Fourth quarter 2008 results

January 22, 2009

Forward looking statements

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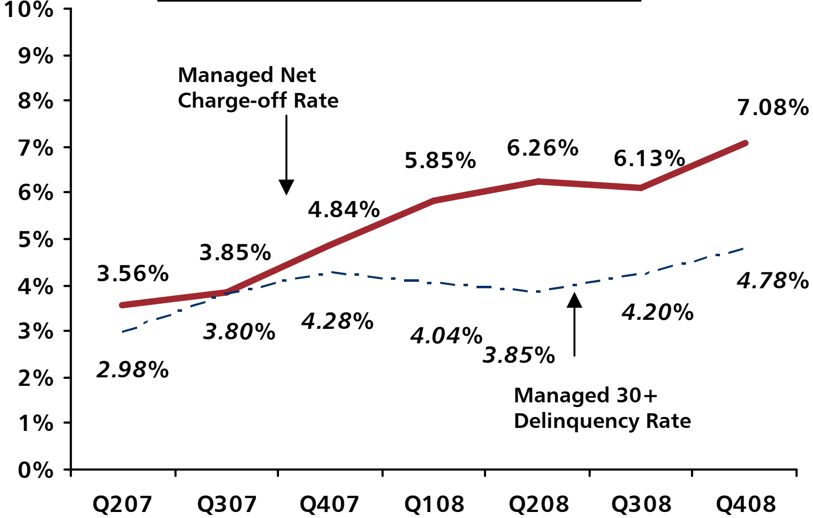
Fourth Quarter 2008 Summary

		Q408			2008		
		$MM		EPS	$MM		EPS
Earnings from Continuing Ops (Excluding Goodwill Impairment)	$	(585)	$	(1.59)	895	$	2.28
Earnings from Continuing Ops (Including Goodwill Impairment)		(1,396)	$	(3.67)	85		0.14
Total Company Earnings		(1,422)	$	(3.74)	(46)		(0.21)

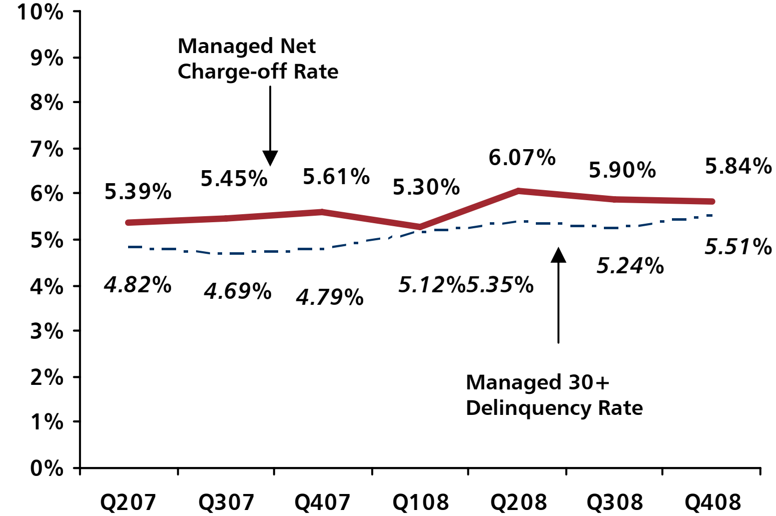
- Declines in EPS driven by:
  - **Higher provision expense, including $1.0B allowance build consistent with assumption that unemployment rate increases to 8.7% by year end 2009**
  - **Goodwill write down of $811MM associated with smaller Auto Finance business**
- Credit performance reflects the impact of significant economic deterioration across the loan portfolio
  - **Managed charge-off rate up 68 basis points from Q308 to 4.98%**
  - **Managed 30+ delinquency rate up 50 basis points from Q308 to 4.49%**
- Our strong and transparent balance sheet positions us to weather the storm
  - **Significantly increased allowance coverage ratios**
  - **High quality investment portfolio**
  - **Readily available liquidity of $40B, up $8B from 9/30/08**
  - **Ending deposits of $109B; strong deposit growth with disciplined pricing and stable margins**
  - **TCE ratio of 5.57%, including OCI**

The worsening economy drove rising delinquency and loss trends across our lending businesses

