Second Quarter 2022 Results

July 21, 2022

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, 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 on Capital One's business, financial condition and results of operations may persist for an extended period or worsen, including labor shortages and disruption of global supply chains, and could impact 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; limitations on Capital One's ability to receive dividends from its subsidiaries; 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 on which Capital One relies; increased costs, reductions in revenue, reputational damage, legal liability and business disruptions that can result from data protection or privacy incidents or a cyber-attack or other similar incidents, including one that results in the theft, loss or misuse of information; 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 and debit 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; the transition away from the London Interbank Offered Rate; Capital One's ability to attract, retain and motivate skilled employees; climate change manifesting as physical or transition risks; Capital One's assumptions or estimates in its financial statements; 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 July 21, 2022, available on its website at www.capitalone.com under "Investors."

Q2 2022 Company Highlights

- Net income of $2.0 billion, or $4.96 per diluted common share
- Pre-provision earnings increased 1% to $3.6 billion[(1)]
- Provision for credit losses of $1.1 billion
- Efficiency ratio of 55.67%
- Operating efficiency ratio of 43.49%
- Common equity Tier 1 capital ratio under Basel III Standardized Approach of 12.1% at June 30, 2022
- Period-end loans held for investment increased $15.9 billion to $296.4 billion
- Average loans held for investment increased $10.8 billion to $286.1 billion
- Period-end total deposits decreased $5.5 billion to $307.9 billion
- Average total deposits decreased $3.6 billion to $306.0 billion

Note: All comparisons are for the second quarter of 2022 compared with the first quarter of 2022 unless otherwise noted. Regulatory capital metrics and capital ratios as of June 30, 2022 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 March 31, 2022	$ 8,280	$ 1,902	$ 1,126	$ 11,308
Charge-offs	**(1,009)**	**(331)**	**(43)**	**(1,383)**
Recoveries	**331**	**195**	**12**	**538**
Net charge-offs	**(678)**	**(136)**	**(31)**	**(845)**
Provision for credit losses[1][2]	**581**	**281**	**183**	**1,045**
Allowance build (release) for credit losses[1]	**(97)**	**145**	**152**	**200**
Other changes[3]	**(17)**	**—**	**—**	**(17)**
Balance as of June 30, 2022	**$ 8,166**	**$ 2,047**	**$ 1,278**	**$ 11,491**
Allowance coverage ratio as of June 30, 2022	**6.76%**	**2.51%**	**1.36%**	**3.88%**

Second Quarter 2022 Highlights

- Allowance build of $200 million primarily driven by loan growth and increased economic uncertainty, partially offset by continued strong credit performance in Domestic Card
- Allowance coverage ratio of 3.88% at June 30, 2022, compared to 4.03% at March 31, 2022

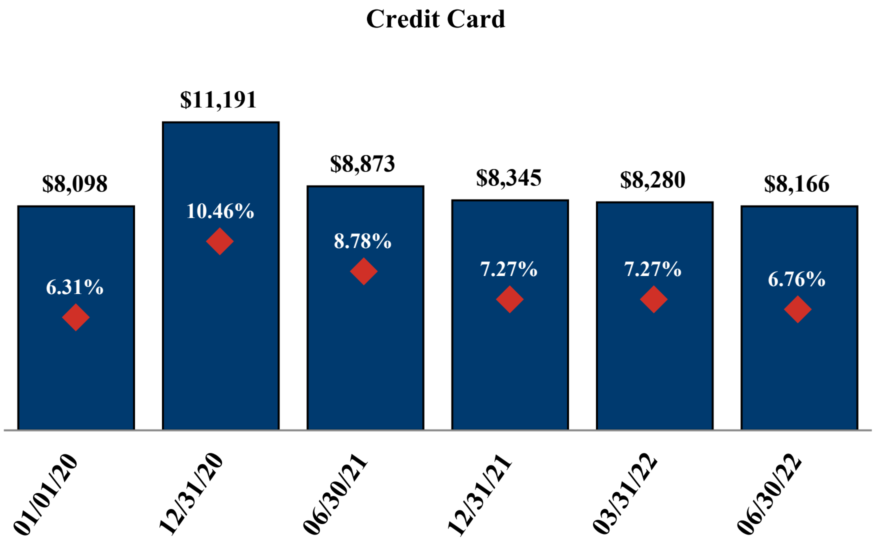
(1) Does not include $39 million of provision related to unfunded lending commitments that is recorded in other liabilities in Commercial Banking.

