Third Quarter 2010 Results

October 19, 2010

Forward looking statements

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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 Capital One's 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 July 22, 2010, available on Capital One's website at www.capitalone.com under "Investors".

Third quarter 2010 earnings were $803MM or $1.76 per share, compared with $608MM, or $1.33 per share in the second quarter

$MM	Q310	Q210	Change
Net Interest Income	3,109	3,097	12
Non Interest Income	907	807	100
Revenue	**4,016**	**3,904**	**112**
Marketing Expense	250	219	31
Operating Expense	1,746	1,781	(35)
Non-Interest Expense	**1,996**	**2,000**	**(4)**
Pre-Provision Earnings (before tax)	**2,020**	**1,904**	**116**
Net Charge-offs	1,522	1,717	(195)
Other	(31)	12	(43)
Allowance Build (Release)	(624)	(1,006)	382
Provision Expense	**867**	**723**	**144**
Pretax Income	**1,153**	**1,181**	**(28)**
Tax Expense	**335**	**369**	**(34)**
Operating Earnings (after tax)	**818**	**812**	**6**
Discontinued Operations, net of tax	(15)	(204)	189
Total Company (after tax)	**803**	**608**	**195**
EPS Available to Common Shareholders	$1.76	$1.33	$0.43

Highlights

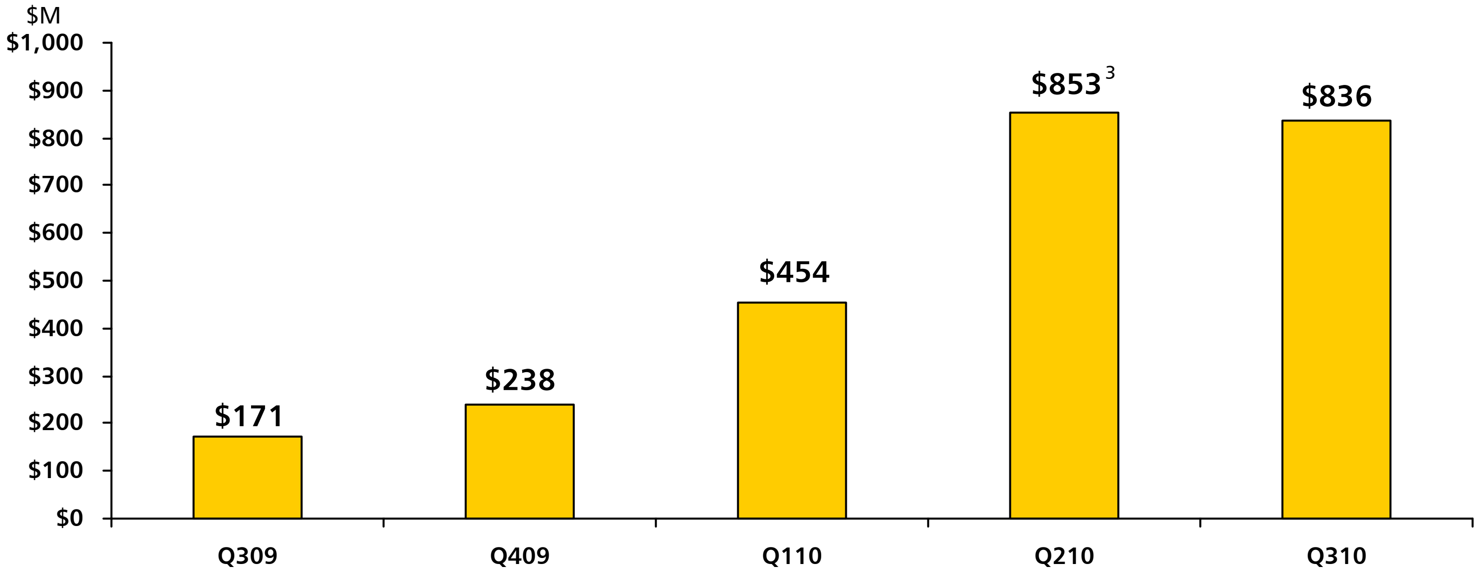
- Revenue increased $112MM, or 3%
  - 1.5% decline in average loans
  - Net interest margin expansion
  - Increase in non-interest income driven by reduced Rep & Warranty expense and improved fee reversals
- Non-interest expense flat
  - Operating expense decreased slightly due to absence of Q210 one-time expenses
  - Marketing expenses up $31MM
- Pre-provision earnings up 6.1%
- Provision expense increased $144MM, or 20%, due to lower allowance release than in Q210
- Income from Continuing Operations up 1% quarter over quarter
- Loss from Discontinued Operations reduced by lower Rep & Warranty expense

Our mortgage rep & warranty reserve remains around $850MM

Original principal of home loans originated and sold to others between 2005 & 2008[1,2]

	2005	2006	2007	2008	Total	
Sold to GSE	$3B	$3B	$4B	$1B	$11B	*Significant majority of reserve*
Sold to monoline wrapped securitizations	$9B	$8B	$1B	$0	$18B	
Sold to unwrapped securitizations & other whole loan sales	$33B	$30B	$16B	$3B	$82B	

Rep & Warranty Reserve



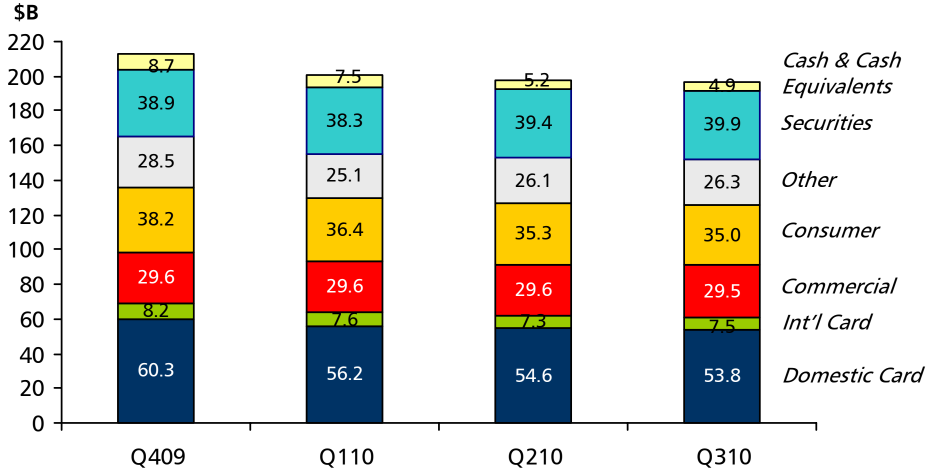
[1]Estimates only – COF services 36%

[2]Includes loans originated and sold to others by Greenpoint, Chevy Chase, and Capital One Home Loans (shut down GreenPoint originations August 2007)

