 3,746 | $ 3,746 | $ 3,983 | $ 3,746 | $ 3,834 | $ 4,418 |
| 30+ day performing delinquency rate [8] | 4.13% | 4.13% | 4.12% | 3.71% | 3.65% | 4.37% |

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 2: Financial & Statistical Summary—Non-GAAP Securitization Reconciliation Adjustments**

| *(dollars in millions)(unaudited)* | 2009 Full Year | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 | 2008 Full Year |
|---|---|---|---|---|---|---|
| **Earnings** | | | | | | |
| Net interest income | $ 4,392 | $ 1,216 | $ 1,207 | $ 1,012 | $ 957 | $ 4,273 |
| Non-interest income | (539) | (213) | (180) | (42) | (104) | (1,327) |
| Total revenue | 3,853 | 1,003 | 1,027 | 970 | 853 | 2,946 |
| Provision for loan and lease losses | 3,853 | 1,003 | 1,027 | 970 | 853 | 2,946 |
| **Balance Sheet Statistics (Period Average)** | | | | | | |
| Average loans held for investment | $ 43,727 | $ 43,452 | $ 44,186 | $ 43,331 | $ 43,940 | $ 48,841 |
| Average earning assets | 40,666 | 40,236 | 40,594 | 40,404 | 41,442 | 46,264 |
| Average assets | 41,060 | 40,569 | 41,227 | 40,774 | 41,680 | 47,262 |
| Average liabilities | 41,060 | 40,569 | 41,227 | 40,774 | 41,680 | 47,262 |
| Return on average assets (ROA) | (0.12)% | (0.18)% | (0.20)% | (0.10)% | 0.04% | (0.01)% |
| **Balance Sheet Statistics (Period End)** | | | | | | |
| Loans held for investment | $ 46,184 | $ 46,184 | $ 44,275 | $ 45,177 | $ 44,809 | $ 45,919 |
| Total assets | 42,743 | 42,743 | 41,219 | 42,184 | 42,496 | 43,962 |
| Total liabilities | 42,767 | 42,767 | 41,219 | 42,184 | 42,496 | 43,961 |
| Tangible assets [(A)] | 42,767 | 42,767 | 41,251 | 42,230 | 42,526 | 43,927 |
| Tangible common equity (TCE) ratio [(B)] | (1.73)% | (1.73)% | (1.65)% | (1.50)% | (1.19)% | (1.61)% |
| **Performance Statistics** | | | | | | |
| Net interest income growth | (2)% | 2% | 6% | -% | -% | (5)% |
| Non-interest income growth | 10% | (4)% | (11)% | 8% | 3% | 10% |
| Revenue growth | 7% | -% | (1)% | 1% | 4% | 5% |
| Net interest margin | 1.20% | 1.46% | 1.39% | 1.03% | 0.95% | 1.00% |
| Revenue margin | 0.11% | 0.13% | 0.07% | 0.25% | 0.07% | (1.05)% |
| Risk-adjusted margin[(C)] | (1.26)% | (1.33)% | (1.46)% | (1.15)% | (1.07)% | (2.02)% |
| Non-interest expense as a % of average loans held for investment (annualized) | (2.26)% | (2.59)% | (2.23)% | (2.15)% | (2.02)% | (2.75)% |
| Efficiency ratio [(D)] | (12.86)% | (13.07)% | (11.19)% | (13.82)% | (13.68)% | (10.17)% |
| **Credit Quality Statistics** | | | | | | |
| Net charge-offs | $ 3,853 | $ 1,003 | $ 1,027 | $ 970 | $ 853 | $ 2,947 |
| Net charge-off rate | 1.29% | 1.33% | 1.46% | 1.36% | 1.00% | 0.84% |
| 30+ day performing delinquencies | $ 2,719 | $ 2,719 | $ 2,434 | $ 2,241 | $ 2,312 | $ 2,178 |
| 30+ day performing delinquency rate | 0.60% | 0.60% | 0.43% | 0.39% | 0.45% | 0.12% |