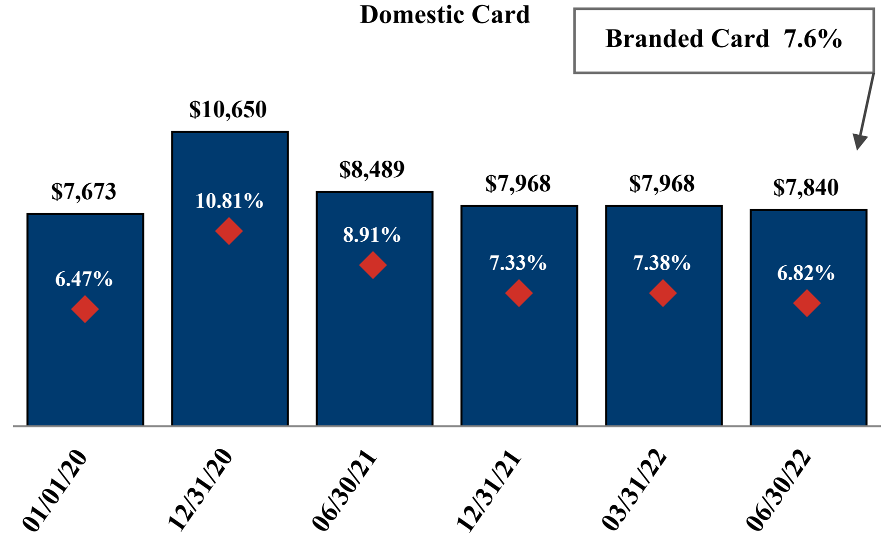
(2) Does not include $1 million of provision related to available for sale securities.

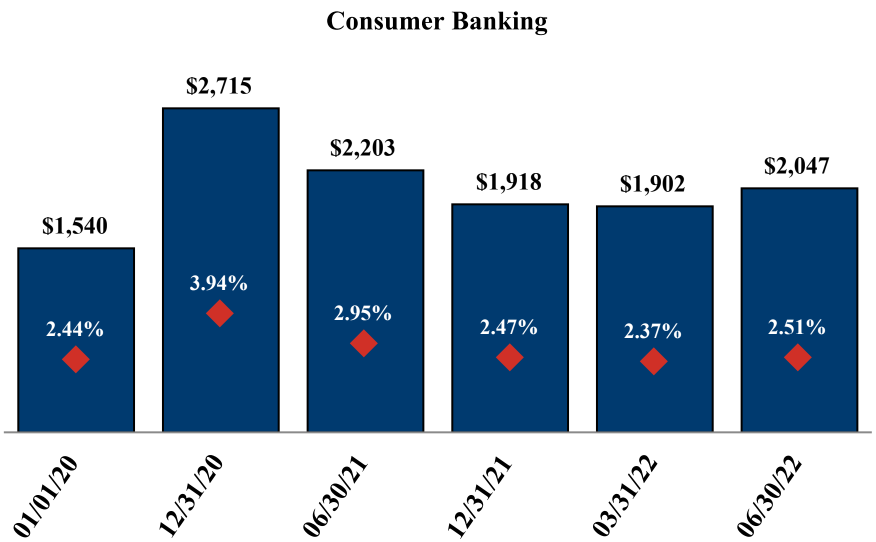
(3) Primarily represents foreign currency translation adjustments.