[3] Wherever possible moved to estimate the total repurchase liability over the full life of the loans sold by our subsidiaries

The pace of loan contraction slowed in the quarter, and funding costs continued to improve

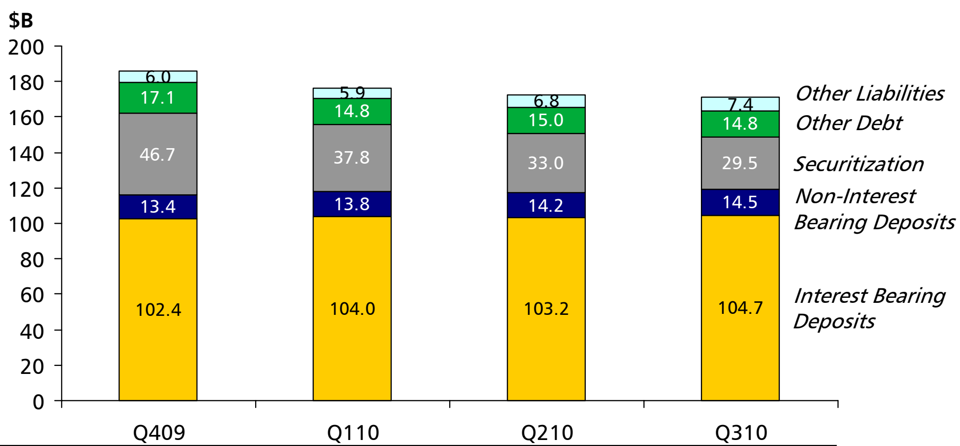
End of Period Assets[1]



Asset Highlights

- End of period loans down $921MM or ~1%
- Excluding run-off portfolios, loan balances modestly higher
  - $746MM run-off in Installment Loans
  - $559MM run-off in Home Loans
  - $87MM run-off in Small-Ticket CRE

End of Period Liabilities[1]



	Q409	Q110	Q210	Q310
Cost of Interest Bearing Liabilities	2.16%	1.96%	1.91%	1.88%
Total Cost of Funds	1.93%	1.76%	1.69%	1.64%

Liability Highlights

- Cost of funds decreased to 1.64%
- Continued shift in funding to lower priced deposits from securitization
- Loan to deposit ratio at 1.06

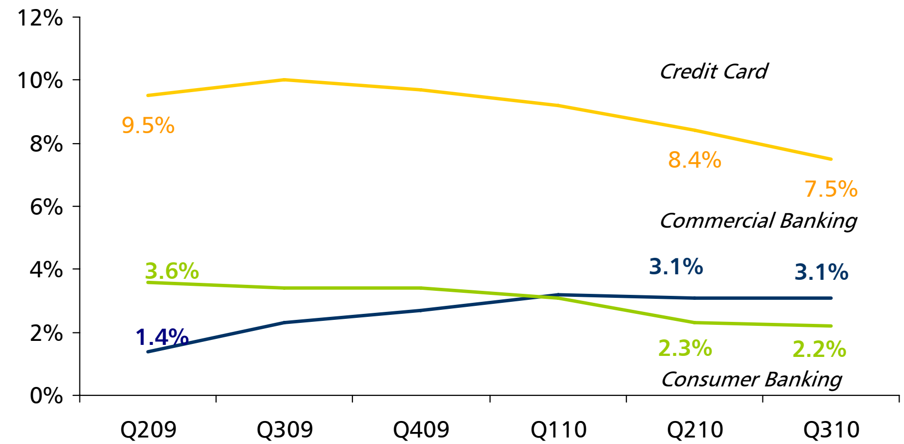
[1] *Managed portfolio data Q409*

Allowance coverage ratios remain high

Allowance Balance

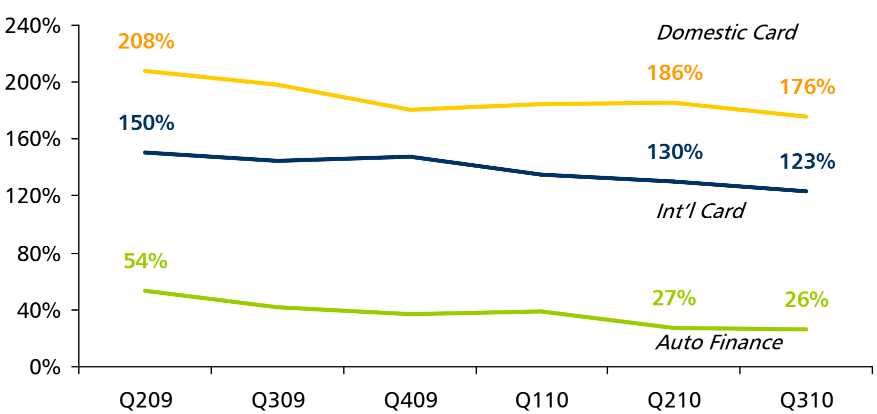
$MM	Q3'10	Q2'10	Build/(Release)
Credit Card			
Domestic	$ 4,043	$ 4,579	$ (536)
International	497	530	(33)
Total Credit Card	$ 4,540	$ 5,109	$ (569)
Consumer Banking			
Auto	$ 361	$ 365	$ (4)
Other Consumer Banking	296	336	(40)
Total Consumer Banking	$ 657	$ 701	$ (44)
Commercial Banking	$ 892	$ 882	$ 10
Other	$ 86	$ 107	$ (21)
Total Allowance	$ 6,175	$ 6,799	$ (624)