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 3: Financial & Statistical Summary—Non-GAAP Managed Basis Measures[(1)(9)]**

| *(dollars in millions)(unaudited)* | 2009 Full Year | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 [(2)] | 2008 Full Year |
|---|---|---|---|---|---|---|
| **Non-GAAP Managed Earnings** | | | | | | |
| Net interest income | $ 12,089 | $ 3,170 | $ 3,212 | $ 2,957 | $ 2,750 | $ 11,422 |
| Non-interest income [(3)] | 4,747 | 1,198 | 1,373 | 1,190[(4)] | 986 | 5,417 |
| Total revenue [(5)] | 16,836 | 4,368 | 4,585 | 4,147 | 3,736 | 16,839 |
| Provision for loan and lease losses | 8,083 | 1,847 | 2,200 | 1,904 | 2,132 | 8,047 |
| **Non-GAAP Managed Balance Sheet Statistics (Period Average)** | | | | | | |
| Average loans held for investment | $ 143,514 | $ 138,184 | $ 143,540 | $ 148,013 | $ 147,182 | $ 147,812 |
| Average earning assets | 185,976 | 183,899 | 185,874 | 191,208 | 186,614 | 179,387 |
| Average assets | 212,657 | 210,425 | 214,655 | 218,402 | 210,169 | 203,554 |
| Average liabilities | 186,052 | 183,907 | 188,653 | 190,734 | 183,165 | 178,276 |
| Return on average assets (ROA) | 0.46% | 0.77% | 0.81% | 0.42% | (0.16)% | 0.04% |
| **Non-GAAP Managed Balance Sheet Statistics (Period End)** | | | | | | |
| Loans held for investment | $ 136,803 | $ 136,803 | $ 140,990 | $ 146,117 | $ 149,730 | $ 146,937 |
| Total assets | 212,389 | 212,389 | 209,683 | 214,178 | 219,958 | 209,875 |
| Total liabilities | 185,824 | 185,824 | 183,491 | 188,846 | 193,210 | 183,262 |
| Tangible assets [(A)] | 198,283 | 198,283 | 195,566 | 200,012 | 205,756 | 197,337 |
| Tangible common equity (TCE) ratio [(B)] | 6.30% | 6.30% | 6.17% | 5.60%[(6)] | 4.56% | 5.57% |
| **Non-GAAP Managed Performance Statistics** | | | | | | |
| Net interest income growth (quarter over quarter) [(7)] | 6% | (1)% | 9% | 8% | (1)% | 4% |
| Non-interest income growth (quarter over quarter) [(7)] | (12)% | (13)% | 15% | 21% | (17)% | (6)% |
| Revenue growth (quarter over quarter) | —% | (5)% | 11% | 11% | (5)% | —% |
| Net interest margin | 6.50% | 6.90% | 6.91% | 6.19% | 5.89% | 6.37% |
| Revenue margin | 9.05% | 9.50% | 9.87% | 8.68% | 8.01% | 9.39% |
| Risk-adjusted margin [(C)] | 4.53% | 4.74% | 5.23% | 4.31% | 3.74% | 5.81% |
| Non-interest expense as a % of average loans held for investment (annualized) | 5.17% | 5.64% | 5.02% | 5.19% | 4.74% | 5.55% |
| Efficiency ratio [(D)] | 43.35% | 43.85% | 38.73% | 45.29% | 46.25% | 47.96% |
| **Non-GAAP Managed Credit Quality Statistics** | | | | | | |
| Net charge-offs | $ 8,421 | $ 2,188 | $ 2,155 | $ 2,087 | $ 1,991 | $ 6,425 |
| Net charge-off rate [(8)] | 5.87% | 6.33% | 6.00% | 5.64% | 5.41% | 4.35% |
| 30+ day performing delinquencies | 6,465 | 6,465 | 6,417 | 5,987 | 6,146 | 6,596 |
| 30+ day performing delinquency rate [(8)] | 4.73% | 4.73% | 4.55% | 4.10% | 4.10% | 4.49% |

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 4: Explanatory Notes (Tables 1 - 3)**

**Notes**

(1) Based on continuing operations.

