Third quarter 2008 results

October 16, 2008

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, 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 consumer income and confidence, spending and repayments, changes in the credit environment, including an increase or decrease in credit losses or changes in the interest rate environment; competition from providers of products and services that compete with Capital One's businesses; financial, legal, regulatory, tax or accounting changes or actions, including actions with respect to litigation matters involving Capital One; increases or decreases in our aggregate accounts or consumer loan balances or the growth rate or composition thereof; the amount and rate of deposit growth; changes in the reputation of or expectations regarding the financial services industry and/or Capital One with respect to practices, products or financial condition; the risk that 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; the risk that the benefits of Capital One's cost savings initiatives may not be fully realized; Capital One's ability to access the capital markets at attractive rates and terms to fund its operations and future growth; losses associated with new or changed products or services; Capital One's ability to execute on its strategic and operational plans; any significant disruption in Capital One's operations or technology platform; Capital One's ability to effectively control costs; the success of Capital One's marketing efforts in attracting and retaining customers; Capital One's ability to recruit and retain experienced management personnel; changes in the labor and employment market; and other 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, factors set forth under the caption "Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2007, its Quarterly Report on Form 10-Q for the quarters ended March 31, 2008, and June 30, 2008, and its current report on form 8-K filed September 24, 2008. 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, available on Capital One's website at www.capitalone.com in Investor Relations under "About Capital One."

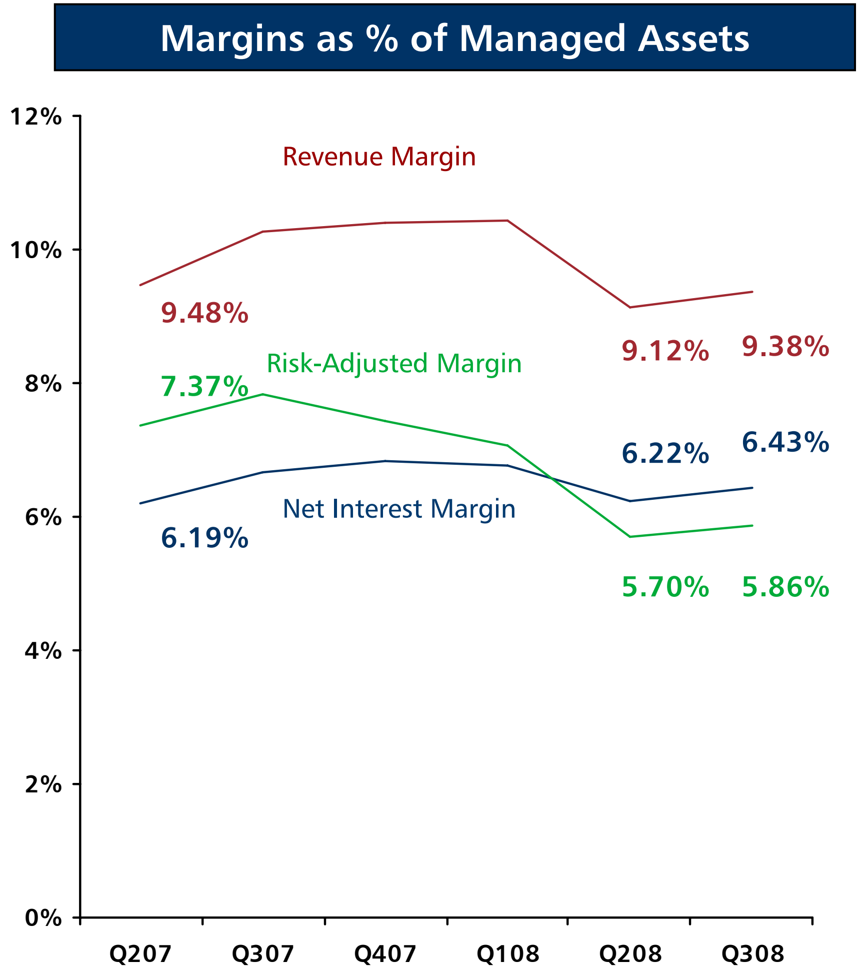
Third quarter 2008 highlights

- **Diluted EPS of $1.00; EPS from Continuing Operations of $1.03**
  - Continuing Ops EPS down $1.06 from Q307, driven by higher provision expense
  - Continuing Ops EPS down $0.21 from Q208, driven by higher provision expense, partially offset by higher revenue and lower expenses

- **Credit performance in the quarter largely in line with prior expectations**
  - Managed chargeoff rate up 15bp from Q208 to 4.30%
  - Managed delinquency rate up 35bp from Q208 to 3.99%
  - Built allowance by $209 million; consistent with outlook for $7.2 billion in managed charge-offs through Q309

- **Balance sheet and diversified funding remain sources of strength in a volatile market**
  - Opportunistic issuance of common stock and continued internal capital generation adding to excess capital; TCE ratio up 29bps to 6.47%
  - Immediately available liquidity of $32B
  - Average deposits increased $6B from Q208 to $95.3B; average cost of deposits declined 6 bps