Allowance as % of Loans

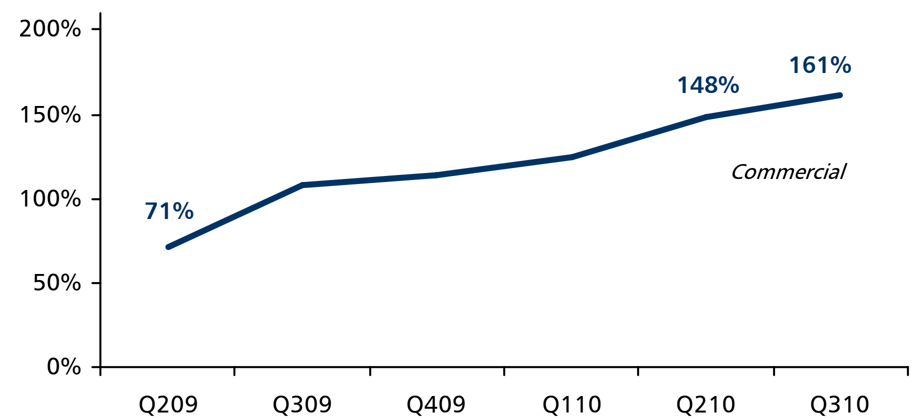


Total Company*:	4.44%	4.67%	4.55%	5.96%	5.35%	4.89%

Allowance as % of Reported 30+ Delinquencies



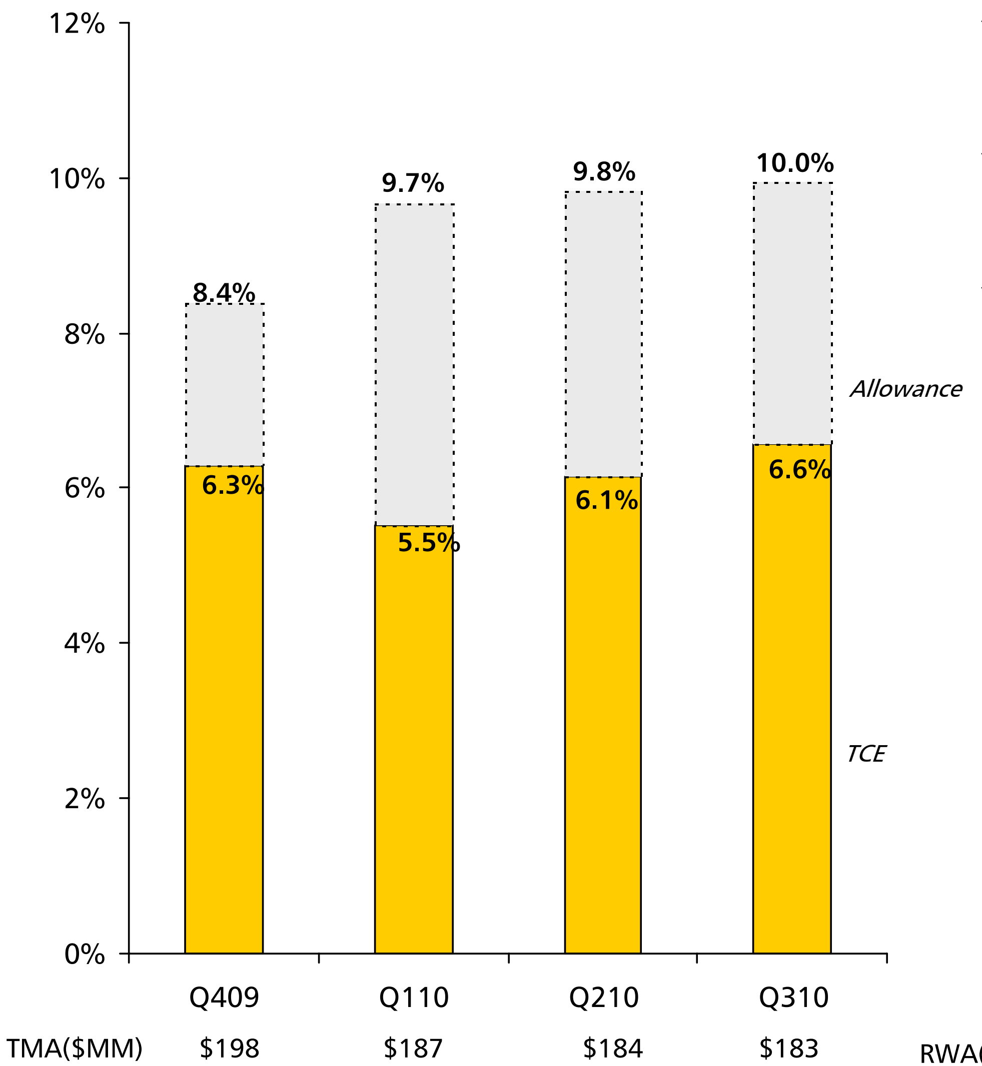
Commercial Lending Allowance as % of Non-Performing Loans



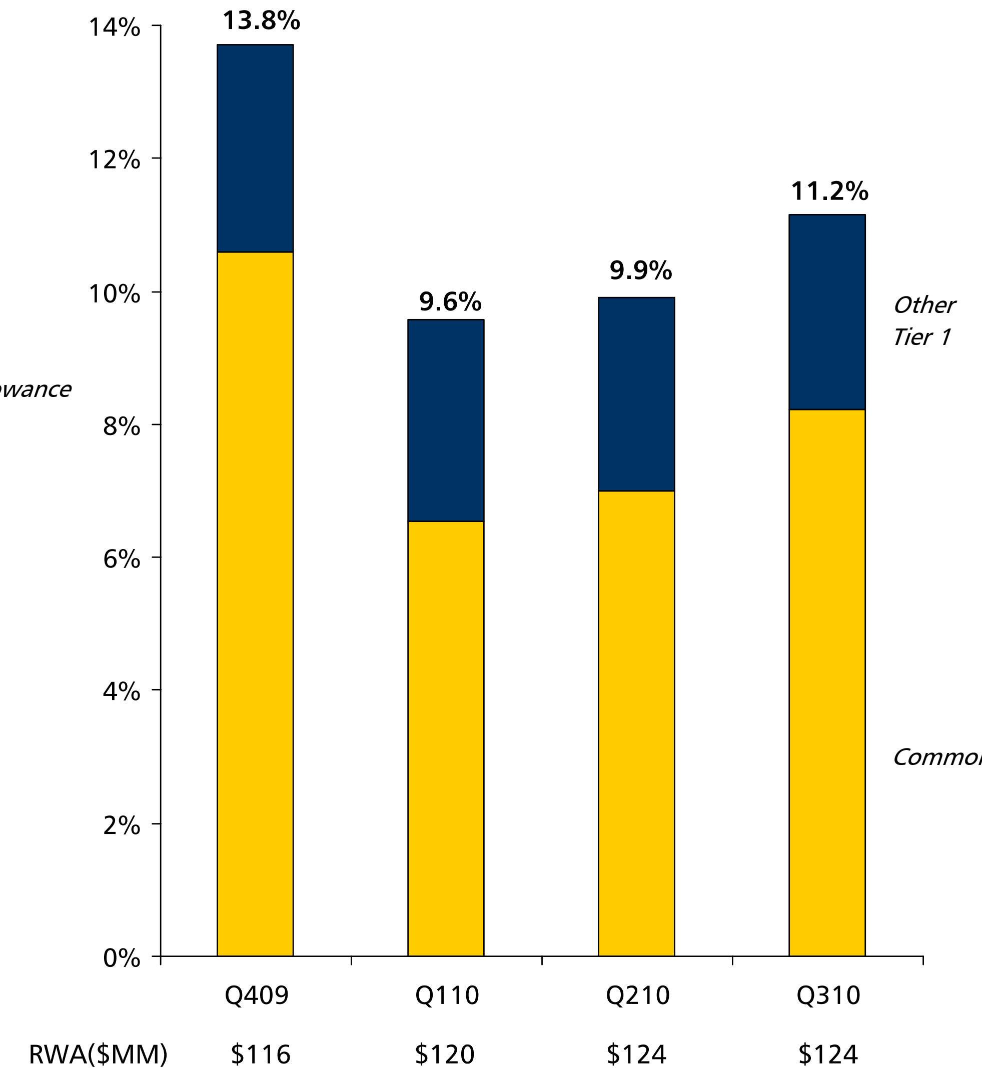
*These ratios, other than the Total Company ratio, exclude the impact of loans acquired as part of the Chevy Chase Bank transaction