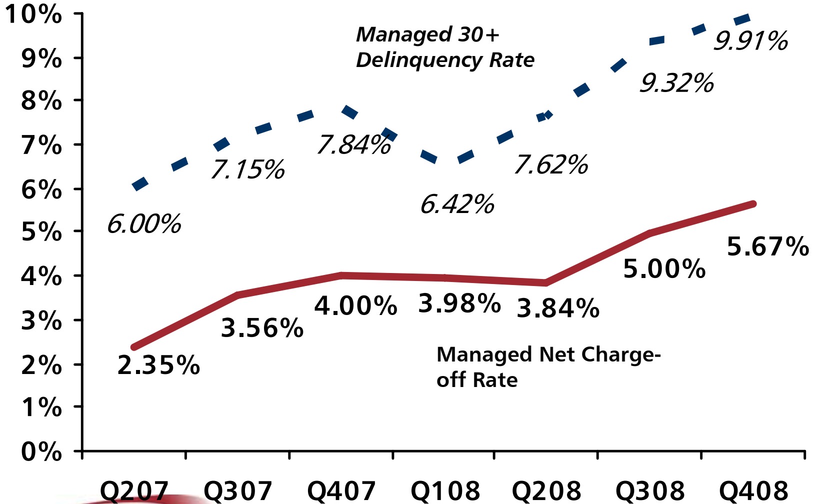
US Card



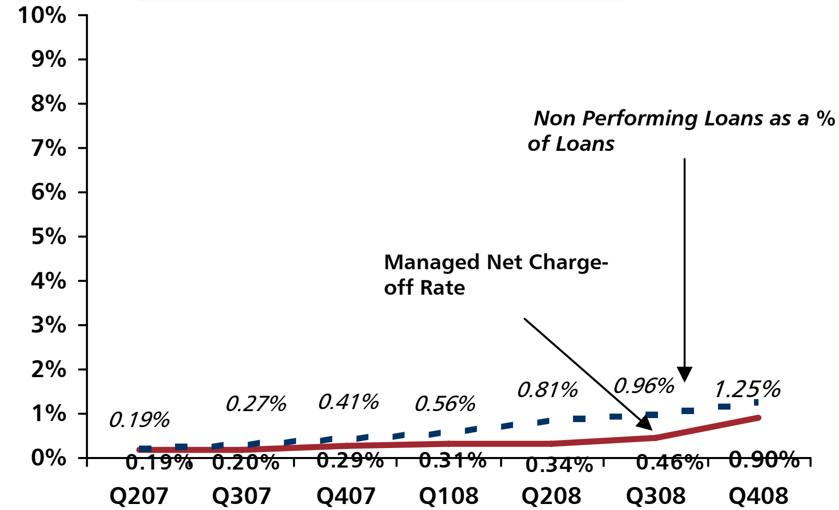
International



Auto Finance



Local Banking

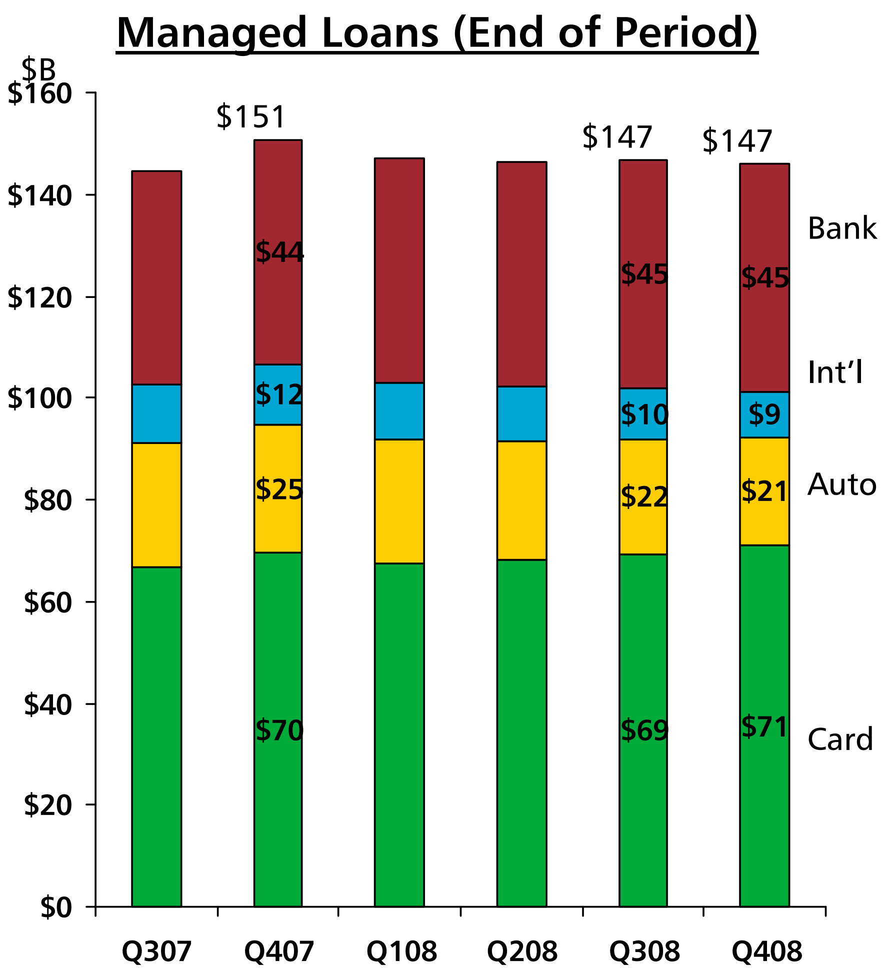


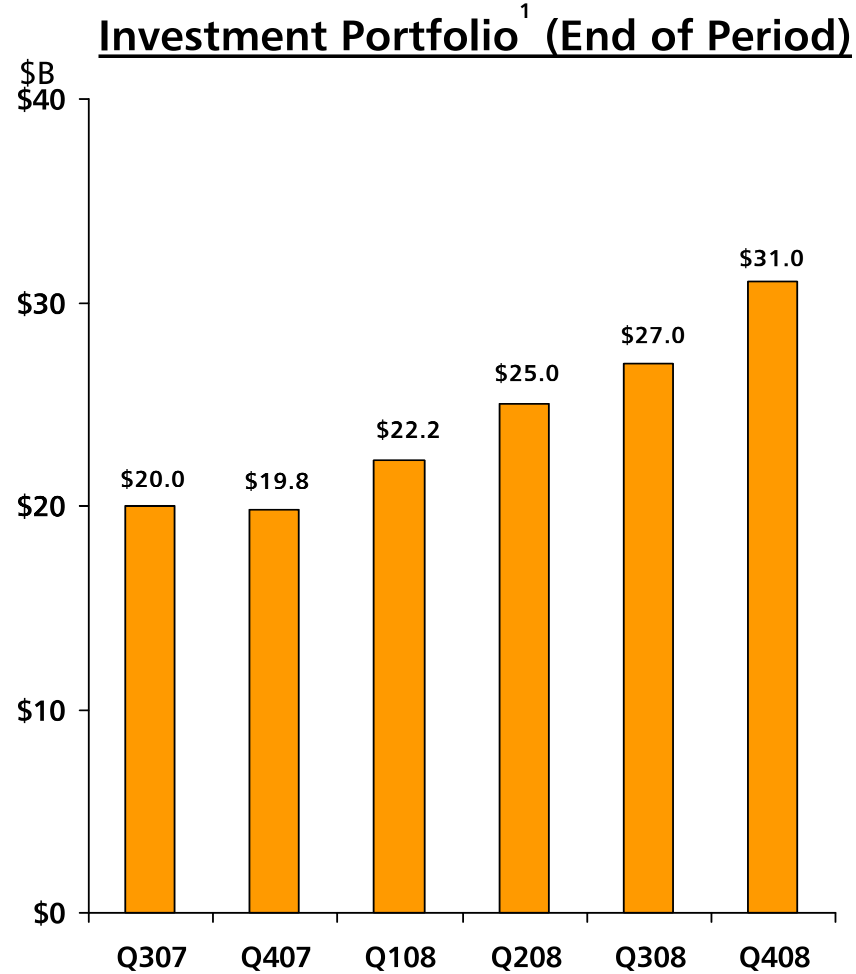
Economic conditions deteriorated rapidly in Q4, driving our outlook for managed credit losses

	As of 9/30/08	As of 12/31/08
Next 12 Month Period	10/1/08-9/30/09	1/1/09-12/31/09
Unemployment Rate	6.5% as of 9/30/08	7.2% as of 12/31/08
Unemployment Rate Assumption	Around 7% by mid 2009	8.7% by end 2009
Home Price History	Case Schiller 20 city index down 21% from peak	Case Schiller 20 city index down~25% from peak
Home Price Assumption	Additional 10 percentage point decline by mid 2009	Additional 10 percentage point decline by end 2009
Managed Credit Loss Outlook for next 12 months	$7.2B	$8.6B

CapitalOne

The mix of earning assets has shifted as multiple factors have resulted in flat loan growth

