Third Quarter 2021 Results

October 26, 2021

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, expenses, capital measures, capital allocation plans, accruals for claims in litigation and for other claims against Capital One, earnings per share, efficiency ratio, operating efficiency ratio or other financial measures for Capital One; future financial and operating results; Capital One's plans, objectives, expectations and intentions; and the assumptions that underlie these matters. To the extent that any such information is forward-looking, it is intended to fit within the safe harbor for forward-looking information provided by the Private Securities Litigation Reform Act of 1995. Numerous factors could cause Capital One's actual results to differ materially from those described in such forward-looking statements, including, among other things: the impact of the COVID-19 pandemic and related public health measures on Capital One's business, financial condition and results of operations, including the increased estimation and forecast uncertainty as a result of the pandemic on Capital One's estimates of lifetime expected credit losses in Capital One's loan portfolios required in computing Capital One's allowance for credit losses; general economic and business conditions in Capital One's local markets, including conditions affecting employment levels, interest rates, tariffs, collateral values, consumer income, creditworthiness and confidence, spending and savings that may affect consumer bankruptcies, defaults, charge-offs and deposit activity; an increase or decrease in credit losses, or increased delinquencies, including increases due to a worsening of general economic conditions in the credit environment, and the impact of inaccurate estimates or inadequate reserves; compliance with new and existing laws, regulations and regulatory expectations including the implementation of a regulatory reform agenda; Capital One's ability to manage adequate capital or liquidity levels, which could have a negative impact on Capital One's financial results and Capital One's ability to return capital to its stockholders; the extensive use, reliability, disruption, and accuracy of the models and data Capital One relies on; increased costs, reductions in revenue, reputational damage, legal liability and business disruptions that can result from data protection or privacy incidents or the theft, loss or misuse of information, including as a result of a cyber-attack; developments, changes or actions relating to any litigation, governmental investigation or regulatory enforcement action or matter involving Capital One; the amount and rate of deposit growth and changes in deposit costs; Capital One's ability to execute on its strategic and operational plans; Capital One's response to competitive pressures; Capital One's business, financial condition and results of operations may be adversely affected by merchants' increasing focus on the fees charged by credit card networks and by legislation and regulation impacting such fees; Capital One's success in integrating acquired businesses and loan portfolios, and its ability to realize anticipated benefits from announced transactions and strategic partnerships; Capital One's ability to maintain a compliance, operational, technology and organizational infrastructure suitable for the nature of its business; the success of Capital One's marketing efforts in attracting and retaining customers; Capital One's risk management strategies; changes in the reputation of, or expectations regarding, the financial services industry or Capital One with respect to practices, products or financial condition; increases or decreases in interest rates and uncertainty with respect to the interest rate environment, including the possibility of a prolonged low-interest rate environment or of negative interest rates; uncertainty regarding, and transition away from, the London Interbank Offered Rate; Capital One's ability to attract, retain and motivate skilled employees; Capital One's assumptions or estimates in its financial statements; limitations on Capital One's ability to receive dividends from its subsidiaries; the soundness of other financial institutions and other third parties; and other risk factors identified from time to time in Capital One's public disclosures, including in the reports that it files with the U.S. Securities and Exchange Commission. Capital One expects that the effects of the COVID-19 pandemic will heighten the risks associated with many of these factors.

You should carefully consider the factors referred to above in evaluating these forward-looking statements. All information in these slides is based on the consolidated results of Capital One Financial Corporation, unless otherwise noted. A reconciliation of any non-GAAP financial measures included in this presentation can be found in Capital One's Current Report on Form 8-K filed October 26, 2021, available on its website at www.capitalone.com under "Investors."

Q3 2021 Company Highlights

- Net income for the third quarter of 2021 of $3.1 billion, or $6.78 per diluted common share
  - Excluding adjusting items, net income per diluted common share of $6.86
- Pre-provision earnings increased 7% to $3.6 billion [(1)]
- Provision for credit losses of $(342) million
- Efficiency ratio of 53.46%
  - Efficiency ratio excluding adjusting items was 52.89%
- Operating efficiency ratio of 43.87%
  - Operating efficiency ratio excluding adjusting items was 43.30%
- Adjusting items in the quarter, which are excluded from diluted earnings per share (EPS) and efficiency ratio metrics (see slide 15 for additional information):

(Dollars in millions, except per share data)	Pre-Tax Impact	Diluted EPS Impact
Legal reserve activity	$ 45	$ 0.08

- Common equity Tier 1 capital ratio under Basel III Standardized Approach of 13.8% at September 30, 2021
- Period-end loans outstanding increased $11.6 billion to $267.7 billion
  - Period-end loans held for investment increased $11.8 billion to $261.4 billion
- Average loans outstanding increased $11.0 billion to $260.2 billion
  - Average loans held for investment increased $6.6 billion to $253.1 billion
- Period-end total deposits decreased $370 million to $305.9 billion
- Average total deposits decreased $3.2 billion to $305.0 billion

Note: All comparisons are for the third quarter of 2021 compared with the second quarter of 2021 unless otherwise noted. Regulatory capital metrics and capital ratios as of September 30, 2021 are preliminary and therefore subject to change.