Our capacity to absorb risk remains high

Tangible Common Equity + Allowance to Tangible Managed Assets



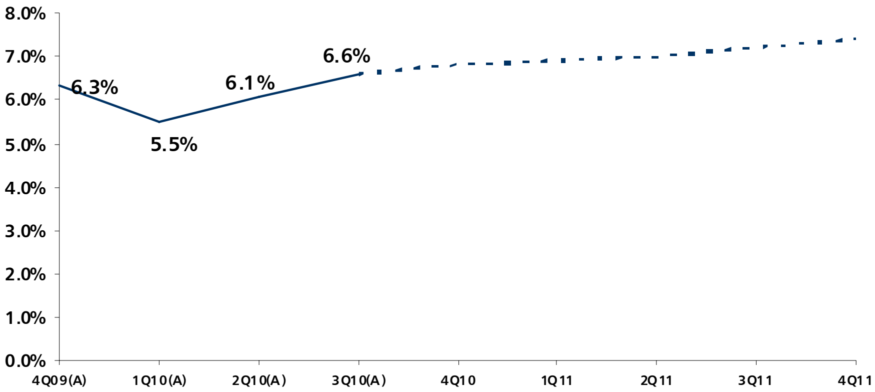
Tier 1 Capital to Risk Weighted Assets



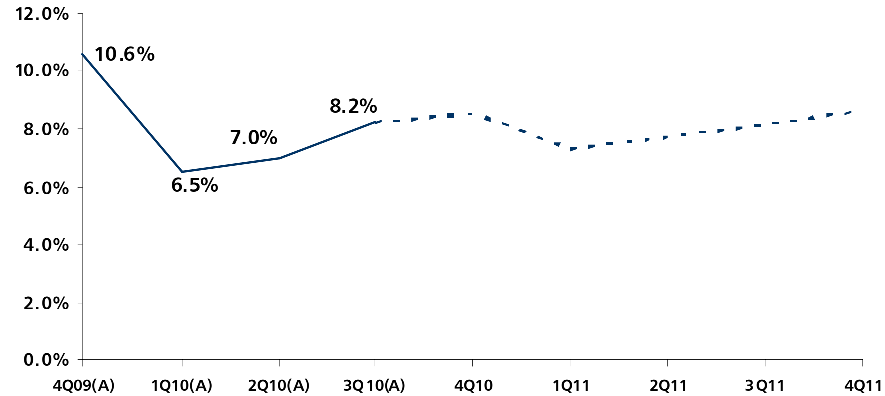
The impact on regulatory capital ratios from consolidation will be fully realized in the first quarter of 2011

Capital Trajectory using Analyst Net Income Consensus [1]

TCE[2]



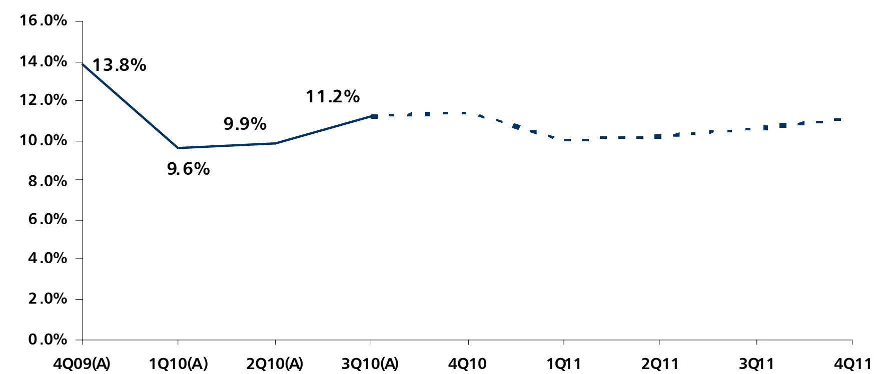
Tier 1 Common[2]



Comments

- Tier 1 ratios expected to dip in Q1 2011 due to consolidation impacts:
  - Final phase in of RWA
  - Impact of disallowed DTA impact due to allowance build
- We expect TCE to continue to accrete; Tier 1 ratios accrete faster than TCE after Q1 2011 dip
- We expect to reach known BASEL III levels & definitions in 2011, well ahead of the phase-in requirements

Tier 1 RBC

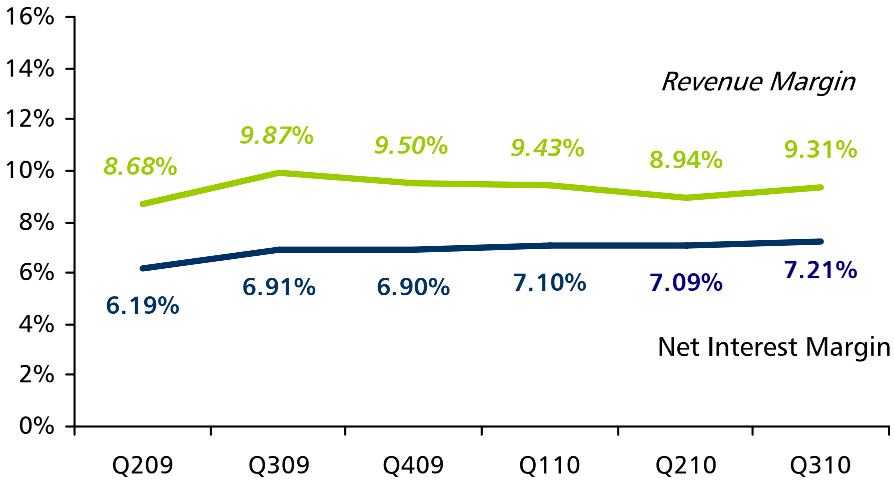


[1]Analyst net income consensus represents mean estimate as available as of October 18, 2010 from ThomsonOne and includes 18 analysts through 2011. Balance sheet assumptions consistent with current expectations. DTA impact calculated using Y-9 formula on net income consensus; OCI assumed in portfolios as it relates to forward curve. Regulatory changes are assumed to be incorporated in the analyst estimates. Capital One does not endorse any analyst estimates or projections. The information presented here does not reflect (i) any change in current dividend or repurchase strategies, (ii) the effect of any acquisitions, divestitures or similar transactions after the date of this presentation or (iii) any changes in laws, regulations or regulatory interpretations after the date of this presentation. Information presented here relating to future periods constitutes forward-looking statements and is based on our current expectations regarding our outlook for our financial results and business strategies – see “Forward Looking Statements” in this presentation.