(2) Effective February 27, 2009, the Company acquired Chevy Chase Bank, FSP for $476 million, which included a cash payment of $445 million and the issuance of 2.6 million common shares valued at $31 million. The acquisition of Chevy Chase Bank included $10 billion in loans and $13.6 billion in deposits.

(3) Includes the impact from the change in fair value of retained interests, including interest-only strips, totaling $(146) million for the year 2009, $55 million in Q4 2009, $38 million in Q3 2009, $(115) million in Q2 2009 and $(124) million in Q1 2009, and $(260) million in 2008.

(4) In Q2 2009, the Company elected to convert and sell 404,508 shares of MasterCard class B common stock, which resulted in the recognition of a gain of $66 million that was recorded in non-interest income.

(5) Billed finance charges and fees not recognized in revenue totaled $2.1 billion for the year 2009, $490 million in Q4 2009, $517 million in Q3 2009, $572 million in Q2 2009, $544 million in Q1 2009, and $1.9 billion in 2008.

(6) Includes the impact of the issuance of 56,000,000 common shares at $27.75 per share on May 14, 2009.

(7) Prior period amounts have been reclassified to conform to the current period presentation and adjusted to reflect purchase accounting refinements related to the acquisition of Chevy Chase Bank, FSB ("CCB").

(8) The denominator used in calculating the allowance as a % of loans held for investment, the net charge-off rate and the 30+ day performing delinquency rate include loans acquired as part of the CCB acquisition. These metrics, calculated excluding CCB loans, are presented below.

| | 2009 | | | | |
|---|---|---|---|---|---|
| *(dollars in millions) (unaudited)* | Full Year | Q4 | Q3 | Q2 | Q1 |
| CCB period end acquired loan portfolio | $ 7,251 | $ 7,251 | $ 7,885 | $ 8,644 | $ 8,859 |
| CCB average acquired loan portfolio | $ 7,996 | $ 7,512 | $ 8,029 | $ 8,499 | $ 3,073 |
| Allowance as a % of loans held for investment, excluding CCB | 4.95% | 4.95% | 5.08% | 4.86% | 4.84% |
| Net charge-off rate (Reported), excluding CCB | 4.98% | 5.44% | 4.94% | 4.65% | 4.54% |
| Net charge-off rate (Managed), excluding CCB | 6.21% | 6.70% | 6.36% | 5.98% | 5.53% |
| 30+ day performing delinquency rate (Reported), excluding CCB | 4.49% | 4.49% | 4.48% | 4.06% | 3.99% |
| 30+ day performing delinquency rate (Managed), excluding CCB | 4.99% | 4.99% | 4.82% | 4.36% | 4.36% |

(9) The managed loan portfolio does not include automobile or home loans that have been sold in whole loan sale transactions where the Company has retained servicing rights.

**Statistical/Metric Calculations**

(A) Tangible assets represents total assets from continuing operations less identifiable intangible assets and goodwill. See "Table 6: Reconciliation of Non-GAAP Capital Measures and Calculation of Regulatory Capital Measures."

(B) Tangible common equity ("TCE") represents common stockholders' equity (total stockholders' equity less preferred stock) less identifiable intangible assets and goodwill. See "Table 6: Reconciliation of Non-GAAP Capital Measures and Calculation of Regulatory Capital Measures."

(C) Calculated based on total revenue less net charge-offs divided by average earning assets.