(1) Pre-provision earnings is calculated based on the sum of net interest income and non-interest income, less non-interest expense for the period. Management believes that this financial metric is useful in enabling investors and others to assess the Company’s ability to generate income to cover credit losses through a credit cycle, which can vary significantly between periods.

Allowance for Credit Losses

(Dollars in millions)	Credit Card	Consumer Banking	Commercial Banking	Total
Allowance for credit losses:				
Balance as of June 30, 2021	$ 8,873	$ 2,203	$ 1,270	$ 12,346
Charge-offs	**(735)**	**(264)**	**(20)**	**(1,019)**
Recoveries	**369**	**213**	**11**	**593**
Net charge-offs	**(366)**	**(51)**	**(9)**	**(426)**
Provision (benefit) for credit losses[1]	**(198)**	**(91)**	**(55)**	**(344)**
Allowance build (release) for credit losses[1]	**(564)**	**(142)**	**(64)**	**(770)**
Other changes[2]	**(3)**	**—**	**—**	**(3)**
Balance as of September 30, 2021	**$ 8,306**	**$ 2,061**	**$ 1,206**	**$ 11,573**
Allowance coverage ratio as of September 30, 2021	**7.91%**	**2.67%**	**1.52%**	**4.43%**

Third Quarter 2021 Highlights

- Allowance release of $770 million driven by strong credit performance
- Allowance coverage ratio of 4.43% at September 30, 2021, compared to 4.95% at June 30, 2021

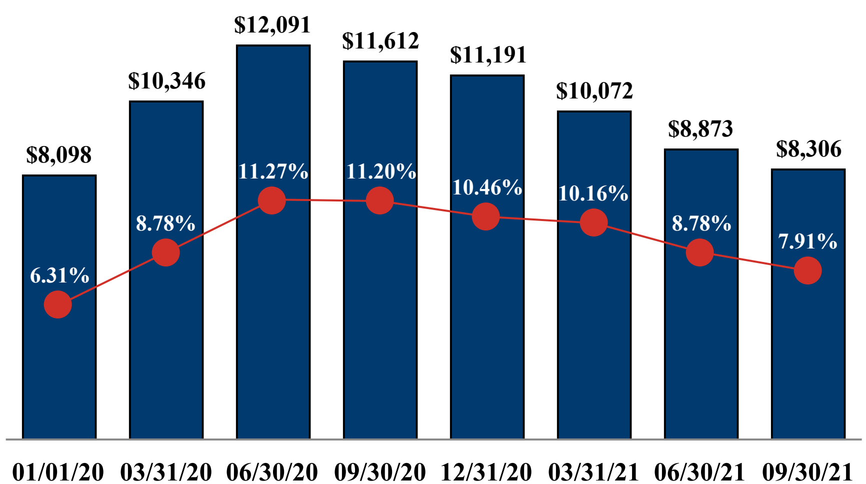
(1) Does not include $2 million of provision related to unfunded lending commitments that is recorded in other liabilities in Commercial Banking.

(2) Primarily represents foreign currency translation adjustments.