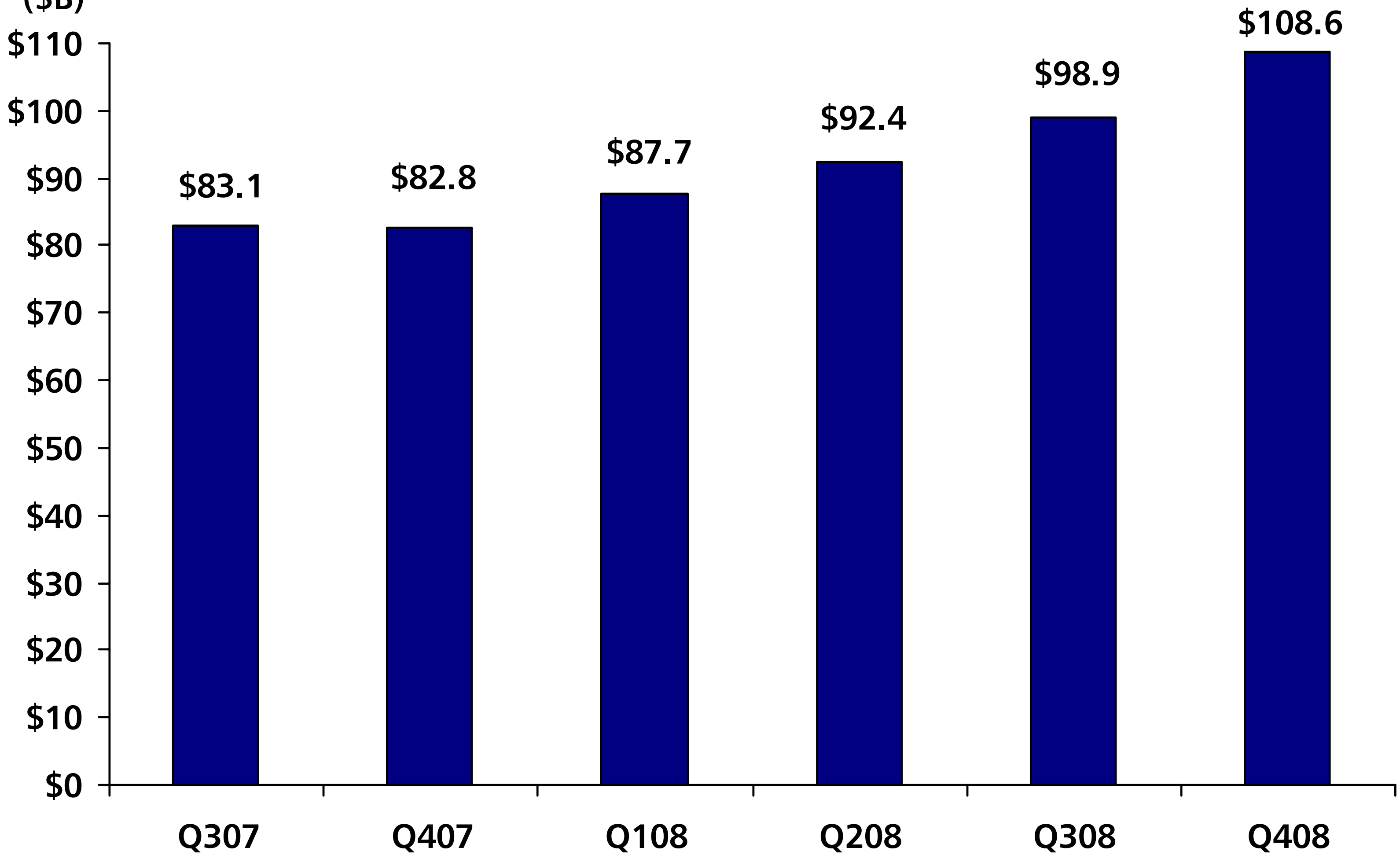




[1] net of unrealized gains/losses

We achieved significant deposit growth with stable margins

Total Company Ending Deposits



	Q307	Q407	Q108	Q208	Q308	Q408
Local Banking Deposit Margin	2.09%	2.05%	1.93%	2.04%	2.18%	2.12%

Chevy Chase is a strategically and financially attractive acquisition

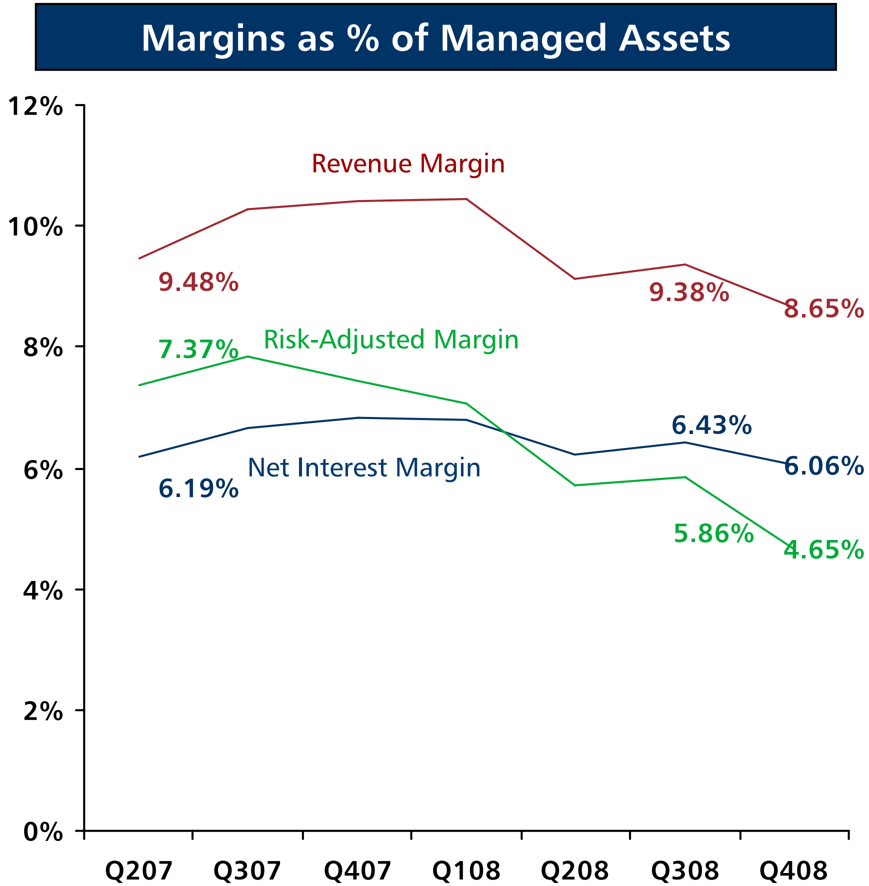
- A leading local banking franchise in one of the best local markets*
  - $11.6 billion in deposits
  - #1 branch share, #1 ATM share, #5 deposit share
  - Attractive market
    - 9th largest MSA by population, with above average population growth
    - Highest per capita income and lowest unemployment among the Top 20 MSAs