(D) Calculated based on non-interest expense less restructuring expense divided by total revenue.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 5: Reconciliation of Non-GAAP Average Balances, Net Interest Income and Net Interest Margin[(1)]**

| *(dollars in millions)(unaudited)* | Quarter Ended 12/31/09 Average Balance | Quarter Ended 12/31/09 Interest Income/ Expense | Quarter Ended 12/31/09 Yield/ Rate | Year Ended 12/31/09 Average Balance | Year Ended 12/31/09 Interest Income/ Expense | Year Ended 12/31/09 Yield/ Rate |
|---|---|---|---|---|---|---|
| **Reported Basis** | | | | | | |
| Interest-earning assets: | | | | | | |
| Loans held for investment | $ 133,219 | $ 2,512 | 7.54% | $ 136,697 | $ 10,367 | 7.58% |
| Other | 10,444 | 83 | 3.18% | 8,596 | 297 | 3.46% |
| Total interest-earning assets | $ 143,663 | $ 2,595 | 7.23% | $ 145,293 | $ 10,664 | 7.34% |
| Interest-bearing liabilities: | | | | | | |
| Securitization liability | $ 4,249 | $ 54 | 5.08% | $ 5,516 | $ 282 | 5.11% |
| Total interest-bearing liabilities | $ 124,060 | $ 641 | 2.07% | $ 126,583 | $ 2,967 | 2.34% |
| Net interest income/spread | | $ 1,954 | 5.16% | | $ 7,697 | 5.00% |
| Interest income to average interest-earning assets | | | 7.23% | | | 7.34% |
| Interest expense to average interest-earning assets | | | 1.78% | | | 2.04% |
| Net interest margin | | | 5.45% | | | 5.30% |

| | Quarter Ended 12/31/09 Average Balance | Quarter Ended 12/31/09 Interest Income/ Expense | Quarter Ended 12/31/09 Yield/ Rate | Year Ended 12/31/09 Average Balance | Year Ended 12/31/09 Interest Income/ Expense | Year Ended 12/31/09 Yield/ Rate |
|---|---|---|---|---|---|---|
| **Non-GAAP Securitization Reconciliation Adjustments** | | | | | | |
| Interest-earning assets: | | | | | | |
| Loans held for investment | $ 43,452 | $ 1,530 | 1.61% | $ 43,727 | $ 5,678 | 1.31% |
| Other | (3,216) | (66) | (2.24)% | (3,061) | (229) | (2.23)% |
| Total interest-earning assets | $ 40,236 | $ 1,464 | 1.60% | $ 40,666 | $ 5,449 | 1.32% |
| Interest-bearing liabilities: | | | | | | |
| Securitization liability | $ 40,588 | $ 247 | (2.39)% | $ 41,100 | $ 1,055 | (2.24)% |
| Total interest-bearing liabilities | $ 40,588 | $ 247 | 0.09% | $ 41,101 | $ 1,238 | 0.17% |
| Net interest income/spread | | $ 1,216 | 1.51% | | $ 4,392 | 1.16% |
| Interest income to average interest-earning assets | | | 1.60% | | | 1.32% |
| Interest expense to average interest-earning assets | | | 0.15% | | | 0.22% |
| Net interest margin | | | 1.45% | | | 1.10% |

| | Quarter Ended 12/31/09 Average Balance | Quarter Ended 12/31/09 Interest Income/ Expense | Quarter Ended 12/31/09 Yield/ Rate | Year Ended 12/31/09 Average Balance | Year Ended 12/31/09 Interest Income/ Expense | Year Ended 12/31/09 Yield/ Rate |
|---|---|---|---|---|---|---|
| **Non-GAAP Managed Basis** | | | | | | |
| Interest-earning assets: | | | | | | |
| Loans held for investment | $ 176,671 | $ 4,042 | 9.15% | $ 180,424 | $ 16,045 | 8.89% |
| Other | 7,228 | 17 | 0.94% | 5,535 | 68 | 1.23% |
| Total interest-earning assets | $ 183,899 | $ 4,059 | 8.83% | $ 185,959 | $ 16,113 | 8.66% |
| Interest-bearing liabilities: | | | | | | |
| Securitization liability | $ 44,837 | $ 301 | 2.69% | $ 46,616 | $ 1,337 | 2.87% |
| Total interest-bearing liabilities | $ 164,648 | $ 888 | 2.16% | $ 167,684 | $ 4,205 | 2.51% |
| Net interest income/spread | | $ 3,170 | 6.67% | | $ 12,089 | 6.16% |
| Interest income to average interest-earning assets | | | 8.83% | | | 8.66% |
| Interest expense to average interest-earning assets | | | 1.93% | | | 2.26% |
| Net interest margin | | | 6.90% | | | 6.40% |