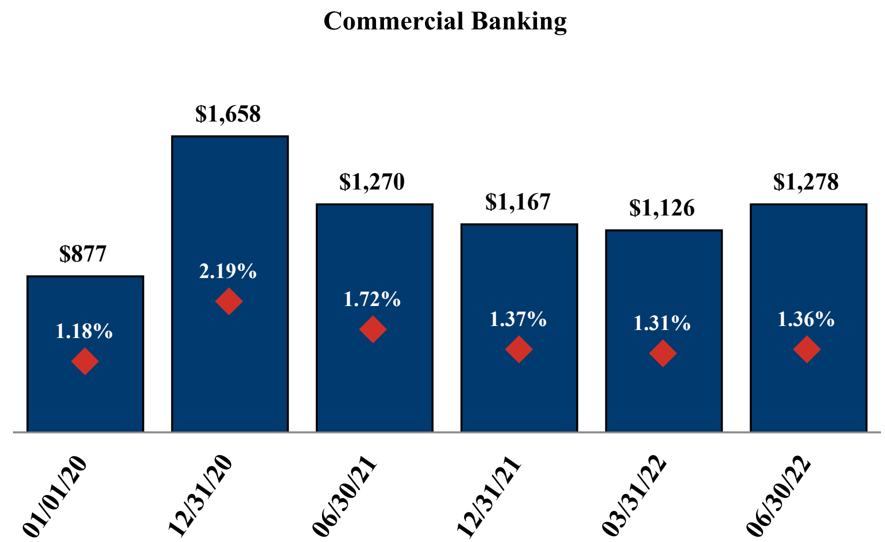
Allowance Coverage Ratios by Segment

Allowance for credit losses ($M)
Allowance Coverage Ratio



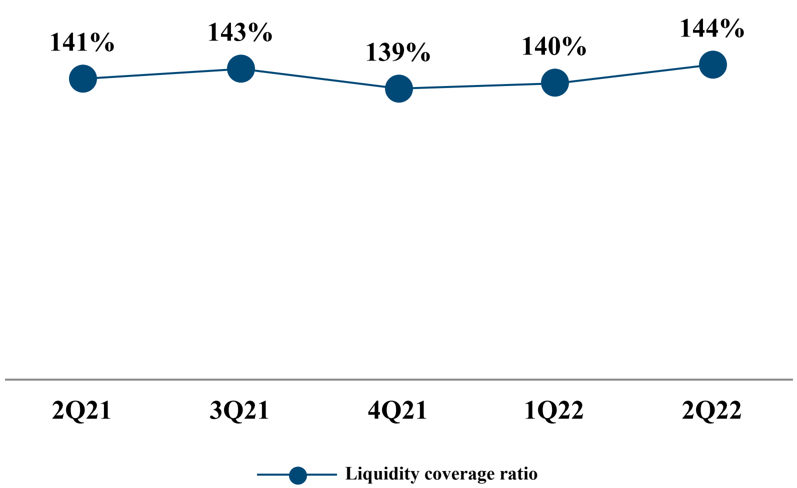




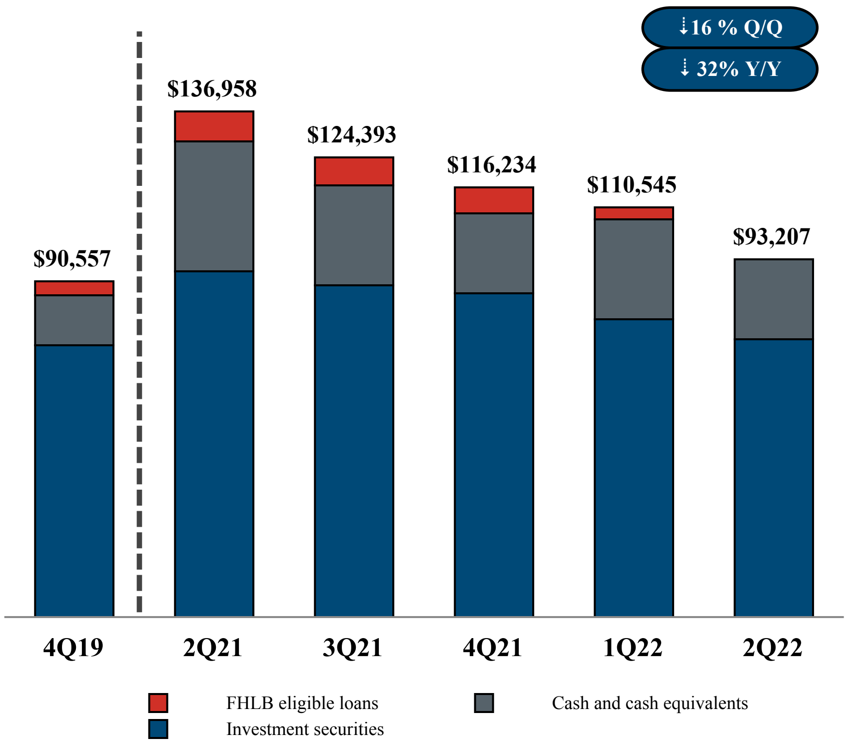


Liquidity

Liquidity Coverage Ratio



Total Liquidity Reserves ($M)[1]