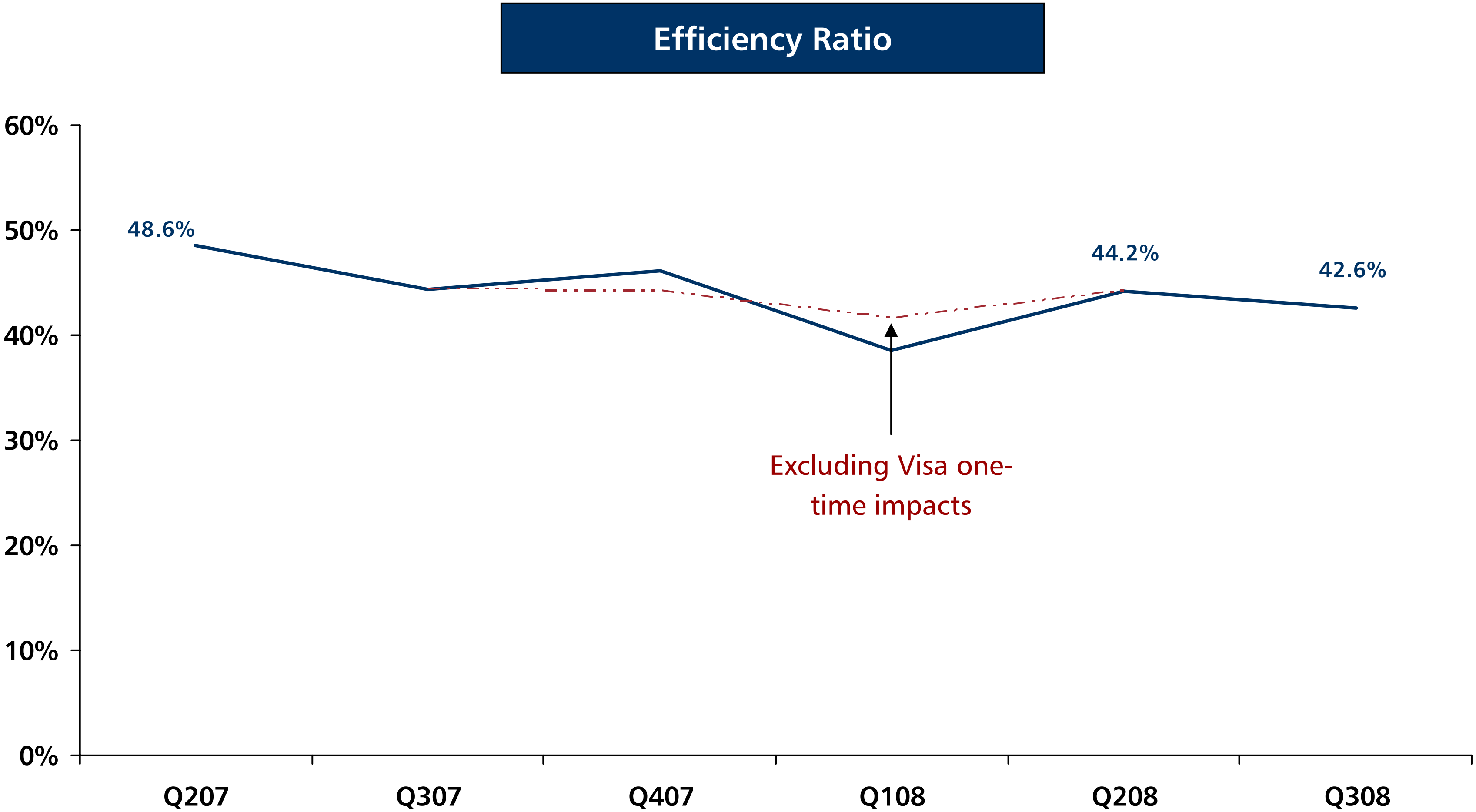
Margins improved slightly in the quarter



