Second Quarter 2013 Results

July 18, 2013

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.

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You should carefully consider the factors discussed above in evaluating these forward-looking statements. All information in these slides is based on the consolidated results of Capital One Financial Corporation, unless otherwise noted. A reconciliation of any non-GAAP financial measures included in this presentation can be found in Capital One's most recent Current Report on Form 8-K filed July 18, 2013, available on its website at www.capitalone.com under "Investors."

Second Quarter 2013 Results

Income Statement

(Dollars in millions, except per share data and as noted) (unaudited)	2013 Q2	2013 Q1	2012 Q2
Earnings			
Net interest income	**$ 4,553**	$ 4,570	$ 4,001
Non-interest income	**1,085**	981	1,054
Total net revenue	**5,638**	5,551	5,055
Provision for credit losses	**762**	885	1,677
Non-interest expense:			
Marketing	**330**	317	334
Amortization of intangibles	**167**	177	157
Acquisition-related	**50**	46	133
Operating expenses	**2,512**	2,488	2,518
Total non-interest expense	**3,059**	3,028	3,142
Income from continuing operations before income taxes	**1,817**	1,638	236
Income tax provision	**581**	494	43
Income from continuing operations, net of tax	**1,236**	1,144	193
Loss from discontinued operations, net of tax	**(119)**	(78)	(100)
Net income	**1,117**	1,066	93
Dividends and undistributed earnings allocated to participating securities	**(4)**	(5)	(1)
Preferred stock dividends	**(13)**	(13)	—
Net income available to common stockholders	**$ 1,100**	$ 1,048	$ 92
Diluted EPS	**$ 1.87**	$ 1.79	$ 0.16

Second Quarter 2013 Highlights

- Q2 2013 net income of $1.1 billion, or $1.87 per share, up 4% from Q1 2013
- Q2 2013 non-GAAP deal-adjusted net income of $1.3 billion, or $2.18 per share (see Appendix A for reconciliation)
- Pre-provision earnings before tax of $2.6 billion, up 2% from Q1 2013 pre-provision earnings before tax of $2.5 billion
- Lower provision expense – net charge-offs of $969 million, down 10% from Q1 2013; $199 million allowance release
- $183 million pre-tax charge for rep & warranty expense
- HFS accounting favorably impacted pre-tax earnings by $123 million - Revenue $52MM, NIE ($8MM), Provision ($63MM)