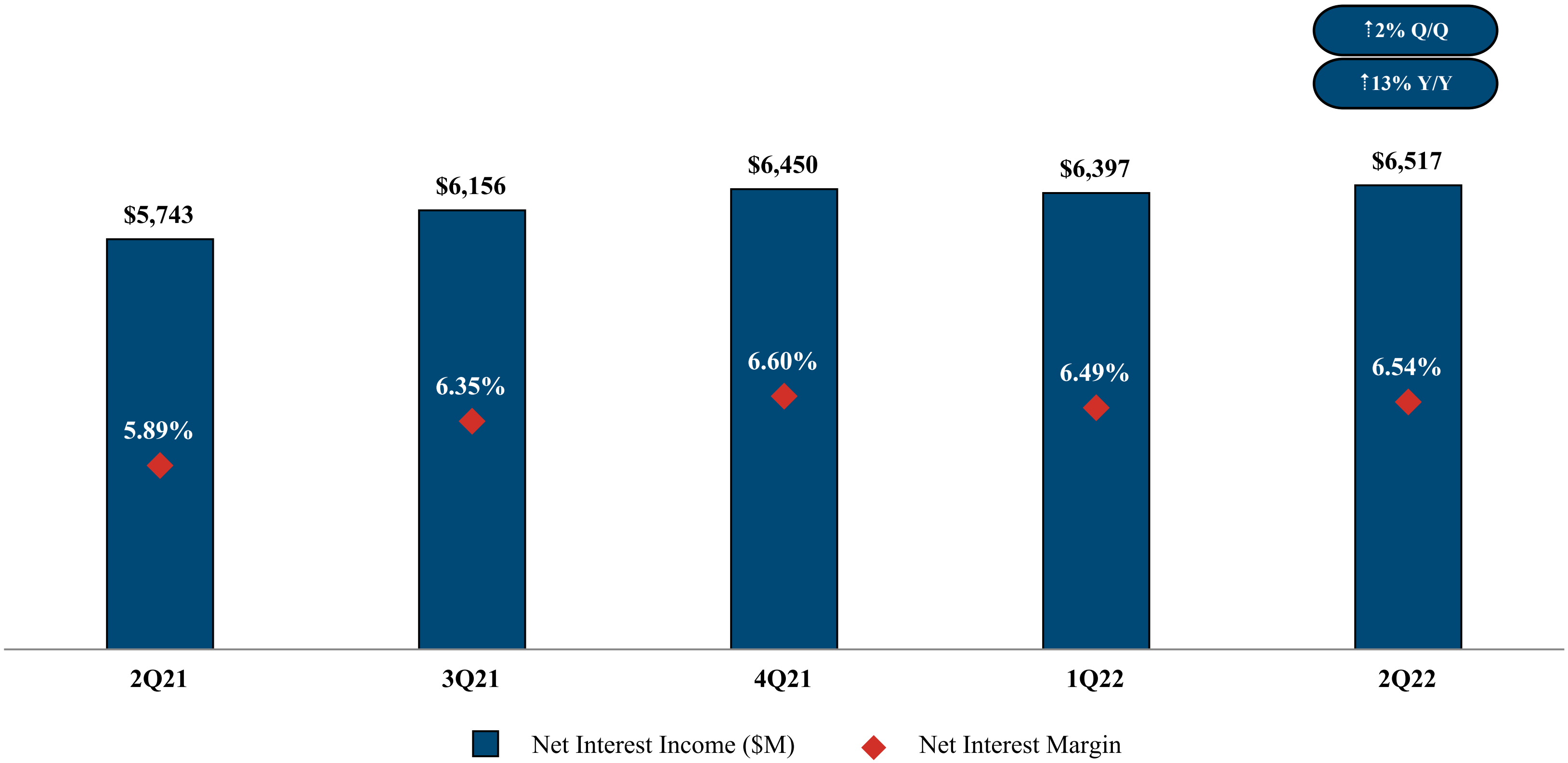
Second Quarter 2022 Highlights

- Average quarterly liquidity coverage ratio of 144%
- Total liquidity reserves of $93.2 billion as of June 30, 2022
  - $21.6 billion in cash and cash equivalents

Note: 2Q22 Liquidity Coverage Ratio is preliminary and therefore subject to change.

(1) Amount above represents unencumbered liquidity reserves. Securities pledged and eligible to secure FHLB borrowing capacity are presented within investment securities above.

Net Interest Income and Net Interest Margin



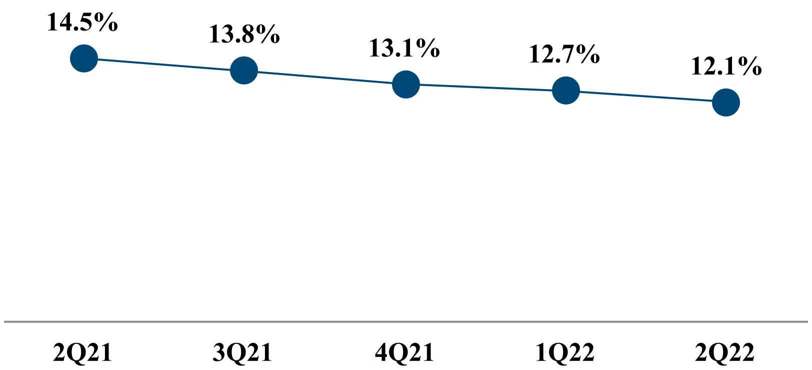
Second Quarter 2022 Highlights

- Net interest margin increased 5 basis points quarter-over-quarter primarily driven by higher day count, as higher yields on assets were offset by higher funding costs.
- Net interest margin increased 65 basis points year-over-year primarily driven by lower average cash and securities balances and higher average loans balances.

Capital

(Dollars in millions)	Amount	Ratio
Common equity Tier 1 (CET1) as of March 31, 2022	$ 42,701	12.7%
Q2 2022 Net income	**2,031**	**60 bps**
Share Repurchases	**(1,983)**	**(59)bps**
Other quarterly activities[1]	**(186)**	**(6)bps**
Risk Weighted Assets changes	**N/A**	**(53)bps**
CET1 as of June 30, 2022	**42,563**	**12.1%**

Common Equity Tier 1 Capital Ratio



Second Quarter 2022 Highlights

- CET1 capital ratio of 12.1% at June 30, 2022
- Stress Capital Buffer of 3.1% effective October 1, 2022
- Repurchased 15.8 million common shares for $2.0 billion in the second quarter of 2022; YTD repurchases of $4.4 billion

Note: Regulatory capital metrics and capital ratios as of June 30, 2022 are preliminary and therefore subject to change.