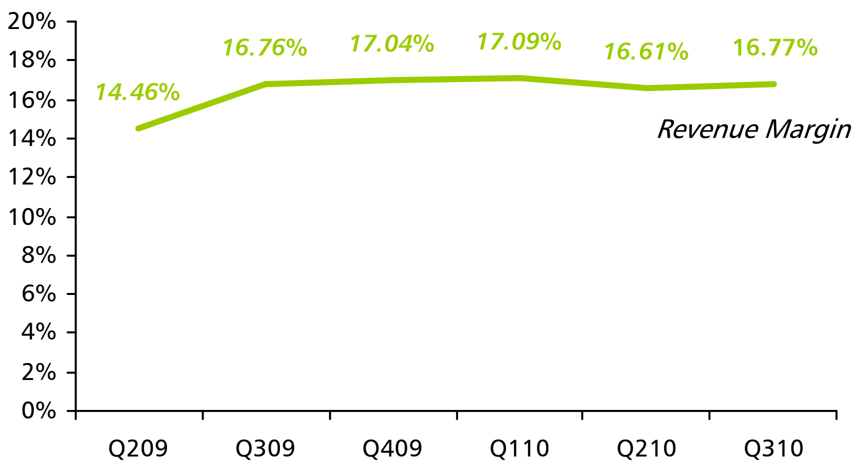
[2] TCE and Tier 1 Common ratios are non-GAAP financial measures. See “Reconciliation to GAAP Financial Measures” in accompanying materials.

Margins increased in the quarter

Margins as % of Managed Assets



Domestic Card Revenue Margin



Modest NIM expansion

- Lower funding costs with mix shift from wholesale funding to bank deposits
- Small increase in asset yields with higher day count vs. Q2

Revenue Margin increased

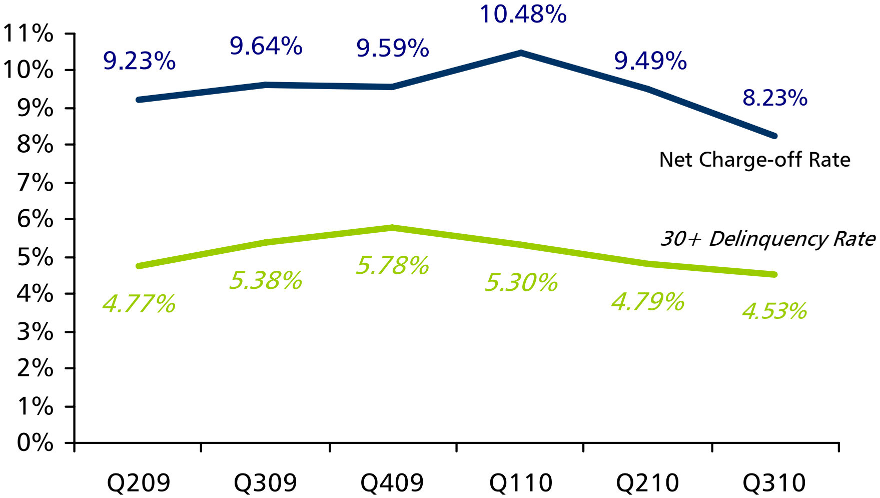
- Lower Rep & Warranty Reserve build
- Higher Domestic Card Revenue Margin

Domestic Card Revenue Margin increased

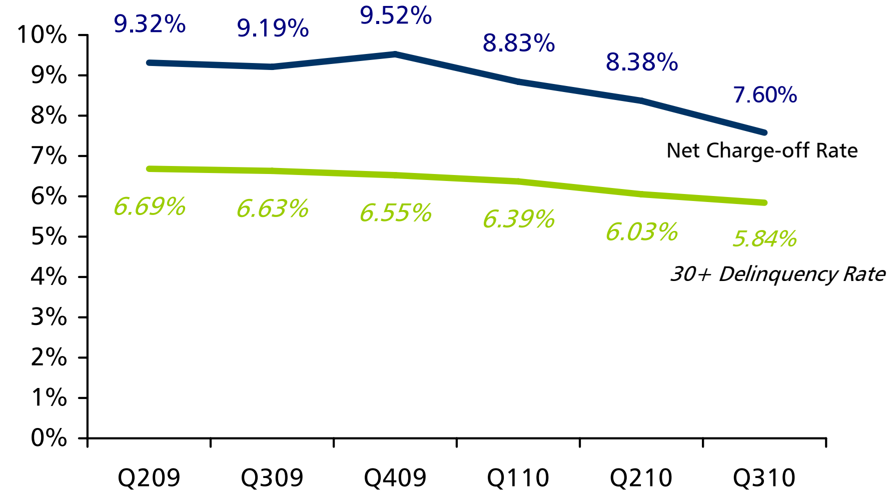
- Favorable credit drove most of the increase, as improved collectability enabled us to:
  - Recognize revenue for a greater portion of Q3 billings ("lower suppression") vs. Q2
  - Recognize Q3 revenue for prior finance charge and fee billings that had been "suppressed" from revenue in earlier quarters ("release" of prior suppressions)
- Higher interchange revenue on purchase volume strength
- Partially offset by:
  - Late fee revenue declined, as expected
  - Modest attrition of higher margin loans, as expected

Continuing cyclical improvement and expected seasonal patterns drove credit results in our consumer lending businesses

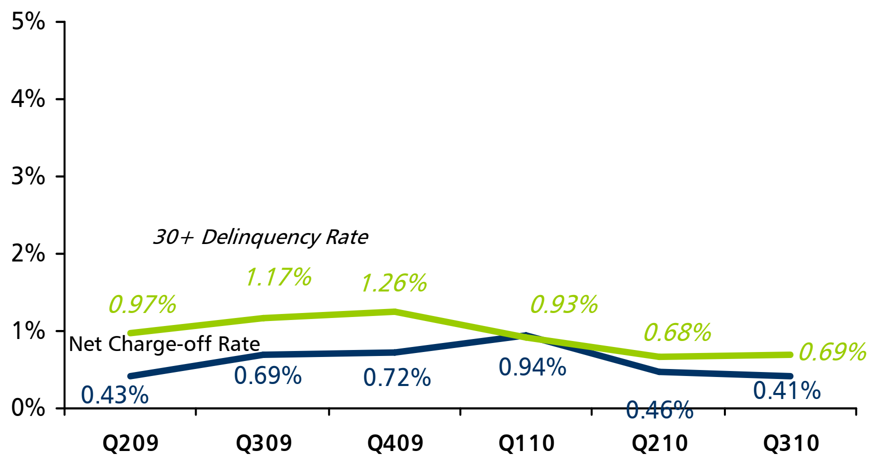
Domestic Credit Card ($54.0B*)