(1) Reflects amounts based on continuing operations.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 6: Reconciliation of Non-GAAP Capital Measures and Calculation of Regulatory Capital Measures**

In addition to disclosing required regulatory measures, the Company also reports certain non-GAAP capital measures that management uses in assessing its capital adequacy. These non-GAAP measures include average tangible common equity, tangible common equity (TCE), TCE ratio, Tier 1 common equity and Tier 1 common equity ratio. The table below provides the details of the calculation of each of these measures. While these non-GAAP capital measures are widely used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies, they may not be comparable to similarly titled measures reported by other companies.

| *(dollars in millions)(unaudited)* | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 |
|---|---|---|---|---|---|
| **Average Equity to Non-GAAP Average Tangible Common Equity** | | | | | |
| Average total stockholders' equity | $ 26,255 | $ 25,307 | $ 24,526 | $ 23,681 | $ 26,518 |
| Less: Average preferred stock | - | - | - | - | - |
| Less: Average intangible assets [(1)] | (14,008) | (14,003) | (14,039) | (14,075) | (14,105) |
| Average tangible common equity | $ 12,247 | $ 11,304 | $ 10,487 | $ 9,606 | $ 12,413 |
| **Stockholders Equity to Non-GAAP Tangible Common Equity** | | | | | |
| Total stockholders' equity | $ 26,541 | $ 26,061 | $ 25,270 | $ 24,374 | $ 26,589 |
| Less: Preferred stock | - | - | - | - | - |
| Less: Intangible assets [(1)] | (13,983) | (14,024) | (14,011) | (14,044) | (14,106) |
| Tangible common equity | $ 12,558 | $ 12,037 | $ 11,259 | $ 10,330 | $ 12,483 |
| **Total Assets to Tangible Assets** | | | | | |
| Total assets | $ 197,503 | $ 196,933 | $ 197,489 | $ 200,707 | $ 169,646 |
| Less: Assets from discontinued operations | (362) | (5) | (4) | (16) | (24) |
| Total assets from continuing operations | 197,141 | 196,928 | 197,485 | 200,691 | 169,622 |
| Less: Intangible assets [(1)] | (13,983) | (14,024) | (14,011) | (14,044) | (14,106) |
| Tangible assets | $ 183,158 | $ 182,904 | $ 183,474 | $ 186,647 | $ 155,516 |
| **Non-GAAP TCE Ratio** | | | | | |
| Tangible common equity | $ 12,558 | $ 12,037 | $ 11,259 | $ 10,330 | $ 12,483 |
| Tangible assets | $ 183,158 | $ 182,904 | $ 183,474 | $ 186,647 | $ 155,516 |
| TCE ratio[(2)] | 6.86% | 6.58% | 6.14% | 5.53% | 8.03% |
| **Non-GAAP Managed Basis TCE Ratio** | | | | | |
| Total reported assets | $ 197,503 | $ 196,933 | $ 197,489 | $ 200,707 | $ 169,646 |
| Plus: Securitization adjustment [(3)] | - | - | - | - | 42,767 |
| Total managed assets | $ 197,503 | $ 196,933 | $ 197,489 | $ 200,707 | $ 212,413 |
| Less: Assets from discontinued operations | (362) | (5) | (4) | (16) | (24) |
| Total assets from continuing operations | 197,141 | 196,928 | 197,485 | 200,691 | 212,389 |
| Less: Intangible assets [(1)] | (13,983) | (14,024) | (14,011) | (14,044) | (14,106) |
| Managed tangible assets | $ 183,158 | $ 182,904 | $ 183,474 | $ 186,647 | $ 198,283 |