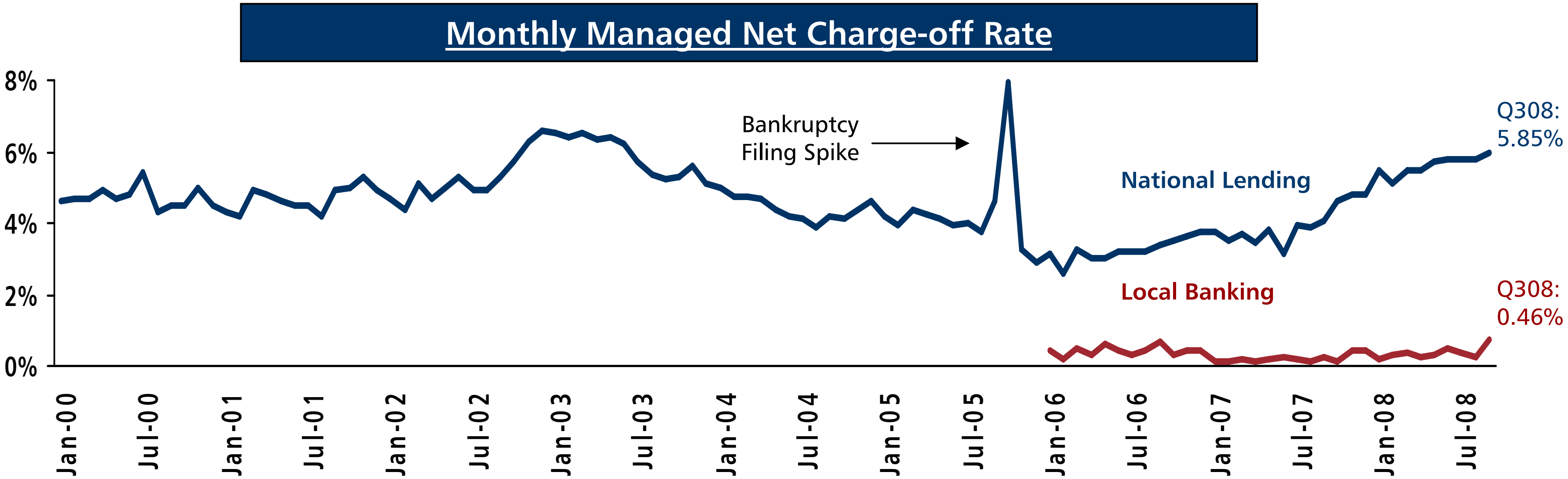
Q308 Drivers

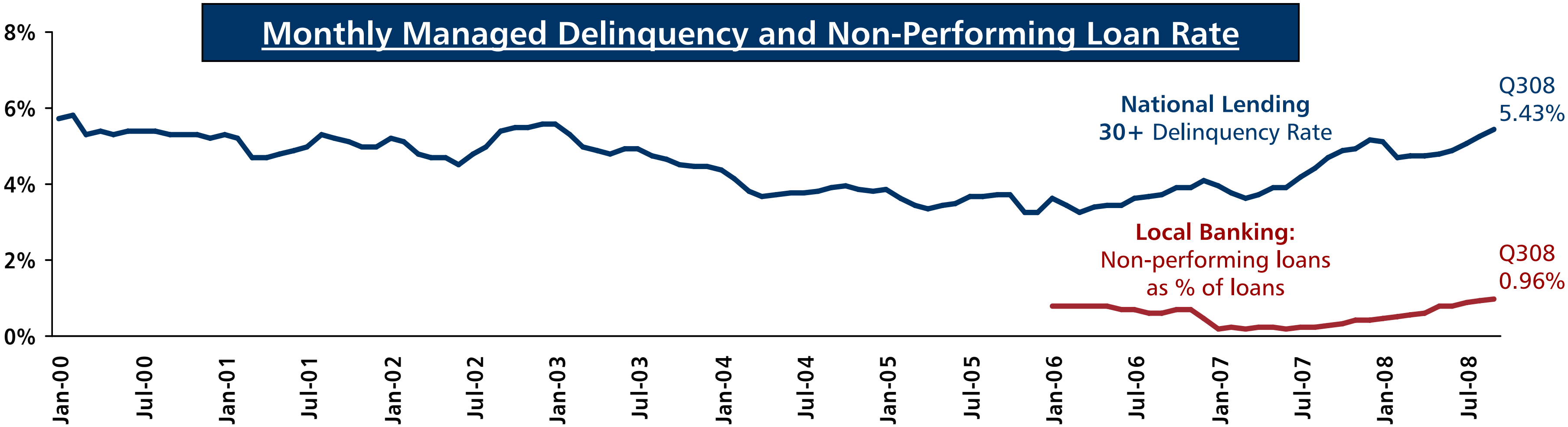
- Higher fees as early stage delinquencies rose
- Seasonal impacts on fee recognition
- Lower cost of funds
- I/O strip write-down of $67M
- No material one-time items

We continue to drive efficiency gains



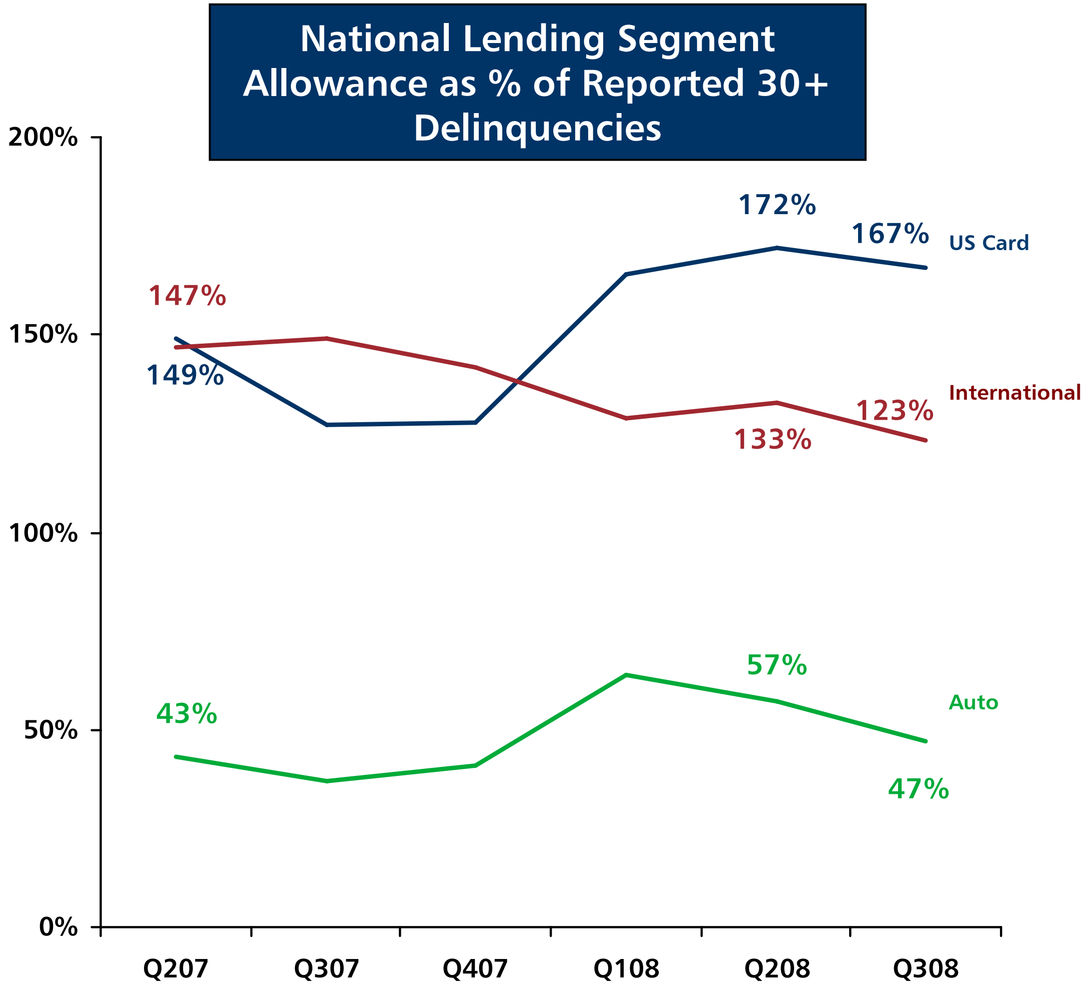
Credit metrics continues to perform in-line with expectations