- Enhances our local banking business
  - Expands our portfolio of attractive local banking franchises
  - Further improves our core deposit funding base
  - Adds additional scale to our bank operations
  - Brings outstanding customer and technology platforms

- Financially attractive and low-risk transaction
  - Accretive to 2009 operating EPS (excluding restructuring charges) and to 2010 GAAP EPS
  - Credit risks mitigated by a $1.75 billion net mark
  - Balance sheet and liquidity remain strong post-acquisition
  - Proximity to Capital One headquarters reduces integration risk and enables synergies
  - Small acquisition relative to the size of Capital One

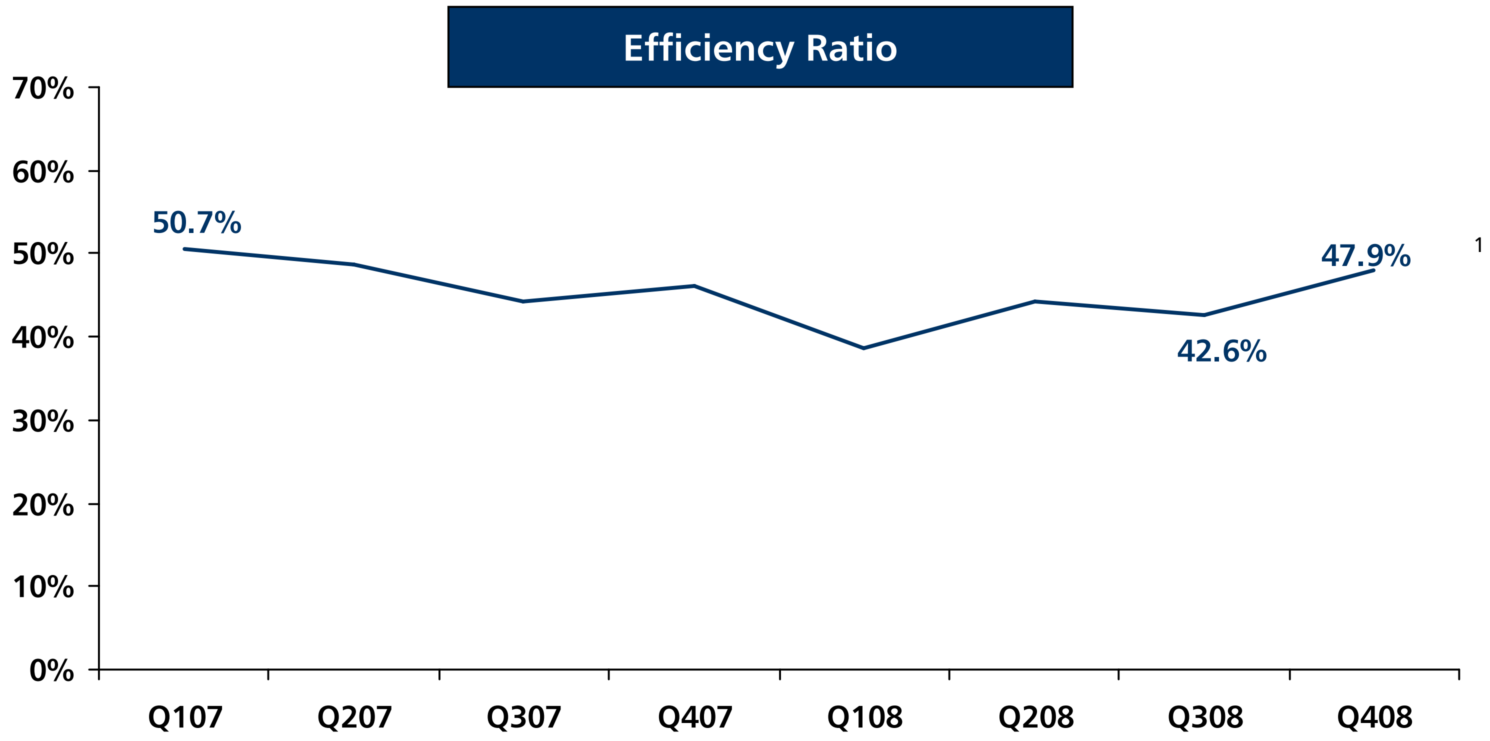
*Company data and SNL

Margins declined as compared to both the sequential quarter and the prior year quarter



- **Credit Impacts**
  - I/O strip write downs
  - Increase in uncollectible finance charges & fees not recognized as revenue
- **Other Impacts**
  - Declining purchase volumes in US Card
  - Mix shift from loans to investment securities
  - Prime/Libor dislocation (sequential quarter)
  - Elevated Q407 margins from 2007 pricing & fee policy moves

Efficiency Ratio and operating expenses improved as a result of our continuing cost management actions