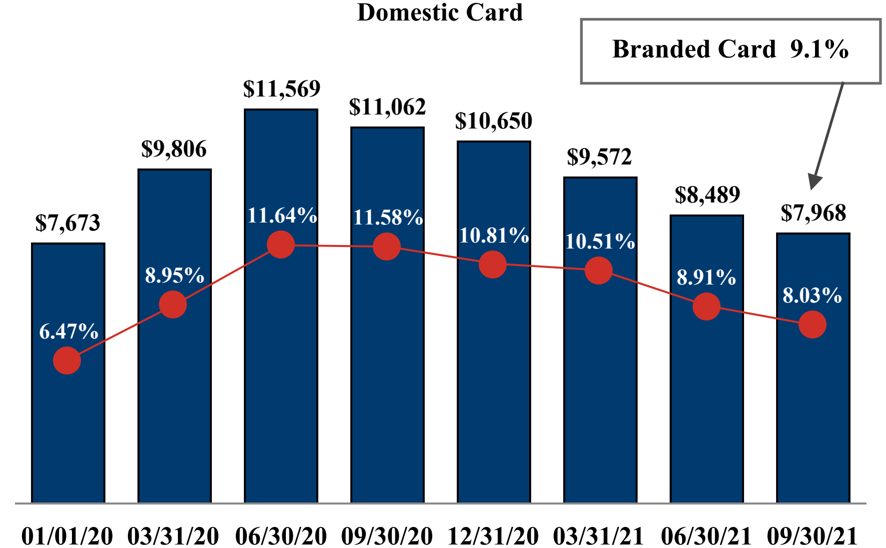
Allowance Coverage Ratios by Segment

Allowance for credit losses ($M)
Allowance Coverage Ratio

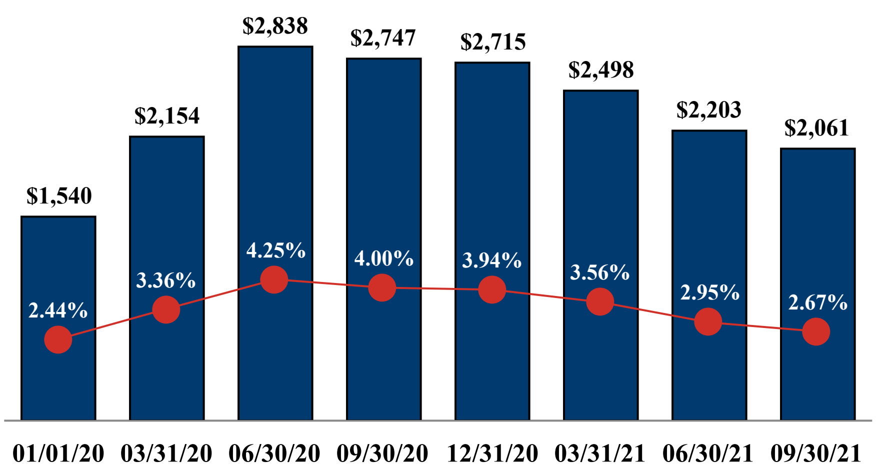
Credit Card



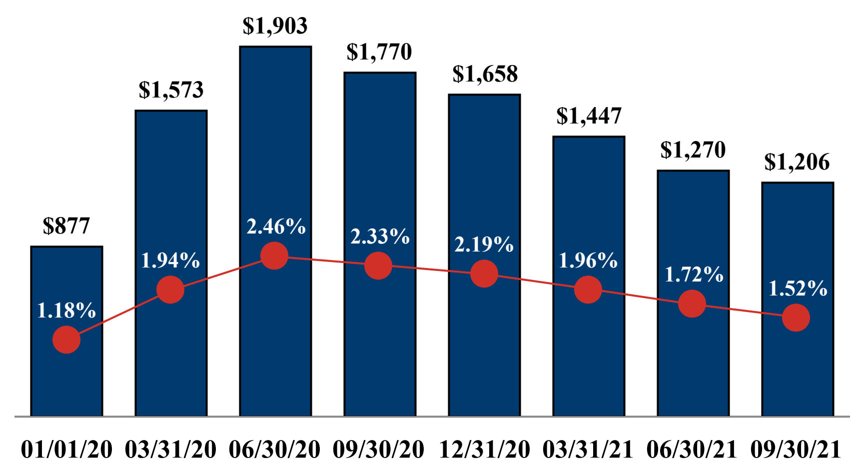
Domestic Card



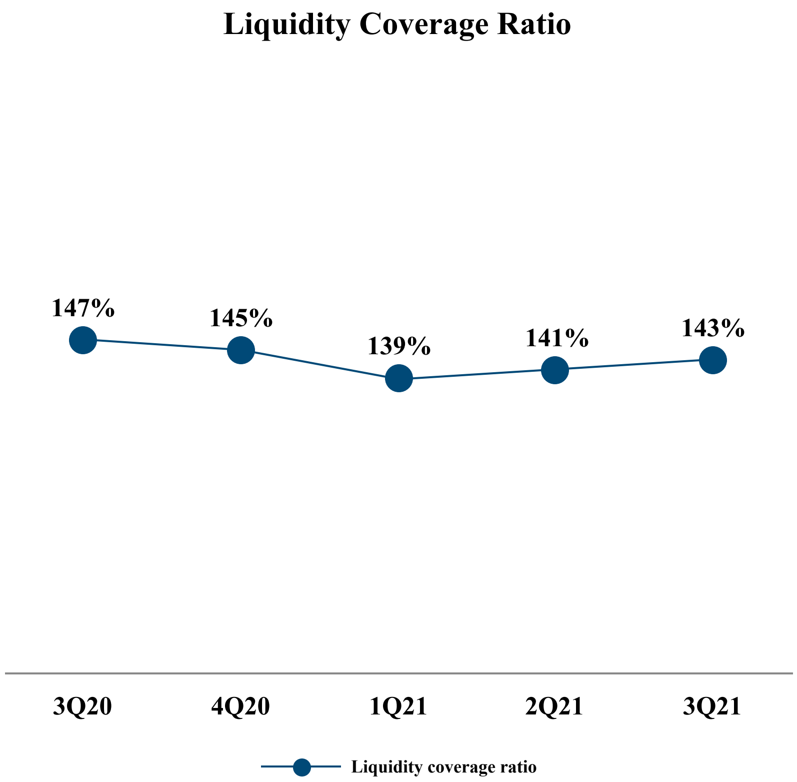
Consumer Banking

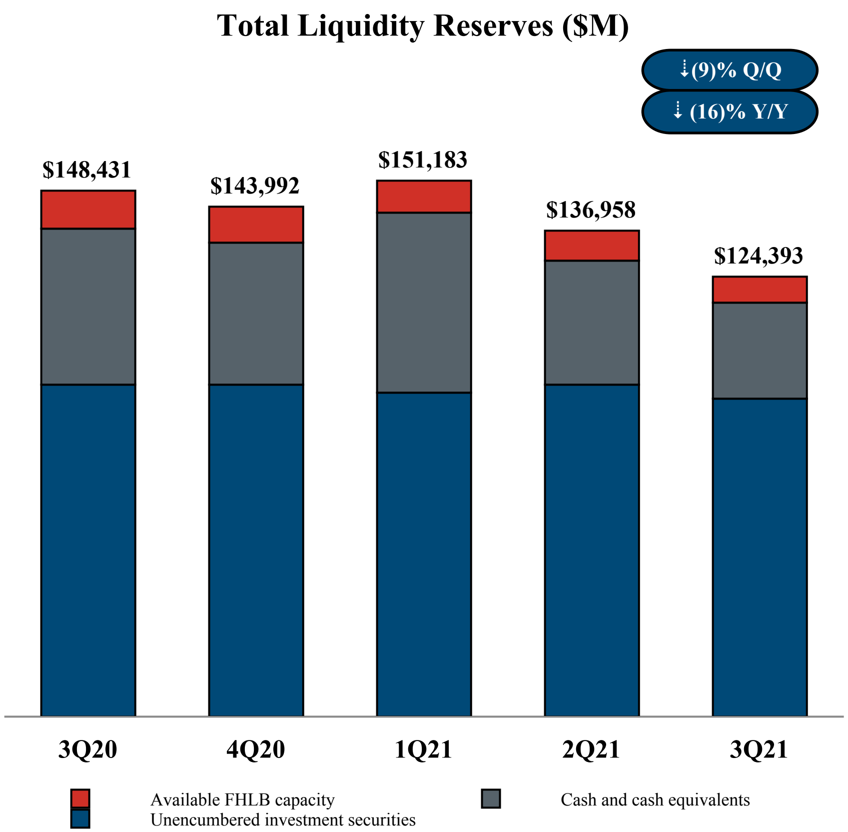


Commercial Banking



Liquidity



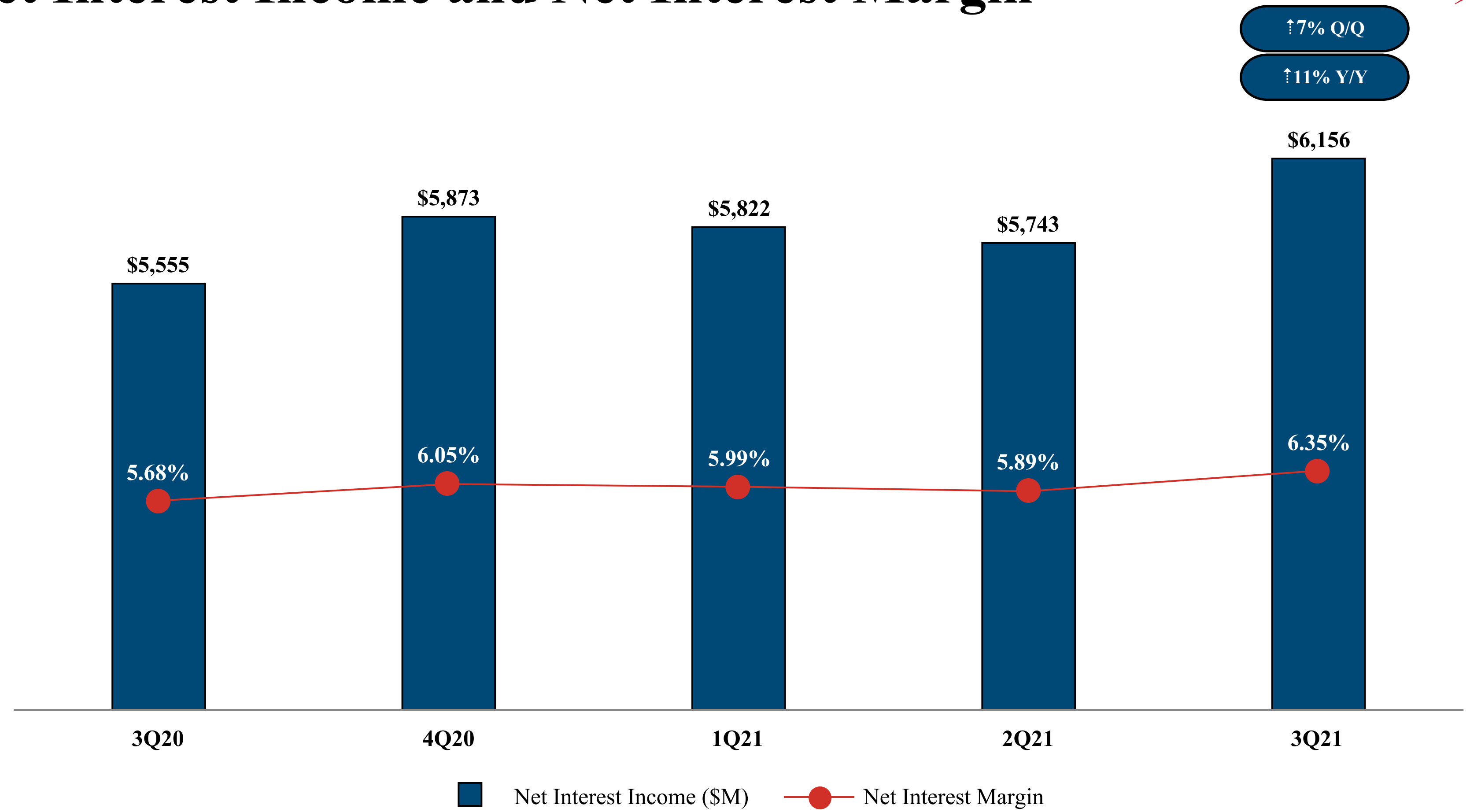