Net Interest Margin

Average Balances, Net Interest Income and Net Interest Margin

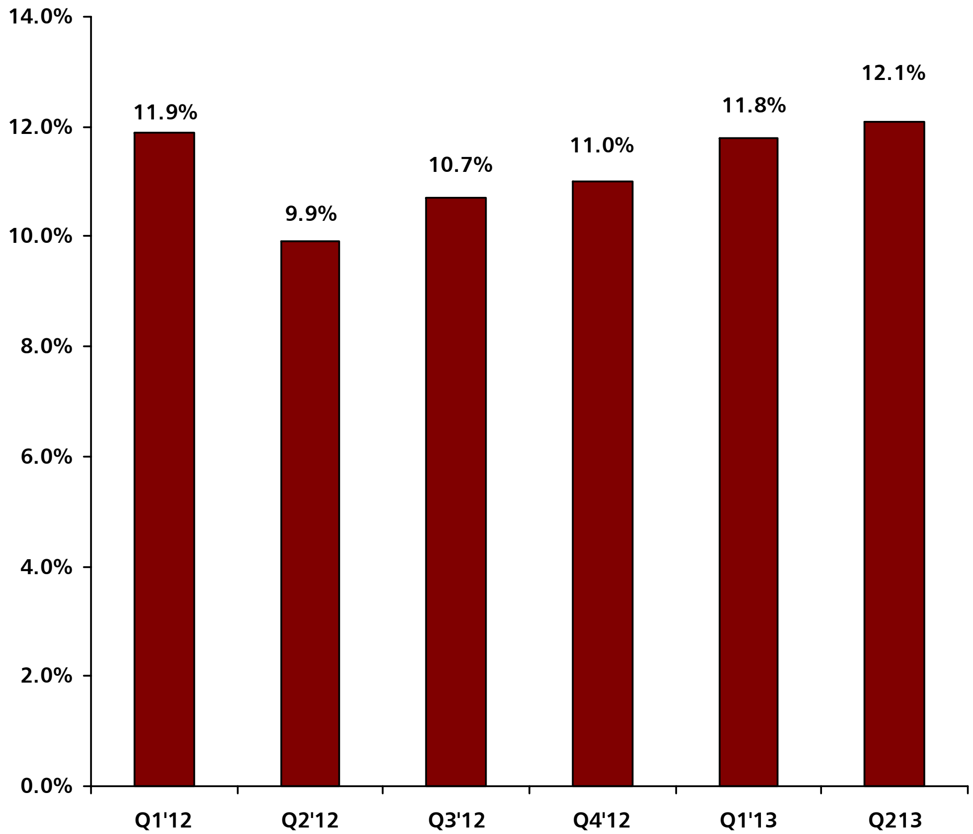
(Dollars in millions)(unaudited)	2013 Q2 Average Balance	2013 Q2 Interest Income/ Expense	2013 Q2 Yield/ Rate	2013 Q1 Average Balance	2013 Q1 Interest Income/ Expense	2013 Q1 Yield/ Rate	2012 Q2 Average Balance	2012 Q2 Interest Income/ Expense	2012 Q2 Yield/ Rate
Interest-earning assets:									
Loans, including loans held for sale	**$ 196,874**	**$ 4,596**	**9.34 %**	$ 200,441	$ 4,649	9.28 %	$ 193,610	$ 4,257	8.80 %
Investment securities	**63,907**	**391**	**2.45**	64,798	374	2.31	56,972	335	2.35
Cash equivalents and other	**5,763**	**23**	**1.60**	7,106	28	1.58	14,437	24	0.66
Total interest-earning assets	**$ 266,544**	**$ 5,010**	**7.52 %**	$ 272,345	$ 5,051	7.42 %	$ 265,019	$ 4,616	6.97 %
Interest-bearing liabilities:									
Interest-bearing deposits	**$ 189,311**	**$ 318**	**0.67 %**	$ 190,612	$ 326	0.68 %	$ 195,597	$ 373	0.76 %
Securitized debt obligations	**10,942**	**45**	**1.65**	11,758	56	1.91	14,948	69	1.85
Senior and subordinated notes	**12,692**	**82**	**2.58**	11,984	82	2.74	11,213	87	3.10
Other borrowings	**13,281**	**12**	**0.36**	17,832	17	0.38	9,257	86	3.72
Total interest-bearing liabilities	**$ 226,226**	**$ 457**	**0.81 %**	$ 232,186	$ 481	0.83 %	$ 231,015	$ 615	1.06 %
Net interest income/spread		**$ 4,553**	**6.71 %**		$ 4,570	6.59 %		$ 4,001	5.90 %
Impact of non-interest bearing funding			**0.12**			0.12			0.14
Net interest margin			**6.83 %**			6.71 %			6.04 %

Second Quarter 2013 Highlights

- Total interest-earning assets down 2% quarter-over-quarter
  - Lower card and mortgage loans; lower cash equivalents
- Total interest-bearing liabilities down 3% quarter-over-quarter
  - Driven by lower funding needs due to lower interest-earning assets
- 12 bps increase in NIM quarter over quarter
  - Primarily driven by one additional day in Q2 2013 vs. Q1 2013 (8 bps) and card yield improvement (3 bps)

Capital Generation

Tier 1 Common Ratio (Basel I)[1]



Highlights

- Q2 2013 Basel 1 Tier 1 common ratio up 30bps in the quarter to 12.1%
- Q2 2013 Tier 1 common ratio Basel III equivalent is above assumed Basel III target of 8%[2]