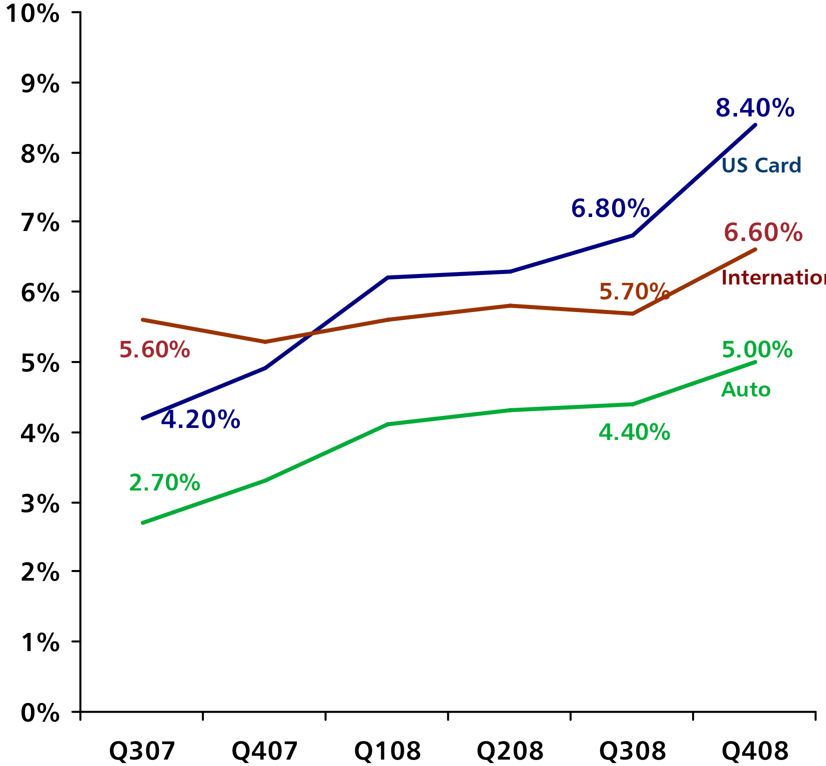
		2007	2008	Improvement
Efficiency Ratio		47.3%	43.1%	416 bps
Non-Interest Expense[2] ($MM)	$	7,940	7,264	676
Operating Expense		6,593	6,146	447
Marketing Expense		1,347	1,118	229

[1] excludes impact from Goodwill write-down of $810.9MM

[2] excludes restructuring expenses

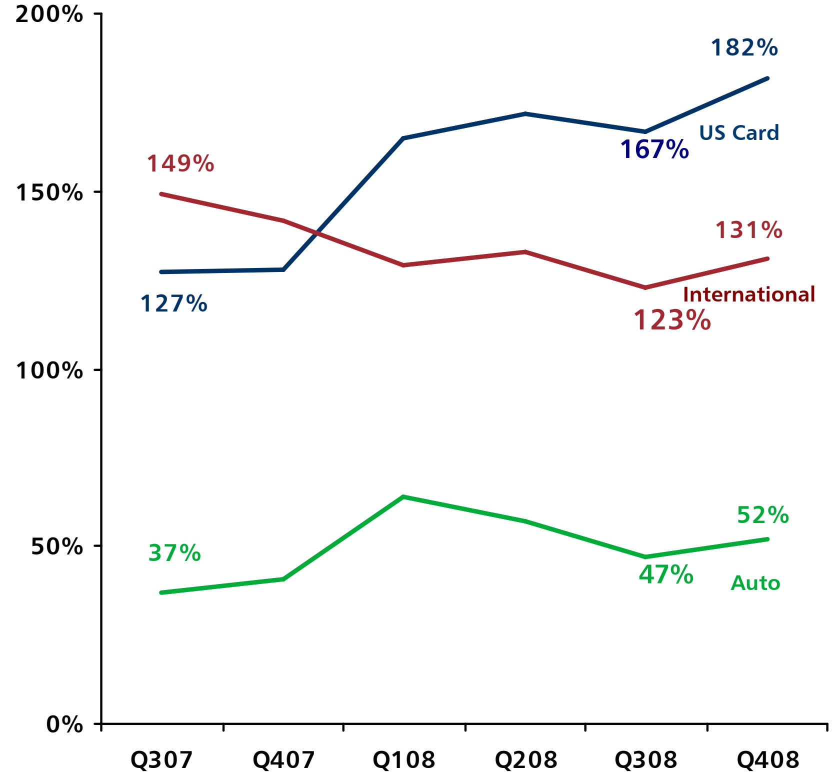
We continue to increase allowance coverage ratios in all of our National Lending businesses

Allowance as % of Reported Loans



Total Company:	2.39%	2.91%	3.33%	3.41%	3.59%	4.48%

Allowance as % of Reported 30+ Delinquencies



We recorded an $811MM non-cash impairment to goodwill in our Auto Finance sub-segment in Q408