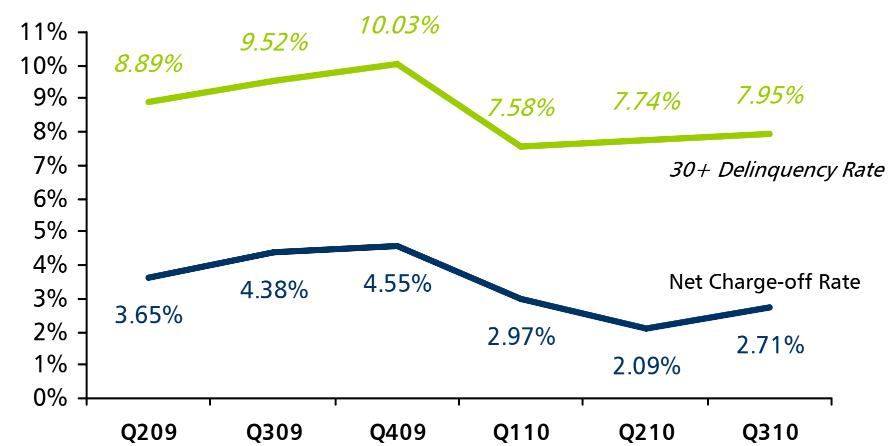
International Credit Card ($7.3B*)



Mortgage Credit ($13.0B*)



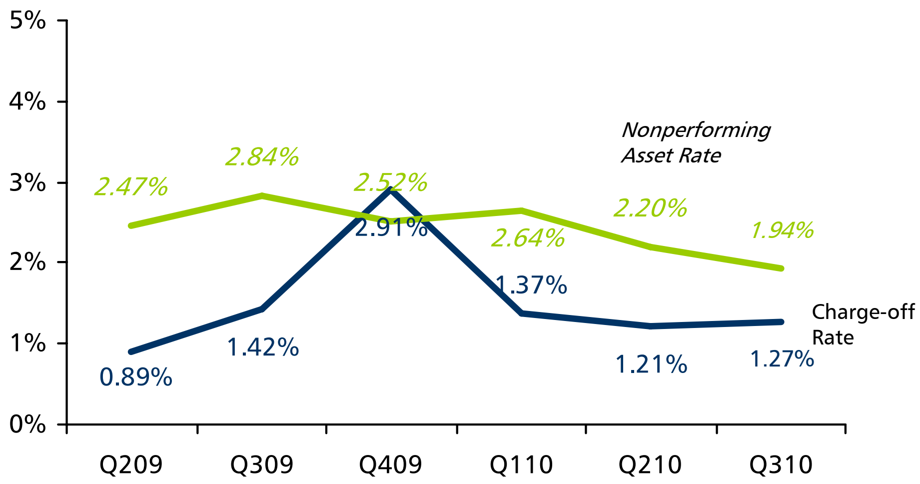
Auto Credit($17.4B*)



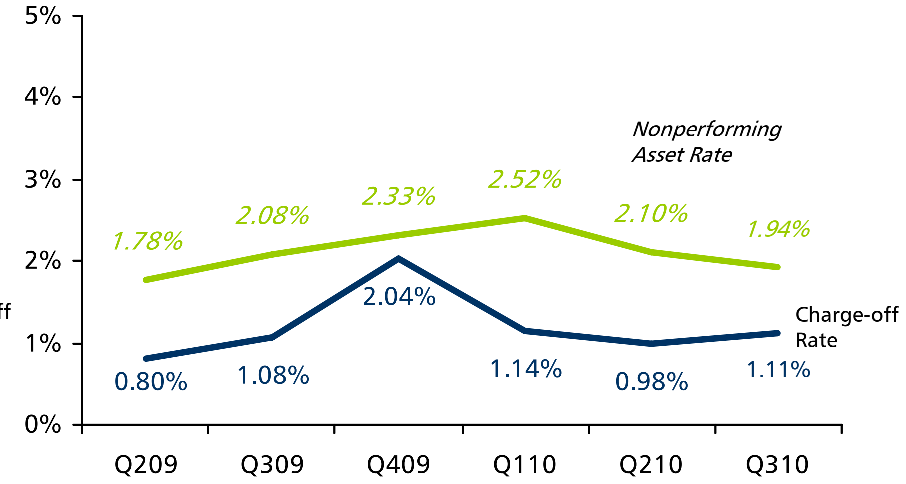
** Average assets for Q3*

Commercial Banking credit metrics remain elevated and choppy, but are showing signs of improvement

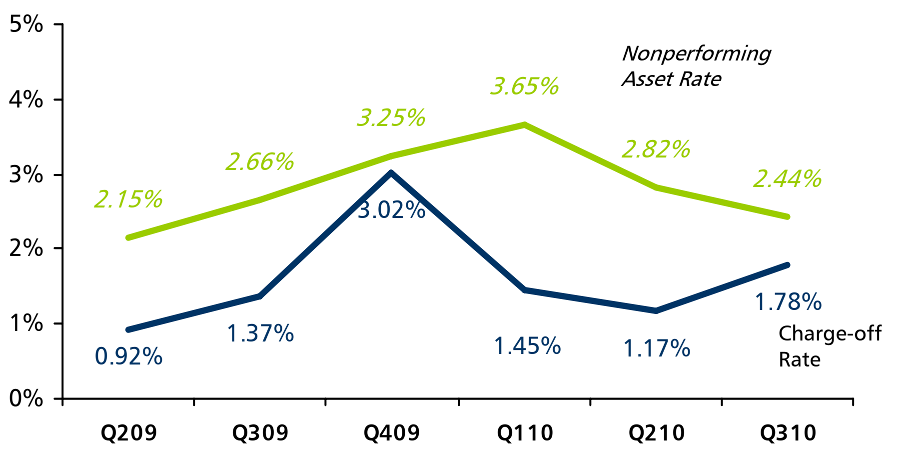
Total Commercial Banking ($29.5B*)