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

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

Credit Card

Total Credit Card Performance Metrics

(Dollars in millions) (unaudited)	2013 Q2	2013 Q1	2012 Q2
Credit Card			
Earnings:			
Net interest income	**$ 2,804**	$ 2,830	$ 2,350
Non-interest income	**832**	821	771
Total net revenue	**3,636**	3,651	3,121
Provision for credit losses	**713**	743	1,711
Non-interest expense	**1,819**	1,848	1,863
Income (loss) from continuing operations before taxes	**1,104**	1,060	(453)
Income tax provision (benefit)	**385**	374	(156)
Income (loss) from continuing operations, net of tax	**$ 719**	$ 686	$ (297)
Selected performance metrics:			
Period-end loans held for investment	**$ 78,310**	$ 78,397	$ 88,914
Average loans held for investment	**77,946**	82,952	79,662
Average yield on loans held for investment	**15.94 %**	15.16 %	13.42 %
Total net revenue margin	**18.66**	17.61	15.67
Net charge-off rate	**4.36**	4.45	3.13
30+ day performing delinquency rate	**3.13**	3.44	2.97
30+ day delinquency rate	**	3.53	2.97
Nonperforming loan rate	**0.12**	0.12	—
Loan premium amortization and other intangible accretion	**$ 57**	$ 57	$ 59
PCCR intangible amortization	**110**	116	88
Purchase volume	**50,788**	45,098	45,228

Domestic Card

Domestic Card Performance Metrics

(Dollars in millions) (unaudited)	2013 Q2	2013 Q1	2012 Q2
Domestic Card			
Earnings:			
Net interest income	**$ 2,536**	$ 2,556	$ 2,118
Non-interest income	**737**	724	708
Total net revenue	**3,273**	3,280	2,826
Provision for credit losses	**647**	647	1,600
Non-interest expense	**1,635**	1,633	1,634
Income (loss) from continuing operations before taxes	**991**	1,000	(408)
Income tax provision (benefit)	**353**	356	(144)
Income (loss) from continuing operations, net of tax	**$ 638**	$ 644	$ (264)
Selected performance metrics:			
Period-end loans held for investment	**$ 70,490**	$ 70,361	$ 80,798
Average loans held for investment	**69,966**	74,714	71,468
Average yield on loans held for investment	**15.91 %**	15.07%	13.33%
Total net revenue margin	**18.71**	17.56	15.82
Net charge-off rate	**4.28**	4.43	2.86
30+ day performing delinquency rate	**3.05**	3.37	2.79
30+ day delinquency rate	**	3.37	2.79
Purchase volume	**$ 47,273**	$ 41,831	$ 41,807

Second Quarter 2013 Highlights

- Ending loans were flat from Q1 2013; excluding planned run-off, loans up more than 1% in the quarter, in line with seasonal patterns
- Purchase volume up 9% year-over-year (excluding 2012 U.S. Card acquisition)[1]
- Revenue margin increased to 18.7% with full quarter impact of HFS accounting impacts; excluding impact of HFS, revenue margin remains strong at 16.8%
- Net charge-off rate of 4.28%, down 15 basis points from Q1 2013
- Delinquency rate of 3.05%, down 32 basis points from Q1 2013

[1] Reported purchase volume up 13% year-over-year

Consumer Banking

Consumer Banking Performance Metrics

(Dollars in millions) (unaudited)	2013 Q2	2013 Q1	2012 Q2
Consumer Banking			
Earnings:			
Net interest income	**$ 1,478**	$ 1,478	$ 1,496
Non-interest income	**189**	181	185
Total net revenue	**1,667**	1,659	1,681
Provision for credit losses	**67**	175	44
Non-interest expense	**910**	890	959
Income from continuing operations before taxes	**690**	594	678
Income tax provision	**246**	211	240
Income from continuing operations, net of tax	**$ 444**	$ 383	$ 438
Selected performance metrics:			
Period-end loans held for investment	**$ 72,218**	$ 73,613	$ 77,615
Average loans held for investment	**72,930**	74,286	77,606
Average yield on loans held for investment	**5.99 %**	5.93 %	6.17 %
Auto loan originations	**$ 4,525**	$ 3,789	$ 4,306
Period-end deposits	**169,789**	172,605	173,966
Average deposits	**170,733**	171,089	174,416
Deposit interest expense rate	**0.64 %**	0.64 %	0.70 %
Core deposit intangible amortization	**$ 35**	$ 37	$ 42
Net charge-off rate	**0.60 %**	0.78 %	0.48 %
30+ day performing delinquency rate	**2.55**	2.24	1.82
30+ day delinquency rate	**	2.81	2.47