Third Quarter 2021 Highlights

- Average quarterly liquidity coverage ratio of 143%
- Total liquidity reserves of $124.4 billion as of September 30, 2021
  - $26.6 billion in cash and cash equivalents

Note: 3Q21 LCR is preliminary and therefore subject to change.

Net Interest Income and Net Interest Margin



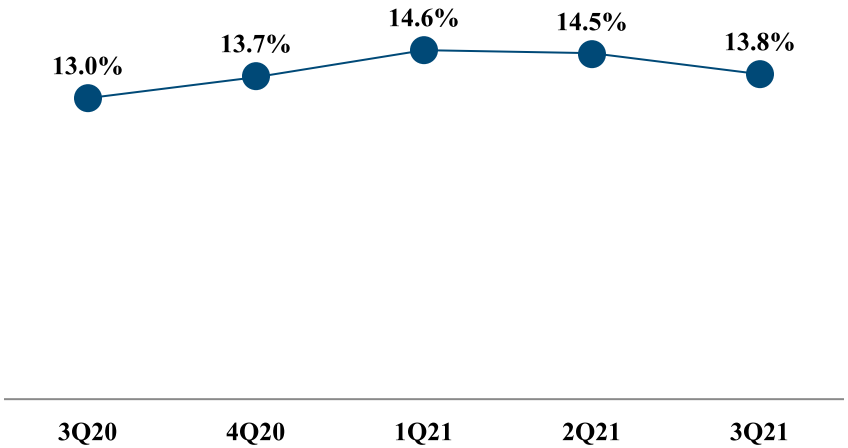
Third Quarter 2021 Highlights

- Net interest margin increased 46 basis points quarter-over-quarter primarily driven by higher yields and balances in Domestic Card, lower average cash balances, and the favorable impact of day count.
- Net interest margin increased 67 basis points year-over-year primarily driven by lower rates paid on interest-bearing liabilities, higher average loan balances and lower average cash balances, which were partially offset by higher average investment securities balances.