(1) Primarily represents quarterly common and preferred stock dividends, as well as common stock issuances arising from share-based payment award activity.

Financial Summary—Business Segment Results

(Dollars in millions)	Three Months Ended June 30, 2022				
	Credit Card	Consumer Banking	Commercial Banking	Other	Total
Net interest income (loss)	$ 3,899	$ 2,147	$ 635	$ (164)	$ 6,517
Non-interest income (loss)	1,410	96	272	(63)	1,715
Total net revenue (loss)	5,309	2,243	907	(227)	8,232
Provision for credit losses	581	281	222	1	1,085
Non-interest expense	2,771	1,286	485	41	4,583
Income (loss) from continuing operations before income taxes	1,957	676	200	(269)	2,564
Income tax provision (benefit)	466	160	48	(141)	533
Income (loss) from continuing operations, net of tax	$ 1,491	$ 516	$ 152	$ (128)	$ 2,031

Credit Card

(Dollars in millions, except as noted)	2022 Q2	2022 Q1	2021 Q2	2022 Q2 vs. 2022 Q1	2022 Q2 vs. 2021 Q2
Earnings:					
Net interest income	**$ 3,899**	$ 3,839	$ 3,217	2 %	21 %
Non-interest income	**1,410**	1,458	1,253	(3)	13
Total net revenue	**5,309**	5,297	4,470	—	19
Provision (benefit) for credit losses	**581**	545	(635)	7	**
Non-interest expense	**2,771**	2,783	2,263	—	22
Pre-tax income	**1,957**	1,969	2,842	(1)	(31)
Selected performance metrics:					
Period-end loans held for investment	**$ 120,880**	$ 113,962	$ 101,017	6 %	20 %
Average loans held for investment	**115,835**	111,480	99,674	4	16
Total net revenue margin	**18.33 %**	18.56 %	17.59 %	(23)bps	74 bps
Net charge-off rate	**2.34**	2.18	2.29	16	5
Purchase volume	**$ 148,491**	$ 133,662	$ 132,676	11 %	12 %

Second Quarter 2022 Highlights

- Ending loans held for investment up $19.9 billion, or 20%, year-over-year; average loans held for investment up $16.2 billion, or 16%, year-over-year
- Purchase volume up 12% year-over-year
- Revenue up $839 million, or 19%, year-over-year
- Revenue margin of 18.33%
- Non-interest expense up $508 million, or 22%, year-over-year
- Provision for credit losses up $1.2 billion year-over-year
- Net charge-off rate of 2.34%

** Not meaningful.

Domestic Card

(Dollars in millions, except as noted)	2022 Q2	2022 Q1	2021 Q2	2022 Q2 vs. 2022 Q1	2022 Q2 vs. 2021 Q2
Earnings:					
Net interest income	**$ 3,651**	$ 3,620	$ 2,944	1 %	24 %
Non-interest income	**1,340**	1,248	1,183	7	13
Total net revenue	**4,991**	4,868	4,127	3	21
Provision (benefit) for credit losses	**494**	559	(561)	(12)	**
Non-interest expense	**2,594**	2,564	2,034	1	28
Pre-tax income	**1,903**	1,745	2,654	9	(28)
Selected performance metrics:					
Period-end loans held for investment	**$ 115,004**	$ 107,987	$ 95,309	6 %	21 %
Average loans held for investment	**109,962**	105,536	91,535	4	20
Total net revenue margin	**18.16 %**	18.28 %	17.66 %	(12)bps	50 bps
Net charge-off rate	**2.26**	2.12	2.28	14	(2)
30+ day performing delinquency rate	**2.35**	2.32	1.68	3	67
Purchase volume	**$ 144,668**	$ 126,284	$ 122,456	15 %	18 %