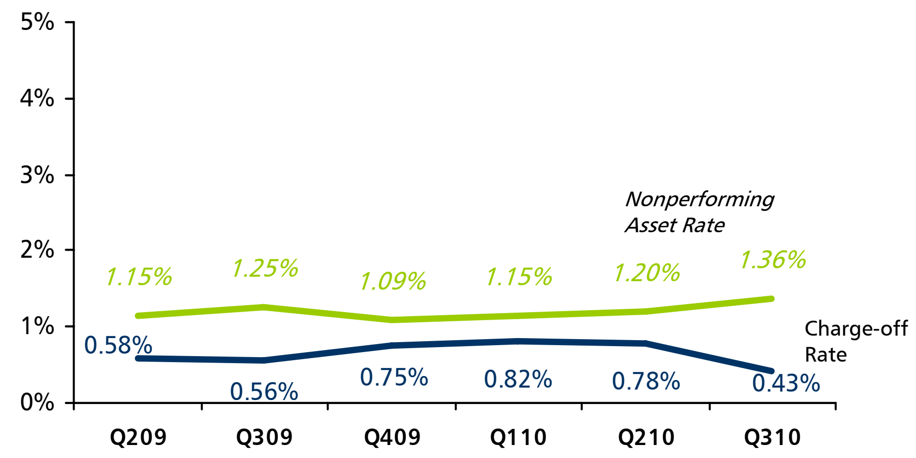
Total Commercial Lending Excluding Small Ticket CRE ($27.7B*)



Commercial & MultiFamily Real Estate ($13.4B*)



Middle Market ($10.5B*)



** Period end assets for Q3*

Despite elevated uncertainty, we expect near-term trends to be consistent with what we've articulated for several quarters

Elevated Uncertainty

- Modest and fragile economic recovery
- Mortgage Industry Issues
- Financial Regulatory Reform

Near-Term Trends

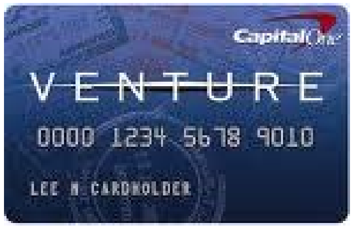
- Expect lower pre-provision earnings into 2011
- Expect Pre-Provision Earnings to stabilize in 2011

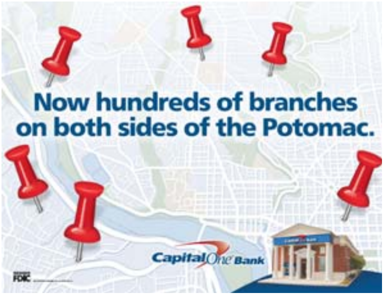
While loan demand remains weak, we are well positioned for an extended period of consumer de-leveraging

- **Significant credit benefits from consumer de-leveraging enable attractive and sustainable economics, even with very modest growth**

- **Well positioned to tap broad set of growth opportunities if consumer de-leveraging delays the return of consumer demand**
  - Recession has, and will continue, to create opportunities to acquire businesses, portfolios and origination platforms with attractive economics
  - Strong and resilient balance sheet
  - Profitable businesses
  - Leading Brand
  - Improved infrastructure and expertise for broader approach to growth
  - Domestic Card Examples: Sony partnership, expected Kohl's partnership
  - Consumer and Commercial Banking Example: Chevy Chase brand conversion

- **As consumer demand returns, we're well positioned to take share organically as well**
  - New level playing field in Domestic Card
  - Product innovation, e.g. Venture Card, Rewards Checking
  - Return to growth in repositioned Auto Finance business

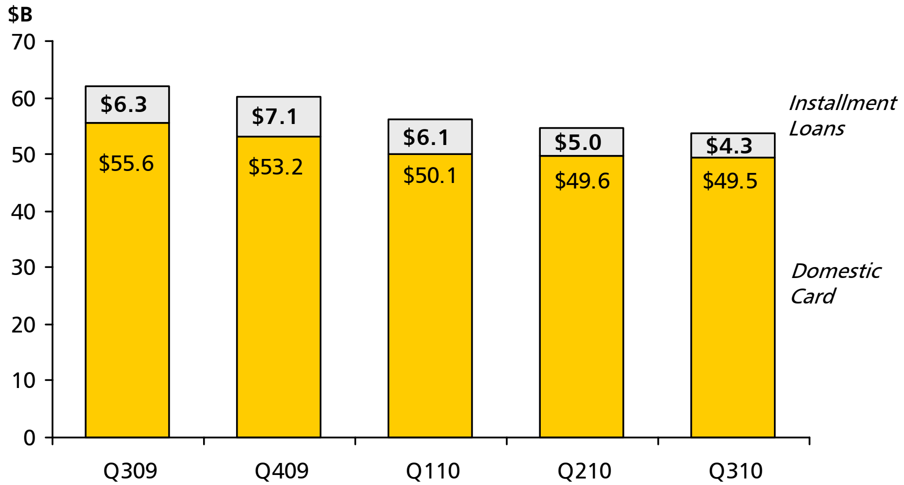




Appendix

Loan balances continued to decline but at a slower pace

Domestic Card



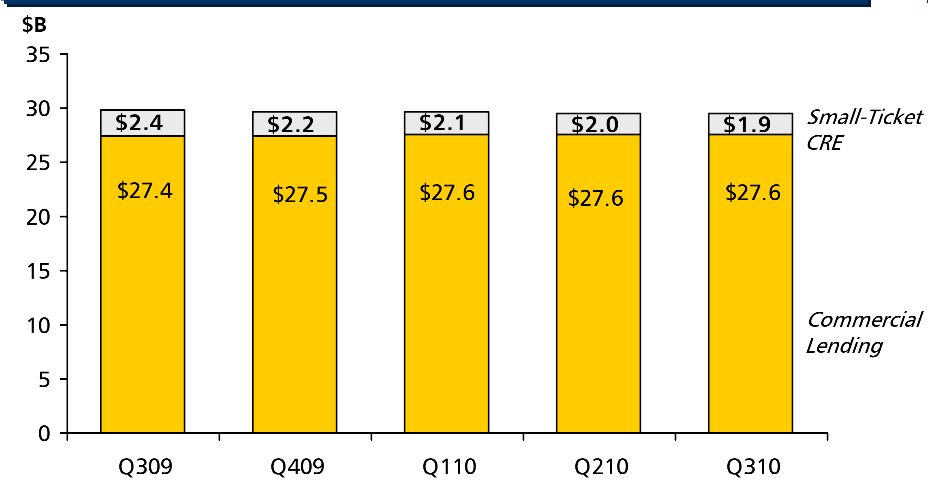
Commentary

- Expected run off continues in ILs, Mortgages and Small-ticket CRE
- Consumer and Commercial demand remains weak