Capital One

Allowance coverage ratios remain high

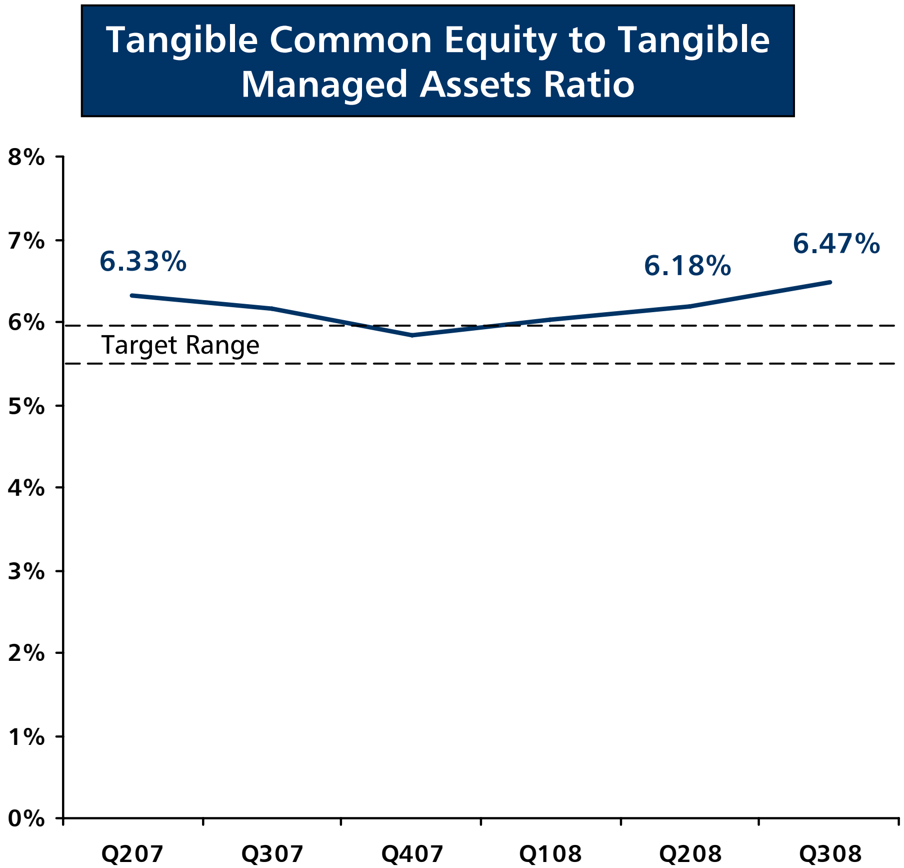


Allowance as % of Reported Loans	Q207	Q307	Q407	Q108	Q208	Q308
	2.3%	2.4%	2.9%	3.3%	3.4%	3.6%

Quarterly Highlights

- Increased allowance for loan losses by $209M to $3.5B
- Allowance consistent with outlook for $7.2B in managed charge-offs over next 12 months
- Allowance as % of reported 30+ delinquencies declined due to:
  - Higher proportion of early stage (more collectible) delinquencies
  - Seasonality

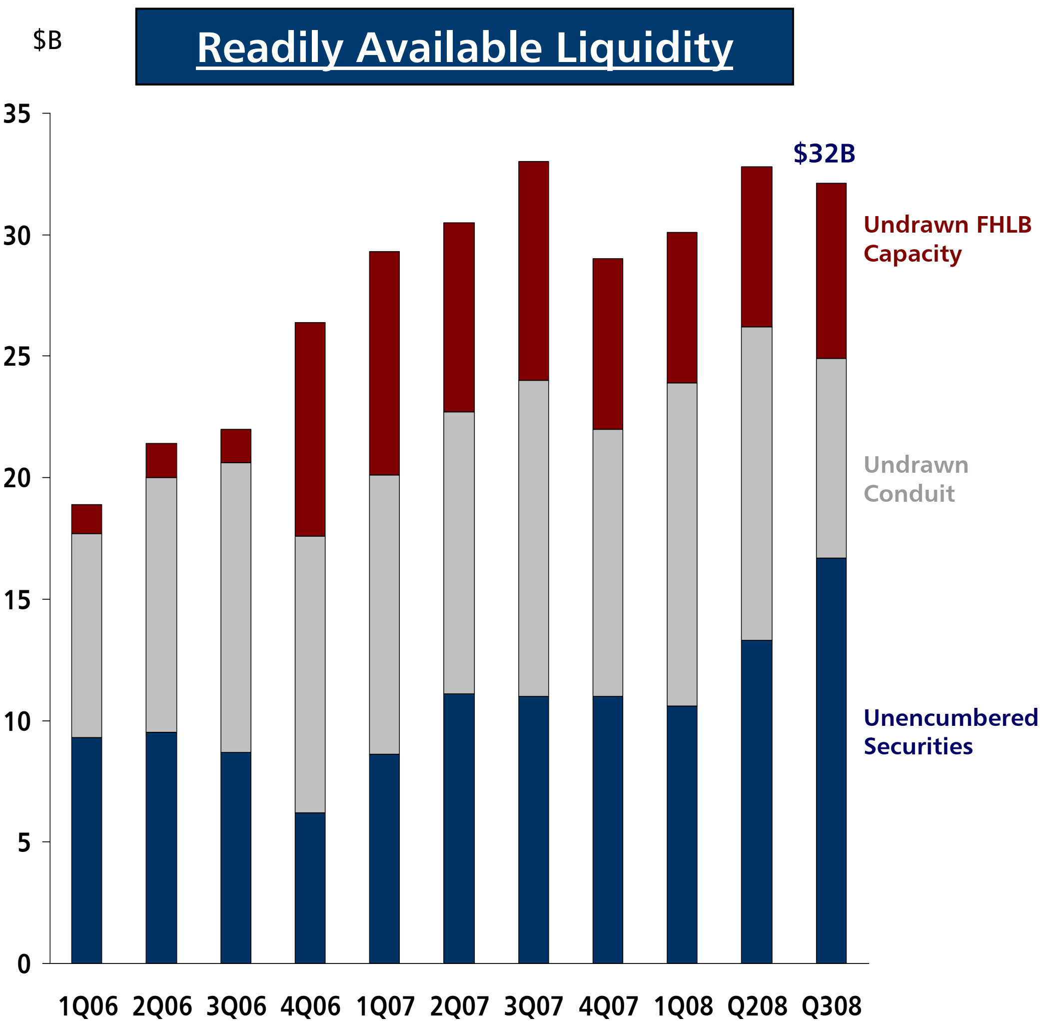
We remain well above our capital targets