Capital

(Dollars in millions)	Amount	Ratio
Common equity Tier 1 (CET1) as of June 30, 2021	$ 44,432	14.5%
Q3 2021 Net income	**3,104**	**100 bps**
CECL Transition Provisions	**(193)**	**(10)bps**
Share Repurchases	**(2,704)**	**(90)bps**
Other quarterly activities	**(501)**	**(20)bps**
Risk Weighted Assets changes	**N/A**	**(50)bps**
CET1 as of September 30, 2021	**44,138**	**13.8%**

Common Equity Tier 1 Capital Ratio



Third Quarter 2021 Highlights

- CET1 capital ratio of 13.8% at September 30, 2021
- Stress Capital Buffer of 2.5% effective October 1, 2021
- Repurchased 16.7 million common shares for $2.7 billion; YTD repurchases of $4.9 billion out of our $7.5 billion authorization

Note: Regulatory capital metrics and capital ratios as of September 30, 2021 are preliminary and therefore subject to change.

Financial Summary—Business Segment Results

(Dollars in millions)	Credit Card	Consumer Banking	Commercial Banking	Other	Total
	Three Months Ended September 30, 2021				
Net interest income (loss)	$ 3,620	$ 2,159	$ 578	$ (201)	$ 6,156
Non-interest income (loss)	1,263	127	306	(22)	1,674
Total net revenue (loss)	4,883	2,286	884	(223)	7,830
Provision (benefit) for credit losses	(198)	(91)	(53)	—	(342)
Non-interest expense	2,424	1,186	459	117	4,186
Income (loss) from continuing operations before income taxes	2,657	1,191	478	(340)	3,986
Income tax provision (benefit)	627	282	113	(140)	882
Income (loss) from continuing operations, net of tax	$ 2,030	$ 909	$ 365	$ (200)	$ 3,104

Credit Card

(Dollars in millions, except as noted)	2021 Q3	2021 Q2	2020 Q3	2021 Q3 vs. 2021 Q2	2021 Q3 vs. 2020 Q3
Earnings:					
Net interest income	**$ 3,620**	$ 3,217	$ 3,292	13 %	10 %
Non-interest income	**1,263**	1,253	1,013	1	25
Total net revenue	**4,883**	4,470	4,305	9	13
Provision (benefit) for credit losses	**(198)**	(635)	450	(69)	**
Non-interest expense	**2,424**	2,263	2,003	7	21
Pre-tax income	**2,657**	2,842	1,852	(7)	43
Selected performance metrics:					
Period-end loans held for investment	**$105,030**	$ 101,017	$ 103,641	4 %	1 %
Average loans held for investment	**102,046**	99,674	105,367	2	(3)
Total net revenue margin	**18.33 %**	17.59 %	16.34 %	74 bps	199 bps
Net charge-off rate	**1.43**	2.29	3.58	(86)	(215)
Purchase volume	**$136,614**	$ 132,676	$ 107,102	3 %	28 %

Third Quarter 2021 Highlights

- Ending loans held for investment up $1.4 billion, or 1%, year-over-year; average loans held for investment down $3.3 billion, or 3%, year-over-year
- Purchase volume up 28% year-over-year
- Revenue up $578 million, or 13%, year-over-year
- Revenue margin of 18.33%
- Non-interest expense up $421 million, or 21%, year-over-year
- Provision for credit losses down $648 million year-over-year
- Net charge-off rate of 1.43%

Domestic Card

(Dollars in millions, except as noted)	2021 Q3	2021 Q2	2020 Q3	2021 Q3 vs. 2021 Q2	2021 Q3 vs. 2020 Q3
Earnings:					
Net interest income	**$ 3,319**	$ 2,944	$ 2,995	13 %	11 %
Non-interest income	**1,200**	1,183	952	1	26
Total net revenue	**4,519**	4,127	3,947	9	14
Provision (benefit) for credit losses	**(200)**	(561)	378	(64)	**
Non-interest expense	**2,191**	2,034	1,802	8	22
Pre-tax income	**2,528**	2,654	1,767	(5)	43
Selected performance metrics:					
Period-end loans held for investment	**$ 99,258**	$ 95,309	$ 95,541	4 %	4 %
Average loans held for investment	**96,309**	91,535	97,306	5	(1)
Total net revenue margin	**18.40 %**	17.66 %	16.22 %	74 bps	218 bps
Net charge-off rate	**1.36**	2.28	3.64	(92)	(228)
30+ day performing delinquency rate	**1.93**	1.68	2.21	25	(28)
Purchase volume	**$ 126,057**	$ 122,456	$ 98,107	3 %	28 %

Third Quarter 2021 Highlights

- Ending loans held for investment up $3.7 billion, or 4%, year-over-year; average loans held for investment down $1.0 billion, or 1%, year-over-year
- Purchase volume up 28% year-over-year
- Revenue up $572 million, or 14%, year-over-year
- Revenue margin of 18.40%
- Non-interest expense up $389 million, or 22%, year-over-year
- Provision for credit losses down $578 million year-over-year
- Net charge-off rate of 1.36%