| Tangible common equity | $ 12,558 | $ 12,037 | $ 11,259 | $ 10,330 | $ 12,483 |
| Managed tangible assets | $ 183,158 | $ 182,904 | $ 183,474 | $ 186,647 | $ 198,283 |
| Managed TCE ratio [(2)] | 6.86% | 6.58% | 6.14% | 5.53% | 6.30% |
| **Non-GAAP Tier 1 Common Equity and Regulatory Capital Ratios** | | | | | |
| Total stockholders' equity | $ 26,541 | $ 26,061 | $ 25,270 | $ 24,374 | $ 26,589 |
| Less: Net unrealized (gains) losses on AFS securities recorded in AOCI [(4)] | (368) | (580) | (661) | (319) | (200) |
| Net (gains) losses on cash flow hedges recorded in AOCI[(4)] | 86 | 79 | 73 | 80 | 92 |
| Disallowed goodwill and other intangible assets | (13,953) | (13,993) | (14,023) | (14,078) | (14,125) |
| Disallowed deferred tax assets | (1,150) | (1,324) | (1,977) | (2,183) | - |
| Other | (2) | (2) | (2) | (1) | (9) |
| Tier 1 common equity | $ 11,154 | $ 10,241 | $ 8,680 | $ 7,873 | $ 12,347 |
| Plus: Tier 1 restricted core capital items[(5)] | 3,636 | 3,636 | 3,637 | 3,638 | 3,642 |
| Tier 1 capital | $ 14,790 | $ 13,877 | $ 12,317 | $ 11,511 | $ 15,989 |
| Plus: Long-term debt qualifying as Tier 2 capital | 2,827 | 2,827 | 2,898 | 3,018 | 3,018 |
| Qualifying allowance for loan and lease losses | 3,748 | 3,726 | 5,836 | 5,802 | 1,581 |
| Other Tier 2 components | 29 | 24 | 25 | 4 | 4 |
| Tier 2 capital | $ 6,604 | $ 6,577 | $ 8,759 | $ 8,824 | $ 4,603 |
| Total risk-based capital[(6)] | $ 21,394 | $ 20,454 | $ 21,076 | $ 20,335 | $ 20,592 |
| Risk-weighted assets[(7)] | $ 127,043 | $ 124,726 | $ 124,038 | $ 120,330 | $ 116,309 |
| Tier 1 common equity ratio [(8)] | 8.78%[(11)] | 8.21% | 7.00% | 6.54% | 10.62% |
| Tier 1 risk-based capital ratio [(9)] | 11.64%[(11)] | 11.13% | 9.93% | 9.57% | 13.75% |
| Total risk-based capital ratio [(10)] | 16.84%[(11)] | 16.40% | 16.99% | 16.90% | 17.70% |

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(1) Includes impact from related deferred taxes.
(2) Calculated based on tangible common equity divided by tangible assets. The managed TCE ratio, which is the same as the TCE ratio for periods subsequent to January 1, 2010, is calculated based on tangible common equity divided by managed tangible assets.
(3) Reflects the adjustment to reported total consolidated assets to reflect loans underlying off-balance sheet securitized trusts in the same manner as on-balance sheet loans.
(4) Amounts presented are net of tax.
(5) Consists primarily of trust preferred securities.
(6) Total risk-based capital equals the sum of Tier 1 capital and Tier 2 capital.
(7) Calculated based on prescribed regulatory guidelines.
(8) Tier 1 common equity ratio is a non-GAAP measure calculated based on Tier 1 common equity divided by risk-weighted assets.

(9) Tier 1 risk-based capital ratio is a regulatory capital measure calculated based on Tier 1 capital divided by risk-weighed assets.

(10) Total risk-based capital ratio is a regulatory capital measure calculated based on Total risk-based capital divided by risk-weighed assets.

(11) Regulatory capital ratios as of the end of Q4 2010 are preliminary and therefore subject to change once the calculations have been finalized.