Quarterly Highlights

- Issued approximately $750M of common stock
- TCE ratio increased due to retained earnings growth and stock issuance
- Tier 1 risk-based capital ratio of 11.9% (estimated)

We continue to maintain ample liquidity

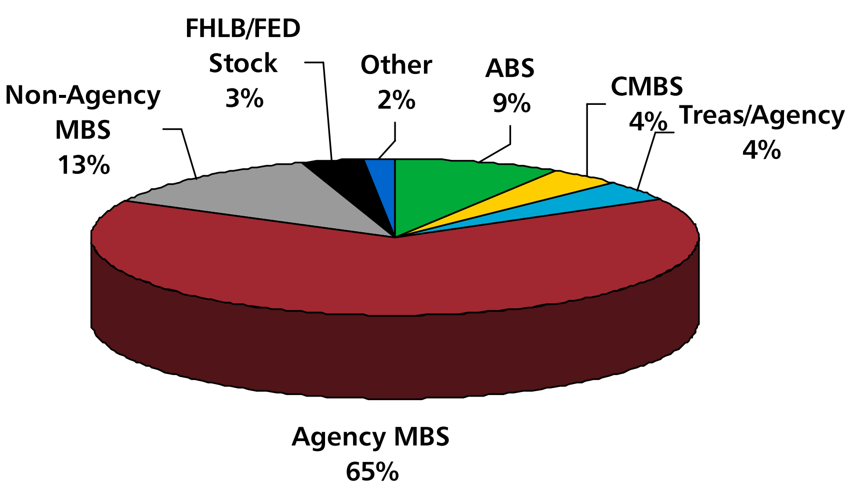


Q308 Highlights

- $5.7B Holding company cash covers parent obligations for 2+ years, including dividend
- $32B of readily available liquidity is 4x next 12 months of debt maturities
  - $7.8B of debt maturities in the next 12 months
  - Long funds position
  - No overnight funding or repo
- Funding in quarter was principally deposits
  - $6.5B net deposit growth
- $7.2B in undrawn FHLB advance capacity
- $7.8B undrawn conduits: 3 year deals, staggered maturities, backed by strong commercial banks
  - Renewed $5.3B during Q308
  - $3B maturing in 2009
- $16.7B unencumbered securities in $27B investment portfolio (97% rated AAA)

Our conservative investment portfolio is a foundation of our strong balance sheet

Q308 Investment Portfolio Mix



What is in our $27B investment portfolio

- 65% Agency MBS: Guaranteed pass-throughs and CMOs
- 13% Non-Agency MBS:
  - Mostly AAA rated, prime jumbo collateral
  - More than 2/3 super senior credit enhancement
  - Less than 1% backed by subprime/Alt-A
- 9% AAA-rated ABS: Credit card, auto and student loan
- 4% Treas/Agency: Predominantly GSE debt issued by Freddie, Fannie and FHLB
- 4% CMBS: Short senior structures backed by strong collateral
- 3% FHLB/FED Stock: Required holding to access Fed and FHLB lending facilities
- 2% Other: Predominantly municipal securities

What is not in our investment portfolio

- No SIV’s, CDO’s, leveraged loans
- No exposure to equity or hybrids
- No securities backed by Option ARMs