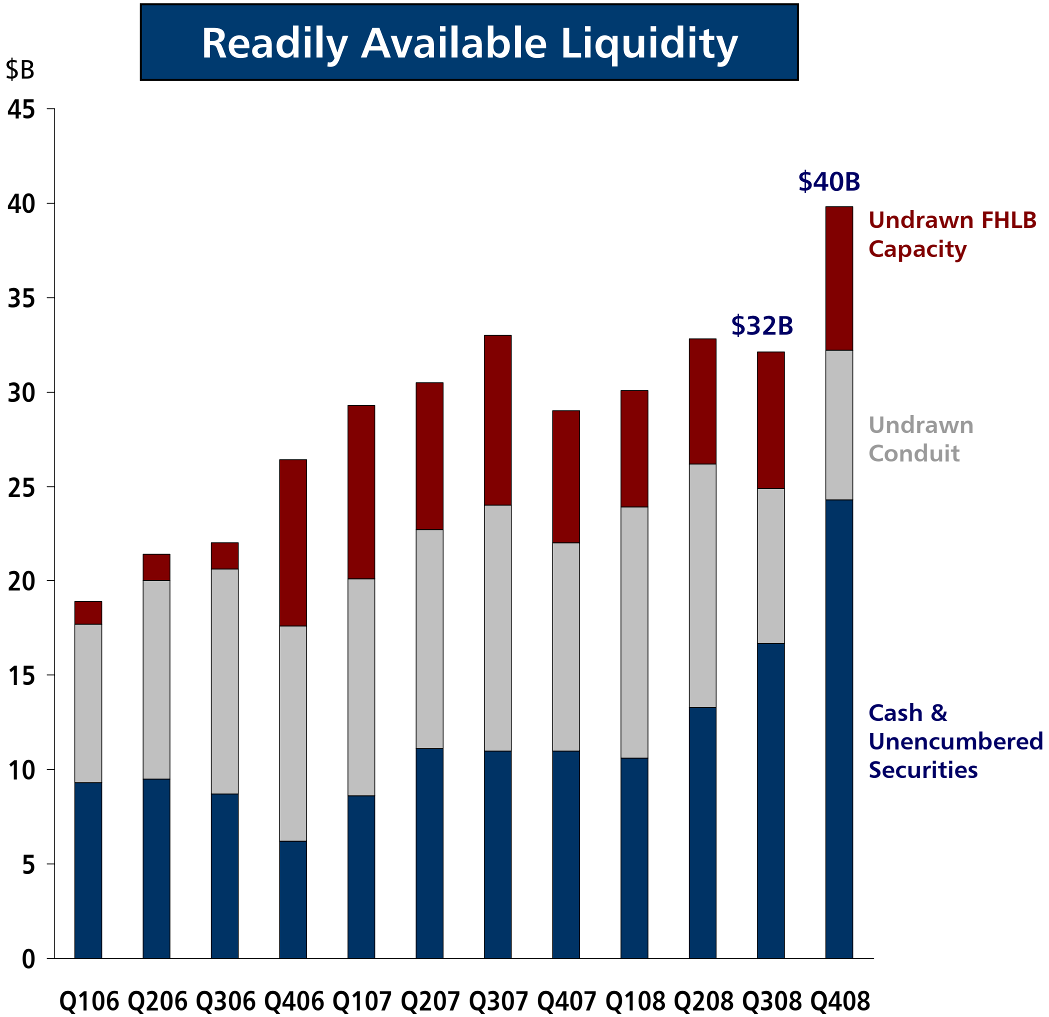
Goodwill ($MM)		Local Banking	US Card	Auto Finance	International	Total Company
Balance at January 1, 2008	$	6,683	3,761	1,430	956	12,830
Other Adjustments		36	-	-	(33)	3
Goodwill Impairment		-	-	(811)	-	(811)
Balance at December 31, 2008	$	6,719	3,761	619	923	12,022

Credit was the big driver of operating earnings

$MM unless otherwise noted	2007	2008	YoY $ Inc/(Dec)
Revenue excl. I/O Strip & Supression	17,912	18,984	1,073
I/O Strip Valuation Change	14	(225)	(239)
Revenue Supression*	(1,140)	(1,920)	(780)
Revenue	**16,786**	**16,839**	**54**
Marketing	1,348	1,118	(230)
Operating Expense	6,593	6,146	(447)
Restructuring	137	135	(2)
Non Interest Expense	**8,078**	**7,399**	**(679)**
Pre Provision Earnings (before tax)	**8,708**	**9,440**	**733**
Net Charge Offs	4,162	6,425	2,263
Allowance Build	676	1,623	947
Provision	**4,838**	**8,048**	**3,210**
Operating Earnings (after tax)	**2,592**	**896**	**(1,696)**
	$6.55 EPS	*$2.28 EPS*	*($4.26 EPS)*
Goodwill Impairment	0	811	811
Continuing Operations (after tax)	**2,592**	**85**	**(2,507)**
	$6.55 EPS	*$0.14 EPS*	*($6.41 EPS)*
Discontinued Ops	(1,021)	(131)	891
Total Company (after tax)	**1,570**	**(46)**	**(1,616)**
	$3.97 EPS	*($0.21 EPS)*	*($4.18 EPS)*

*** In line with the Company's finance charge and fee revenue recognition policy, amounts billed to customers but not recognized as revenue**