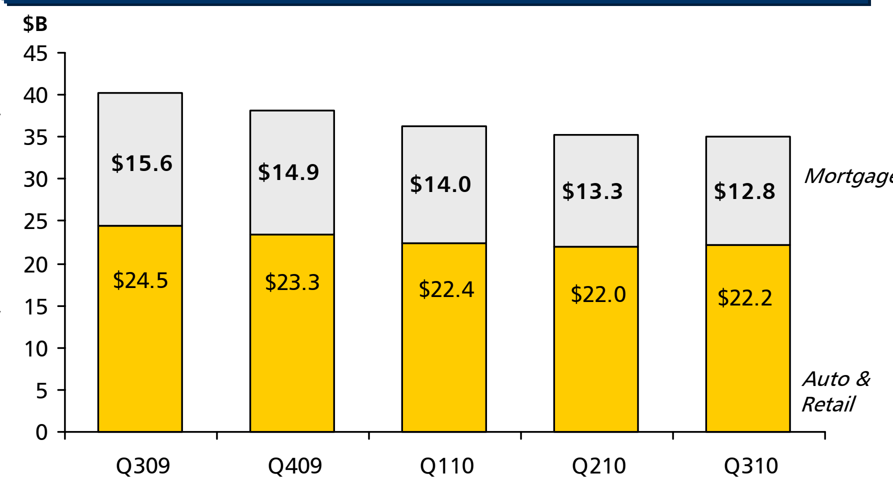
Partially offset by:

- Lower charge-offs
- Pockets of origination growth in Domestic Card, Auto Finance

Commercial Banking



Consumer Banking



Domestic Card profits increased from improving credit

Domestic Card

(in millions)	Q3 2010	Q2 2010	Q3 2009
Earnings			
Net interest income	1,691	1,735	1,797
Non-interest income	575	560	856
Total revenue	2,266	2,295	2,653
Provision for loan and lease losses	577	675	1,437
Non-interest expenses	844	869	770
Income before taxes	845	751	446
Income taxes	301	268	156
Net income	544	483	290
Selected Metrics			
Period end loans held for investment	53,839	54,628	61,892
Average loans held for investment	54,049	55,252	63,299
Loans held for investment yield	13.95%	13.98%	13.74%
Revenue Margin	16.77%	16.61%	16.76%
Net charge-off rate	8.23%	9.49%	9.64%
30+ day performing delinquency rate	4.53%	4.79%	5.38%
Purchase Volume	24,858	24,513	23,761

Highlights

- Revenue margin increased 16bps
  - Improving credit drove less suppression in Q3
  - Lower late fee revenue from implementation of new Card Act rules
- Positive credit trends
  - Lower provision on declining charge-offs
  - Delinquency rate improved 26bps from Q210
- Loan decrease of ~ $800M due to continued run-off of the IL portfolio
- Purchase volumes increased vs. Q210 and Q309

International Card net income was stable in Q3 as positive credit trends continued

International Card

(in million)	Q3 2010	Q2 2010	Q3 2009
Earnings			
Net interest income	243	242	227
Non-interest income	96	99	111
Total revenue	339	341	338
Provision for loan and lease losses	83	90	207
Non-interest expenses	134	133	127
Income before taxes	122	118	4
Income taxes	35	33	2
Net income	87	85	2
Selected Metrics			
Period end loans held for investment	7,487	7,269	8,477
Average loans held for investment	7,342	7,427	8,609
Loans held for investment yield	16.62%	16.21%	13.80%
Revenue Margin	18.47%	18.37%	15.70%
Net charge-off rate	7.60%	8.38%	9.19%
30+ day performing delinquency rate	5.84%	6.03%	6.63%
Purchase Volume	2,181	2,057	2,221

Highlights

- Revenue and non-interest expenses were relatively unchanged in Q3 versus Q2
- Continued improving credit
  - Lower charge-offs driving less Provision Expense
  - Delinquency rate improved 19bps from Q210
- Ending Loans increased this quarter driven by foreign exchange rates
- Purchase volumes increased modestly

Commercial Banking net profits were lower in Q3 driven by a loss on a sale of loans and higher provision expense

Commercial Banking

(in millions)

Earnings	Q3 2010	Q2 2010	Q3 2009
Net interest income	325	319	301
Non-interest income	30	60	43
Total revenue	355	379	344
Provision for loan and lease losses	95	62	375
Non-interest expenses	199	198	166
Income (loss) before taxes	61	119	(197)
Income taxes (benefit)	22	42	(69)
Net income (loss)	39	77	(128)

Selected Metrics	Q3 2010	Q2 2010	Q3 2009
Period end loans held for investment	29,542	29,575	29,813
Average loans held for investment	29,435	29,533	30,073
Loans held for investment yield	5.13%	4.94%	5.06%
Period end deposits	22,100	21,527	18,617
Average deposits	21,899	22,171	17,761
Deposit interest expense rate	0.67%	0.67%	0.75%
Core deposit intangible amortization	14	14	10
Net charge-off rate	1.27%	1.21%	1.42%
Non-performing loans as a % of loans HFI	1.81%	2.04%	2.65%
Non-performing asset rate	1.94%	2.20%	2.84%

Highlights

- Revenues decreased from Q2 to Q3
  - Net Interest Income was higher due to higher loan yields
  - Non-interest income decreased due to a loss on the sale of GreenPoint HFS loans
- Provision increased $33M in Q3 primarily due to the absence of Q2 allowance release
- Non-performing loans as a % of loans HFI improved 26 bps compared to Q210
- Stable loan and deposit balances

Consumer Banking net income decreased due to a lower allowance release in Q3 compared to the prior quarter

Consumer Banking

(in millions)

Earnings	Q3 2010	Q2 2010	Q3 2009
Net interest income	946	935	848
Non-interest income	196	162	212
Total revenue	1,142	1,097	1,060
Provision for loan and lease losses	114	(112)	156
Non-interest expenses	757	735	681
Income (loss) before taxes	271	474	223
Income taxes (benefit)	96	169	78
Net income (loss)	175	305	145
Selected Metrics			
Period end loans held for investment	34,997	35,313	40,149
Average loans held for investment	35,090	35,660	41,076
Loans held for investment yield	9.28%	8.99%	8.89%
Auto loan originations	2,439	1,765	1,513
Period end deposits	79,506	77,407	72,253
Average deposits	78,224	77,082	73,284
Deposit interest expense rate	1.18%	1.18%	1.58%
Core deposit intangible amortization	36	36	46
Net charge-off rate	1.79%	1.47%	2.69%
Non-performing loans as a % of loans HFI	1.92%	1.82%	1.26%
Non-performing asset rate	2.11%	2.00%	1.39%
30+ day performing delinquency rate	4.40%	4.15%	5.19%
Period end loans serviced for others	20,298	21,425	30,659

Highlights

- Revenue increased in Q3 as Q2 was reduced by an MSR write-down
- Provision expense increased
  - Increase mainly due to lower allowance release in Q3 versus Q2
  - Seasonally higher Auto charge-offs
- Non-interest expenses increased due to higher retail marketing and higher Home Loans expenses
- Loans continued declined slightly
  - Continuing mortgage run off drove the third quarter decline
  - Auto originations increased $0.7 billion in the third quarter

Capital One[SM]