Consumer Banking

(Dollars in millions, except as noted)	2021 Q3	2021 Q2	2020 Q3	2021 Q3 vs. 2021 Q2	2021 Q3 vs. 2020 Q3
Earnings:					
Net interest income	**$ 2,159**	$ 2,101	$ 1,904	3 %	13 %
Non-interest income	**127**	144	107	(12)	19
Total net revenue	**2,286**	2,245	2,011	2	14
Provision (benefit) for credit losses	**(91)**	(306)	(43)	(70)	112
Non-interest expense	**1,186**	1,123	1,011	6	17
Pre-tax income	**1,191**	1,428	1,043	(17)	14
Selected performance metrics:					
Period-end loans held for investment	**$ 77,112**	$ 74,759	$ 68,688	3 %	12 %
Average loans held for investment	**75,996**	72,705	67,822	5	12
Auto loan originations	**11,570**	12,959	8,979	(11)	29
Period-end deposits	**252,387**	251,155	249,684	—	1
Average deposits	**251,307**	252,488	248,418	—	1
Average deposits interest rate	**0.30 %**	0.31 %	0.66 %	(1)bps	(36)bps
Net charge-off (recovery) rate	**0.27**	(0.06)	0.28	33	(1)

Third Quarter 2021 Highlights

- Ending loans held for investment up \$8.4 billion, or 12%, year-over-year; average loans held for investment up \$8.2 billion, or 12%, year-over-year
- Ending deposits up \$2.7 billion, or 1%, year-over-year
- Auto loan originations up \$2.6 billion, or 29%, year-over-year
- Revenue up \$275 million, or 14%, year-over-year
- Non-interest expense up \$175 million, or 17%, year-over-year
- Provision for credit losses down \$48 million year-over-year
- Net charge-off rate of 0.27%

Commercial Banking

(Dollars in millions, except as noted)	2021 Q3	2021 Q2	2020 Q3	2021 Q3 vs. 2021 Q2	2021 Q3 vs. 2020 Q3
Earnings:					
Net interest income	**$ 578**	$ 460	$ 517	26 %	12 %
Non-interest income	**306**	257	237	19	29
Total net revenue	**884**	717	754	23	17
Provision (benefit) for credit losses	**(53)**	(219)	(74)	(76)	(28)
Non-interest expense	**459**	417	424	10	8
Pre-tax income	**478**	519	404	(8)	18
Selected performance metrics:					
Period-end loans held for investment	**$ 79,248**	$ 73,821	$ 75,894	7	4 %
Average loans held for investment	**75,059**	74,084	76,322	1	(2)
Period-end deposits	**43,347**	42,973	36,783	1 %	18
Average deposits	**42,729**	42,311	36,278	1	18
Average deposits interest rate	**0.15 %**	0.14 %	0.25 %	1 bps	(10)bps
Net charge-off (recovery) rate	**0.05**	(0.11)	0.43	16	(38)
Risk category as a percentage of period-end loans held for investment:[(1)]					
Criticized performing	**6.9 %**	7.6 %	8.7 %	(70)bps	(180)bps
Criticized nonperforming	**0.8**	1.0	1.0	(20)	(20)

(1) Criticized exposures correspond to the "Special Mention," "Substandard" and "Doubtful" asset categories defined by bank regulatory authorities.

Third Quarter 2021 Highlights

- Ending loans held for investment up $3.4 billion, or 4%, year-over-year; average loans held for investment down $1.3 billion, or 2%, year-over-year
- Ending deposits up $6.6 billion, or 18%, year-over-year; average deposits up $6.5 billion, or 18%, year-over-year
- Revenue up $130 million, or 17%, year-over-year
- Non-interest expense up $35 million, or 8%, year-over-year
- Provision for credit losses up $21 million year-over-year
- Net charge-off rate of 0.05%
- Criticized performing loan rate of 6.9% and criticized nonperforming loan rate of 0.8%