Second Quarter 2022 Highlights

- Ending loans held for investment up $19.7 billion, or 21%, year-over-year; average loans held for investment up $18.4 billion, or 20%, year-over-year
- Purchase volume up 18% year-over-year
- Revenue up $864 million, or 21%, year-over-year
- Revenue margin of 18.16%
- Non-interest expense up $560 million, or 28%, year-over-year
- Provision for credit losses up $1.1 billion year-over-year
- Net charge-off rate of 2.26%

** Not meaningful.

Consumer Banking

(Dollars in millions, except as noted)	2022 Q2	2022 Q1	2021 Q2	2022 Q2 vs. 2022 Q1	2022 Q2 vs. 2021 Q2
Earnings:					
Net interest income	**$ 2,147**	$ 2,113	$ 2,101	2 %	2 %
Non-interest income	**96**	105	144	(9)	(33)
Total net revenue	**2,243**	2,218	2,245	1	—
Provision (benefit) for credit losses	**281**	130	(306)	116	**
Non-interest expense	**1,286**	1,236	1,123	4	15
Pre-tax income	**676**	852	1,428	(21)	(53)
Selected performance metrics:					
Period-end loans held for investment	**$ 81,531**	$ 80,330	$ 74,759	1 %	9 %
Average loans held for investment	**80,981**	78,689	72,705	3	11
Auto loan originations	**10,328**	11,713	12,959	(12)	(20)
Period-end deposits	**255,904**	258,359	251,155	(1)	2
Average deposits	**254,336**	255,265	252,488	—	1
Average deposits interest rate	**0.38 %**	0.29 %	0.31 %	9 bps	7 bps
Net charge-off (recovery) rate	**0.67**	0.75	(0.06)	(8)	73

Second Quarter 2022 Highlights

- Ending loans held for investment up $6.8 billion, or 9%, year-over-year; average loans held for investment up $8.3 billion, or 11%, year-over-year
- Ending deposits up $4.7 billion, or 2%, year-over-year
- Auto loan originations down $2.6 billion, or 20%, year-over-year
- Revenue remained substantially flat year-over-year at $2.2 billion
- Non-interest expense up $163 million, or 15%, year-over-year
- Provision for credit losses up $587 million year-over-year
- Net charge-off rate of 0.67%

** Not meaningful.

Commercial Banking

(Dollars in millions, except as noted)	2022 Q2	2022 Q1	2021 Q2	2022 Q2 vs. 2022 Q1	2022 Q2 vs. 2021 Q2
Earnings:					
Net interest income	**$ 635**	$ 607	$ 460	5 %	38 %
Non-interest income	**272**	277	257	(2)	6
Total net revenue	**907**	884	717	3	26
Provision (benefit) for credit losses	**222**	8	(219)	**	**
Non-interest expense	**485**	488	417	(1)	16
Pre-tax income	**200**	388	519	(48)	(61)
Selected performance metrics:					
Period-end loans held for investment	**$ 93,973**	$ 86,174	$ 73,821	9 %	27 %
Average loans held for investment	**89,294**	85,173	74,084	5	21
Period-end deposits	**38,844**	45,232	42,973	(14)	(10)
Average deposits	**40,536**	45,008	42,311	(10)	(4)
Average deposits interest rate	**0.19 %**	0.12 %	0.14 %	70 bps	5 bps
Net charge-off (recovery) rate	**0.14**	0.06	(0.11)	8	25
Risk category as a percentage of period-end loans held for investment:[(1)]					
Criticized performing	**5.29 %**	5.68 %	7.56 %	(39)bps	(227)bps
Criticized nonperforming	**0.70**	0.81	1.03	(11)	(33)