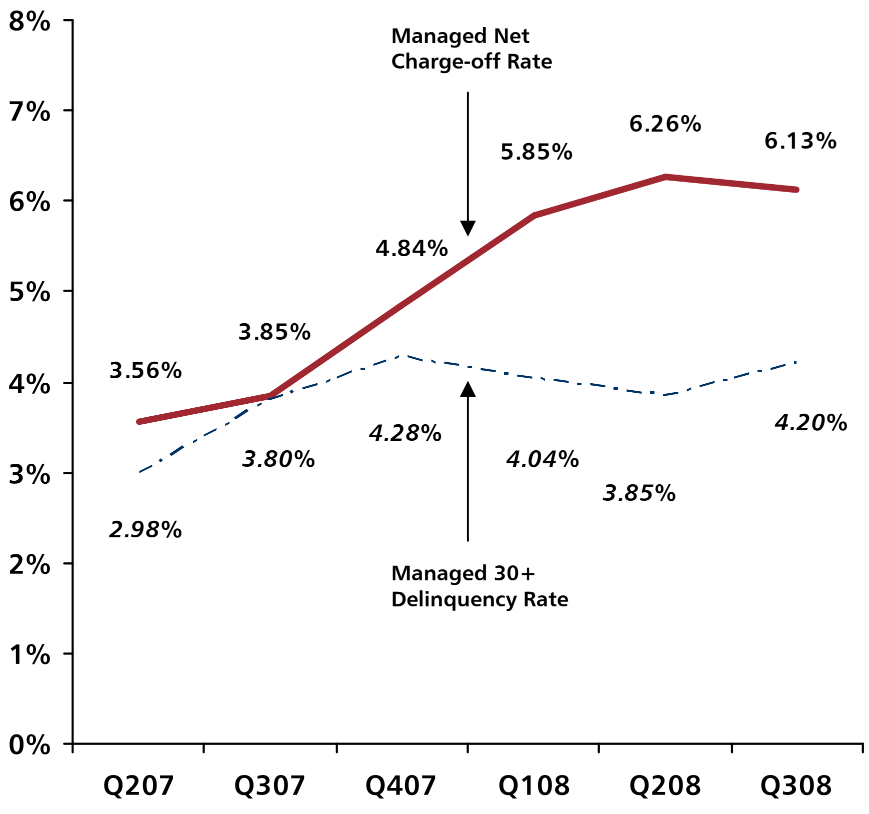
Capital One delivered an operating profit of $386M despite increasing headwinds

Net Income from Continuing Operations ($Millions)

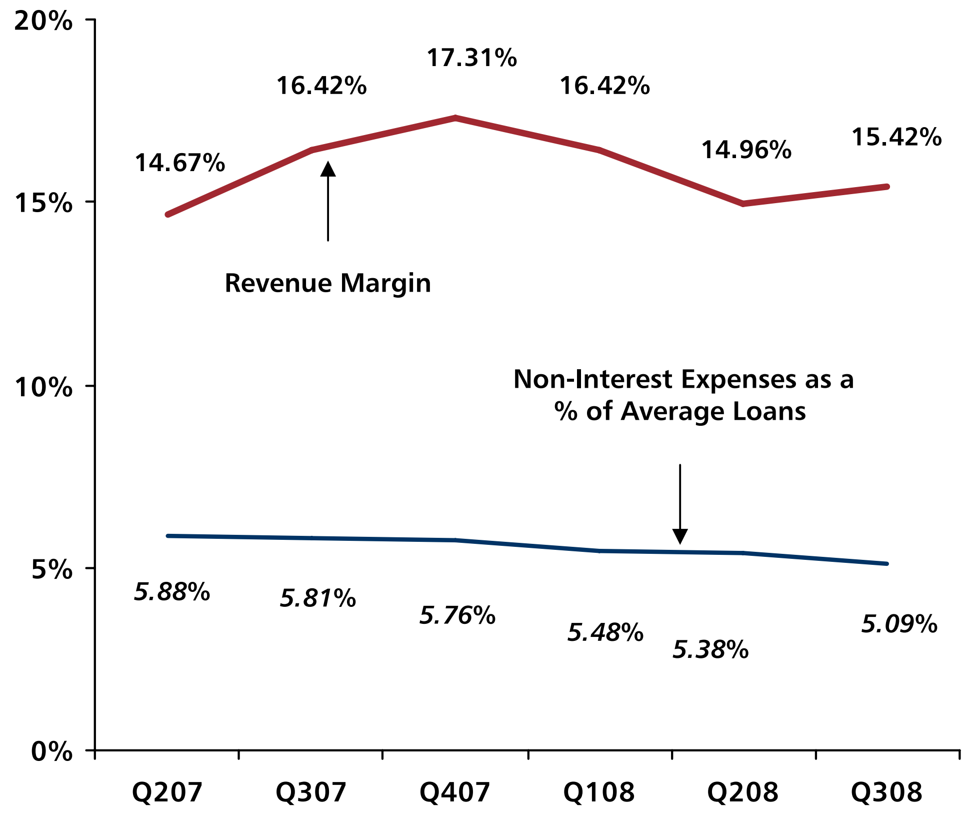
	Q308	Q208	Q108	Q407	Q307
National Lending					
US Card	$ 345.0	$ 340.4	$ 491.1	$ 498.7	$ 626.8
Auto Finance	14.5	33.6	(82.4)	(112.4)	(3.8)
International	12.1	33.7	33.3	54.7	47.4
SUBTOTAL	371.6	407.6	442.0	441.0	670.5
Local Banking	88.2	67.1	75.8	103.6	195.5
Other	(74.0)	(12.2)	114.6	(223.0)	(49.6)
Total Company	$ 385.8	$ 462.5	$ 632.6	$ 321.6	$ 816.4

Our US Card business continues to deliver profits and generate capital despite a deteriorating economic environment