Appendix

Reconciliation of Non-GAAP Measures

(Dollars in millions, except per share data and as noted)	2021 Q3	2021 Q2	2021 Q1	2020 Q3	2020 Q2	2020 Q1	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Adjusted diluted EPS:								
Net income (loss) available to common stockholders (GAAP)	**$ 2,987**	$ 3,446	$ 3,236	$ 2,319	$ (1,009)	$ (1,420)	**$ 9,669**	$ (91)
Legal reserve activity, including insurance recoveries	**45**	55	—	40	265	45	**100**	350
U.K. Payment Protection Insurance customer refund reserve (“U.K. PPI Reserve”)	—	—	—	(36)	—	—	—	(36)
Cybersecurity Incident expenses, net of insurance	—	—	—	6	11	4	—	21
Adjusted net income (loss) available to common stockholders before income tax impacts (non-GAAP)	**3,032**	3,501	3,236	2,329	(733)	(1,371)	**9,769**	244
Income tax impacts	**(11)**	(13)	—	(12)	(3)	(12)	**(24)**	(27)
Adjusted net income (loss) available to common stockholders (non-GAAP)	**$ 3,021**	$ 3,488	$ 3,236	$ 2,317	$ (736)	$ (1,383)	**$ 9,745**	$ 217
Diluted weighted-average common shares outstanding (in millions) (GAAP)	**440.5**	452.3	460.1	458.5	456.7	457.6	**450.9**	457.4
Diluted EPS (GAAP)	**$ 6.78**	$ 7.62	$ 7.03	$ 5.06	$ (2.21)	$ (3.10)	**$ 21.44**	$ (0.20)
Impact of adjustments noted above	**0.08**	0.09	—	(0.01)	0.60	0.08	**0.17**	0.67
Adjusted diluted EPS (non-GAAP)	**$ 6.86**	$ 7.71	7.03	$ 5.05	$ (1.61)	$ (3.02)	**$ 21.61**	$ 0.47
Adjusted efficiency ratio:								
Non-interest expense (GAAP)	**$ 4,186**	$ 3,966	$ 3,740	$ 3,548	$ 3,770	$ 3,729	**$ 11,892**	$ 11,047
Legal reserve activity, including insurance recoveries	**(45)**	(55)	—	(40)	(265)	(45)	**(100)**	(350)
Cybersecurity Incident expenses, net of insurance	—	—	—	(6)	(11)	(4)	—	(21)
Adjusted non-interest expense (non-GAAP)	**$ 4,141**	$ 3,911	$ 3,740	$ 3,502	$ 3,494	$ 3,680	**$ 11,792**	$ 10,676
Total net revenue (GAAP)	**$ 7,830**	$ 7,374	$ 7,113	$ 7,381	$ 6,556	$ 7,249	**$ 22,317**	$ 21,186
U.K. PPI Reserve	—	—	—	(36)	—	—	—	(36)
Adjusted net revenue (non-GAAP)	**$ 7,830**	$ 7,374	$ 7,113	$ 7,345	$ 6,556	$ 7,249	**$ 22,317**	$ 21,150
Efficiency ratio (GAAP)	**53.46%**	53.78%	52.58%	48.07%	57.50%	51.44%	**53.29%**	52.14%
Impact of adjustments noted above	**(57)bps**	(74)bps	— bps	(39)bps	(421)bps	(67)bps	**(45)bps**	(166)bps
Adjusted efficiency ratio (non-GAAP)	**52.89%**	53.04%	52.58%	47.68%	53.29%	50.77%	**52.84%**	50.48%

Reconciliation of Non-GAAP Measures

	2021			2020			Nine Months Ended September 30,	
(Dollars in millions, except per share data and as noted)	**Q3**	**Q2**	**Q1**	**Q3**	**Q2**	**Q1**	**2021**	**2020**
Adjusted operating efficiency ratio:								
Operating expense (GAAP)	**$ 3,435**	$ 3,346	$ 3,239	$ 3,265	$ 3,497	$ 3,238	**$ 10,020**	$ 10,000
Legal reserve activity, including insurance recoveries	**(45)**	(55)	—	(40)	(265)	(45)	**(100)**	(350)
Cybersecurity Incident expenses, net of insurance	**—**	—	—	(6)	(11)	(4)	**—**	(21)
Adjusted operating expense (non-GAAP)	**$ 3,390**	$ 3,291	$ 3,239	$ 3,219	$ 3,221	$ 3,189	**$ 9,920**	$ 9,629
Total net revenue (GAAP)	**$ 7,830**	$ 7,374	$ 7,113	$ 7,381	$ 6,556	$ 7,249	**$ 22,317**	$ 21,186
U.K. PPI Reserve	**—**	—	—	(36)	—	—	**—**	(36)
Adjusted net revenue (non-GAAP)	**7,830**	7,374	7,113	7,345	6,556	7,249	**22,317**	21,150
Operating efficiency ratio (GAAP)	**43.87%**	45.38%	45.54%	44.24	53.34%	44.67%	**44.90%**	47.20%
Impact of adjustments noted above	**(57)bps**	(75)bps	— bps	(41)bps	(421)bps	(68)bps	**(45)bps**	(167)bps
Adjusted operating efficiency ratio (non-GAAP)	**43.30%**	44.63%	45.54%	43.83%	49.13%	43.99%	**44.45%**	45.53%