Second Quarter 2022 Highlights

- Ending loans held for investment up $20.2 billion, or 27%, year-over-year; average loans held for investment up $15.2 billion, or 21%, year-over-year
- Ending deposits down $4.1 billion, or 10%, year-over-year; average deposits down $1.8 billion, or 4%, year-over-year
- Revenue up $190 million, or 26%, year-over-year
- Non-interest expense up $68 million, or 16%, year-over-year
- Provision for credit losses up $441 million year-over-year
- Net charge-off rate of 0.14%
- Criticized performing loan rate of 5.29% and criticized nonperforming loan rate of 0.70%

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

** Not meaningful.

Appendix

Reconciliation of Non-GAAP Measures

(Dollars in millions, except per share data and as noted)	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Adjusted diluted earnings per share ("EPS"):							
Net income available to common stockholders (GAAP)	**$ 1,949**	$ 2,318	$ 2,296	$ 2,987	$ 3,446	**$ 4,267**	$ 6,682
Legal reserve activity, including insurance recoveries	**—**	—	—	45	55	**—**	55
Adjusted net income available to common stockholders before income tax impacts (non-GAAP)	**1,949**	2,318	2,296	3,032	3,501	**4,267**	6,737
Income tax impacts	**—**	—	—	(11)	(13)	**—**	(13)
Adjusted net income available to common stockholders (non-GAAP)	**$ 1,949**	$ 2,318	$ 2,296	$ 3,021	$ 3,488	**$ 4,267**	$ 6,724
Diluted weighted-average common shares outstanding (in millions) (GAAP)	**392.6**	412.2	424.3	440.5	452.3	**402.3**	456.2
Diluted EPS (GAAP)	**$ 4.96**	$ 5.62	$ 5.41	$ 6.78	$ 7.62	**$ 10.61**	$ 14.65
Impact of adjustments noted above	**—**	—	—	0.08	0.09	**—**	0.09
Adjusted diluted EPS (non-GAAP)	**$ 4.96**	$ 5.62	$ 5.41	$ 6.86	$ 7.71	**$ 10.61**	$ 14.74
Adjusted efficiency ratio:							
Non-interest expense (GAAP)	**$ 4,583**	$ 4,551	$ 4,678	$ 4,186	$ 3,966	**$ 9,134**	$ 7,706
Legal reserve activity, including insurance recoveries	**—**	—	—	(45)	(55)	**—**	(55)
Adjusted non-interest expense (non-GAAP)	**$ 4,583**	$ 4,551	$ 4,678	$ 4,141	$ 3,911	**$ 9,134**	$ 7,651
Total net revenue (GAAP)	**$ 8,232**	$ 8,173	$ 8,118	$ 7,830	$ 7,374	**$ 16,405**	$ 14,487
Efficiency ratio (GAAP)	**55.67%**	55.68 %	57.63 %	53.46 %	53.78%	**55.68%**	53.19%
Impact of adjustments noted above	**—**	—	—	(57)bps	(74)bps	**—**	(38)bps
Adjusted efficiency ratio (non-GAAP)	**55.67%**	55.68%	57.63%	52.89%	53.04%	**55.68%**	52.81%
Adjusted operating efficiency ratio:							
Operating expense (GAAP)	**$ 3,580**	$ 3,633	$ 3,679	$ 3,435	$ 3,346	**$ 7,213**	$ 6,585
Legal reserve activity, including insurance recoveries	**—**	—	—	(45)	(55)	**—**	(55)
Adjusted operating expense (non-GAAP)	**$ 3,580**	$ 3,633	$ 3,679	$ 3,390	$ 3,291	**$ 7,213**	$ 6,530
Total net revenue (GAAP)	**$ 8,232**	$ 8,173	$ 8,118	$ 7,830	$ 7,374	**$ 16,405**	$ 14,487
Operating efficiency ratio (GAAP)	**43.49%**	44.45%	45.32%	43.87%	45.38%	**43.97%**	45.45%
Impact of adjustments noted above	**—**	—	—	(57)bps	(75)bps	**—**	(38)bps
Adjusted operating efficiency ratio (non-GAAP)	**43.49%**	44.45%	45.32%	43.30%	44.63%	**43.97%**	45.07%