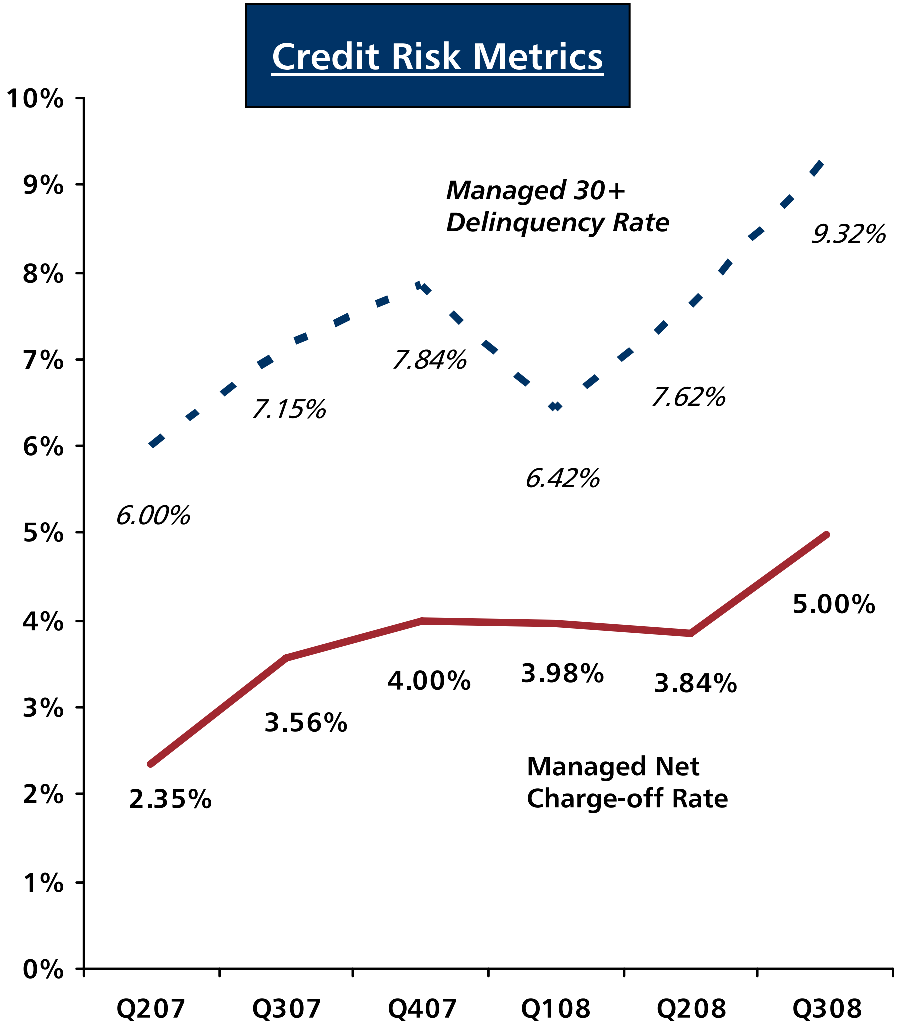
US Card Credit Risk Metrics

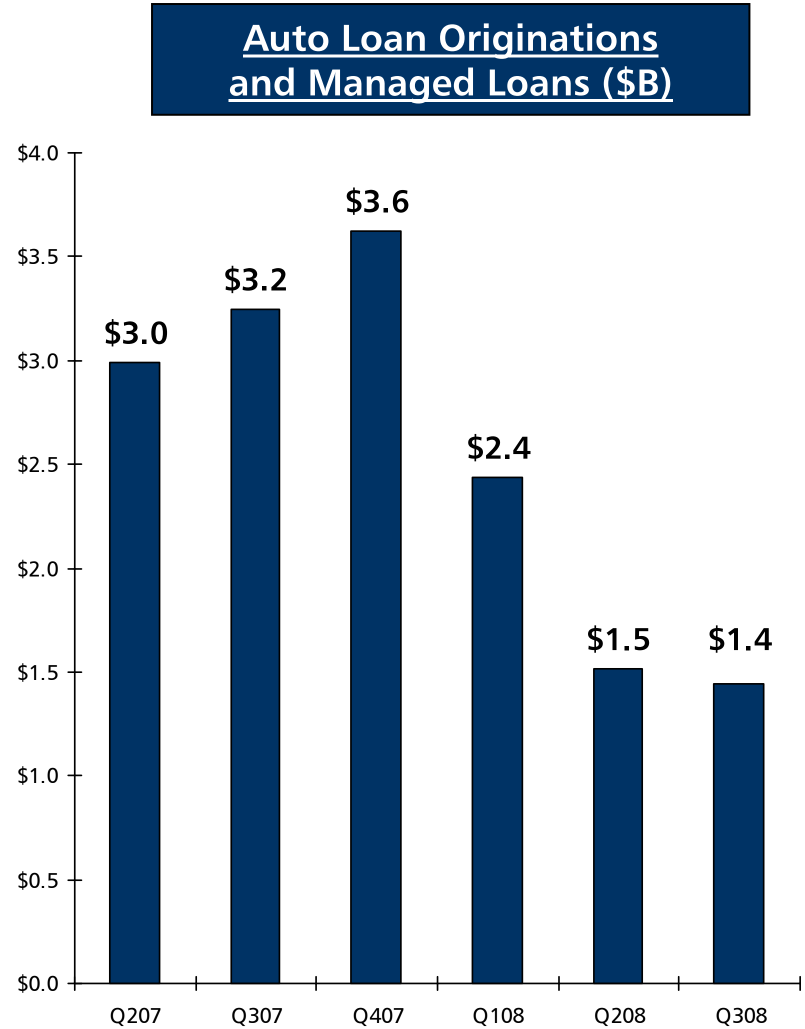


US Card Revenue Margin and Non-Interest Expenses as a % of Average Loans



We've retrenched and repositioned our auto business for resilience

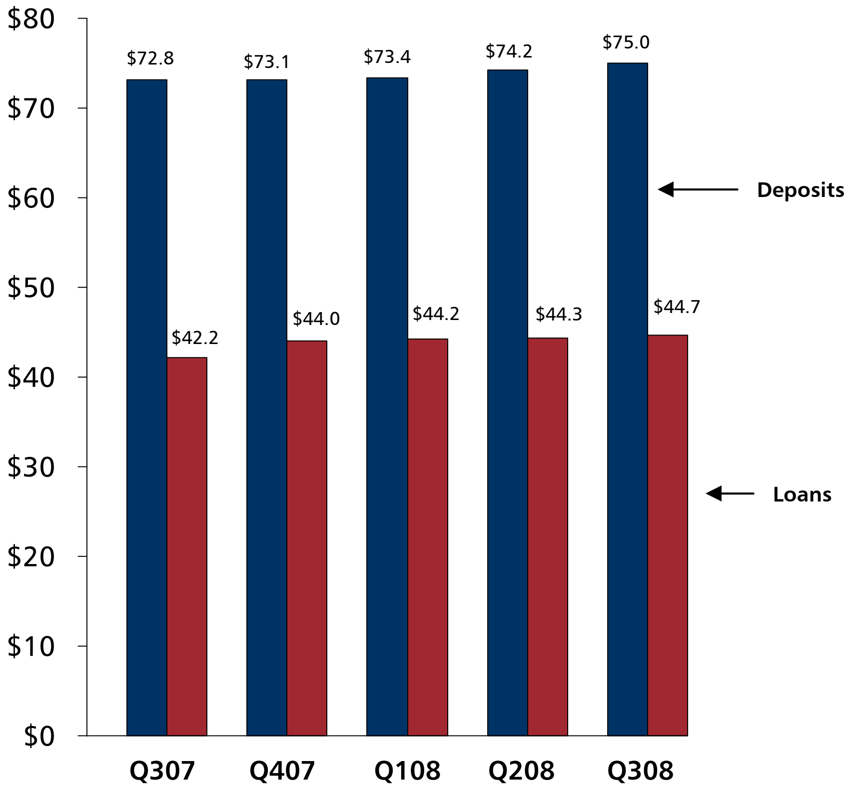




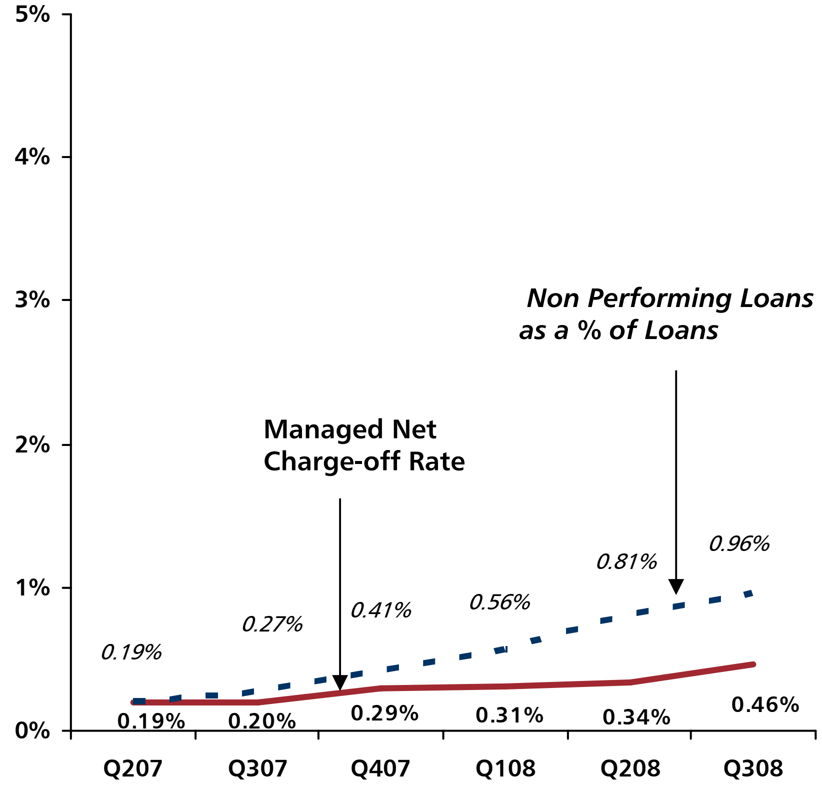
Total Outstandings ($B)	$24.1	$24.3	$25.1	$24.6	$23.4	$22.3

In the most turbulent banking environment in a generation, our Local Banking business continues to manage credit exposures and grow deposits while maintaining pricing discipline and margins

Local Banking Deposit and Loan Portfolio ($B)



Credit Risk Metrics



We expect sound operating metrics in 2008, despite increasing credit headwinds

	2008 Outlook	Commentary
Loan/Deposit Growth	Low single-digit decline in ending loans Double-digit growth in ending deposits	Flat average loans High single-digit growth in average deposits
Revenue Growth	Low-to-mid single digits	Modest decline expected in Q4 revenues due to seasonality and Prime/LIBOR risk
Cost Management	Low-to mid-40%'s efficiency ratio 2008 OpEx around $6.2B	Revenue trends will drive efficiency ratio -- Q4 efficiency ratio expected to trend higher
Credit Expectations	Continued economic weakness US Card charge-off rate around 7% for Q408	Allowance at 9/30/08 consistent with outlook for $7.2 billion in managed charge-offs over the next 12 months
Capital Management	TCE ratio above 5.5-6.0% target	Continue $0.375 quarterly dividend No share repurchases until economic outlook improves

CapitalOne

Despite continuing economic headwinds, Capital One remains well positioned to deliver value through the cycle

Strong Position

- Resilient businesses
- Conservatism imbedded in underwriting decisions
- Strong balance sheet
  - Substantial and growing deposit base
  - Broad funding flexibility
  - Fortified liquidity
  - Strong capital position

Decisive Actions

- Pulled back on loan growth across all businesses
  - Tightened underwriting
  - Recalibrated underwriting models and approaches
- Retrenched and repositioned Auto Finance
- Pulled back or exited least resilient businesses
- Increased collections intensity
- Aggressively managing costs
- Raised equity capital from a position of strength

Capital One℠