Second Quarter 2013 Highlights

- Period-end loans declined $1.4 billion from Q1 2013
  - $2.8 billion expected run-off of home loans
  - $1.4 billion growth in auto finance loans
- Revenue up modestly compared with Q1 2013
- Provision expense decrease driven by the impact of home price improvements and a one-time refinement in our retail banking allowance processes
- Overall Consumer Banking net charge-off rate remains below 1%

Commercial Banking

Commercial Banking Performance Metrics

(Dollars in millions) (unaudited)	2013 Q2	2013 Q1	2012 Q2
Commercial Banking			
Earnings:			
Net interest income	**$ 457**	$ 454	$ 427
Non-interest income	**93**	84	82
Total net revenue	**550**	538	509
Provision for credit losses	**(14)**	(35)	(94)
Non-interest expense	**269**	258	251
Income from continuing operations before taxes	**295**	315	352
Income tax provision	**105**	112	124
Income from continuing operations, net of tax	**$ 190**	$ 203	$ 228
Selected performance metrics:			
Period-end loans held for investment	**$ 40,805**	$ 39,150	$ 36,056
Average loans held for investment	**39,512**	38,576	35,227
Average yield on loans held for investment	**3.84 %**	3.91 %	4.27 %
Period-end deposits	**$ 30,869**	$ 30,275	$ 27,784
Average deposits	**30,746**	30,335	27,943
Deposit interest expense rate	**0.26 %**	0.28 %	0.33 %
Core deposit intangible amortization	**$ 8**	$ 7	$ 9
Net charge-off rate	**0.04 %**	0.07 %	0.19 %
Nonperforming loan rate	**0.60**	0.71	0.99
Nonperforming asset rate	**0.62**	0.74	1.04

Second Quarter 2013 Highlights

- Period-end loans grew 4% from Q1 2013 and 13% year-over-year, driven by growth in CRE & Middle Market C&I loans
- Revenue was up 2% from Q1 2013 and 8% year-over-year, as higher loan and deposit balances were partially offset by lower spreads
- Credit remains strong
- Net charge-off rate of 4 bps

We are focused on delivering value

Improve Profitability

- Costs
- Credit
- Growth

Return Capital

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

Appendix A — Non-GAAP Deal Adjusted Net Income Reconciliation

(Dollars in millions, except per share data and as noted) (unaudited)	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2
Non-GAAP Deal Adjusted Net Income					
Net income	**$ 1,117**	$ 1,066	$ 843	$ 1,178	$ 93
Add back:					
Card loan premium amortization and other intangible accretion	**57**	57	65	82	59
Amortization of intangibles	**167**	177	191	199	157
Acquisition-related costs	**50**	46	69	48	133
Total deal-related items, pre-tax	**274**	280	325	329	349
Income tax effect [1]	**(88)**	(85)	(99)	(102)	(100) [2]
Total deal-related items, net of tax	**186**	195	226	227	249
Non-GAAP deal adjusted net income	**$ 1,303**	$ 1,261	$ 1,069	$ 1,405	$ 342
Dividends and undistributed earnings allocated to participating securities	**(4)**	(5)	(3)	(5)	(1)
Preferred stock dividends	**(13)**	(13)	(15)	—	—
Non-GAAP deal adjusted net income available to common shareholders	**$ 1,286**	$ 1,243	$ 1,051	$ 1,400	$ 341
Weighted average shares outstanding (in millions) for diluted EPS	**588.8**	586.3	585.6	584.1	582.8
Non-GAAP diluted EPS	**$ 2.18**	$ 2.12	$ 1.79	$ 2.40	$ 0.59

[1] Calculated based on the effective tax rate for each respective quarter except Q2 2012

[2] Calculated based on 28.6% tax rate, which reflects the effective tax rate of 18.2% for Q2 2012, adjusted for discrete tax items related to the 2012 US Card acquisition