We increased readily available liquidity by $8B in the quarter



Q408 Highlights

- $8.8B Holding company cash covers parent obligations for 3+ years, including current dividend level
- $40B of readily available liquidity is 6x next 12 months of debt maturities

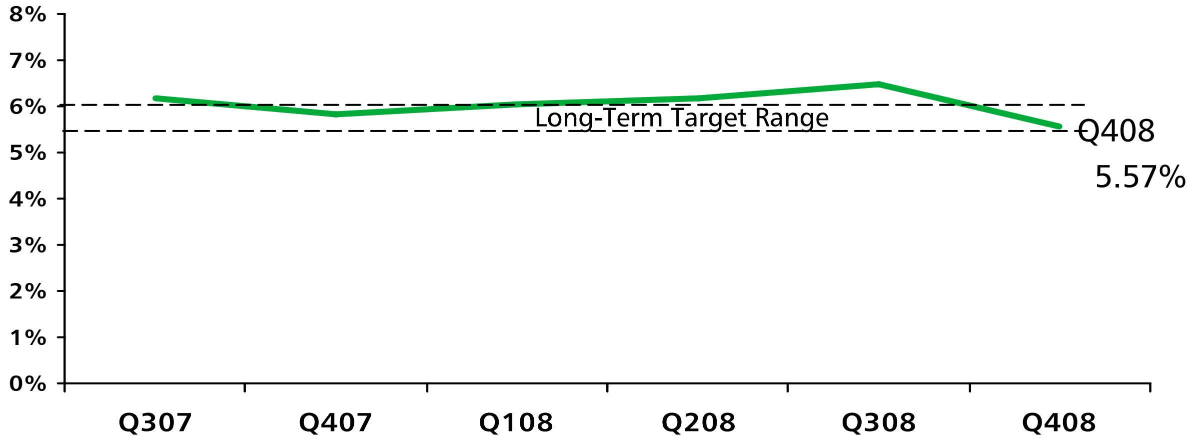
The growth in our investment portfolio has been in lower risk assets

$MM	December 31, 2007 Book Value	December 31, 2007 Net Unrealized Gain/(Loss)	December 31, 2008 Book Value	December 31, 2008 Net Unrealized Gain/(Loss)
Treasuries/Agencies	$ 1,370	16	$ 1,549	61
Agency MBS	11,486	26	21,844	217
Non-Agency MBS	4,411	(11)	3,789	(1,035)
ABS	546	(3)	3,356	(200)
CMBS	1,250	(1)	1,082	(142)
Other	696	(5)	496	(14)
Total	**$ 19,759**	**22**	**$ 32,116**	**(1,113)**

- **Our liquidity focus results in an investment portfolio comprised of liquid, low risk securities**
  - Over 70% invested in Treasuries, Agencies and Agency-backed MBS
  - No SIV's, CDO's, leveraged loans
  - No exposure to equity or hybrids
  - No securities backed by Option ARMs
- **Over 90% of our unrealized loss is concentrated in $3.8B of remaining Non-Agency MBS**
  - Almost entirely collateralized by Prime Jumbo mortgages (Average FICO over 730), less than $71 million Alt-A/Subprime collateral
  - Two-thirds of these securities originally structured with at least twice the credit enhancement needed for AAA.
  - Have the liquidity strength to hold the $3.8B of securities to maturity
- **Other than Temporary Impairment (OTTI) was $5MM or less than 0.5% of the total net unrealized loss**

Our TCE ratio remains strong

Tangible Common Equity to Tangible Managed Assets Ratio



Capital Ratios

	Q307	Q407	Q108	Q208	Q308	Q408
TCE/TMA	**6.2%**	**5.8%**	**6.0%**	**6.2%**	**6.5%**	**5.6%**
TCE/TMA (Excluding OCI)	**6.2%**	**5.9%**	**6.1%**	**6.3%**	**6.6%**	**6.1%**
Adjusted TCE/TMA[1]	**6.8%**	**6.4%**	**6.6%**	**6.8%**	**7.2%**	**7.0%**
Adjusted TCE / RWMA[2]	**7.6%**	**7.3%**	**7.7%**	**8.0%**	**8.5%**	**8.5%**
Tier 1 leverage ratio[3]	**9.5%**	**9.0%**	**9.4%**	**9.4%**	**9.9%**	**11.1%**
Tier 1 risk-based capital ratio[3]	**10.7%**	**10.1%**	**10.9%**	**11.3%**	**12.0%**	**13.6%**
Total risk-based capital ratio[3]	**13.8%**	**13.1%**	**13.8%**	**14.2%**	**14.9%**	**16.5%**

[1] Adjusted TCE excludes OCI and gives 25% tangible common credit for hybrid securities and 25% tangible capital credit for preferred stock
[2] Adjusted TCE / RWMA defined as Adjusted TCE divided by risk weighted managed assets
[3] Q408 are estimates

Our strong and transparent managed balance sheet positions us to weather the storm

- Significantly increased allowance coverage ratios
- $40B in readily available liquidity
- High quality investment portfolio
- Healthy capital position

Capital One[SM]