Second Quarter 2021 Results

July 22, 2021

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 and related public health measures on Capital One's business, financial condition and results of operations, including the increased estimation and forecast uncertainty as a result of the pandemic on 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; 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 Capital One relies on; increased costs, reductions in revenue, reputational damage, legal liability and business disruptions that can result from data protection or privacy incidents or the theft, loss or misuse of information, including as a result of a cyber-attack; 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 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; uncertainty regarding, and transition away from, the London Interbank Offered Rate; Capital One's ability to attract, retain and motivate skilled employees; Capital One's assumptions or estimates in its financial statements; limitations on Capital One's ability to receive dividends from its subsidiaries; 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 22, 2021, available on its website at www.capitalone.com under "Investors."

Q2 2021 Company Highlights

- Net income for the second quarter of 2021 of $3.5 billion, or $7.62 per diluted common share
  - Excluding adjusting items, net income per diluted common share of $7.71
- Pre-provision earnings increased 1% to $3.4 billion [(1)]
- Provision for credit losses of $(1.2) billion
- Efficiency ratio of 53.78%
  - Efficiency ratio excluding adjusting items was 53.04%
- Operating efficiency ratio of 45.38%
  - Operating efficiency ratio excluding adjusting items was 44.63%
- Adjusting items in the quarter, which are excluded from diluted earnings per share (EPS) and efficiency ratio metrics (see slide 15 for additional information):

(Dollars in millions, except per share data)	**Pre-Tax Impact**	**Diluted EPS Impact**
Legal reserve build	**$ 55**	**$ 0.09**

- Common equity Tier 1 capital ratio under Basel III Standardized Approach of 14.5% at June 30, 2021
- Period-end loans held for investment increased $6.5 billion to $249.6 billion
  - $4.1 billion in loans moved to held-for-sale
- Average loans held for investment increased $2.5 billion to $246.5 billion
- Period-end total deposits decreased $4.0 billion to $306.3 billion
- Average total deposits increased $3.2 billion to $308.2 billion

Note: All comparisons are for the second quarter of 2021 compared with the first quarter of 2021 unless otherwise noted. Regulatory capital metrics and capital ratios as of June 30, 2021 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, 2021	$ 10,072	$ 2,498	$ 1,447	$ 14,017
Charge-offs	**(967)**	**(260)**	**(8)**	**(1,235)**
Recoveries	**396**	**271**	**27**	**694**
Net recoveries (charge-offs)	**(571)**	**11**	**19**	**(541)**
Provision (benefit) for credit losses[1]	**(635)**	**(306)**	**(196)**	**(1,137)**
Allowance build (release) for credit losses[1]	**(1,206)**	**(295)**	**(177)**	**(1,678)**
Other changes[2]	**7**	**—**	**—**	**7**
Balance as of June 30, 2021	**$ 8,873**	**$ 2,203**	**$ 1,270**	**$ 12,346**
Allowance coverage ratio as of June 30, 2021	**8.78%**	**2.95%**	**1.72%**	**4.95%**

Second Quarter 2021 Highlights

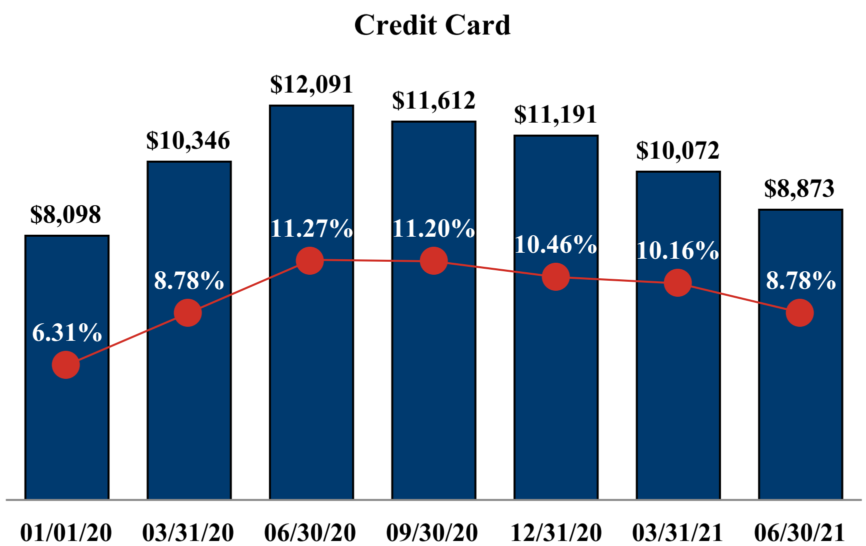
- Allowance release of $1.7 billion primarily driven by strong credit performance and an improved economic outlook
- Allowance coverage ratio of 4.95% at June 30, 2021, compared to 5.77% at March 31, 2021

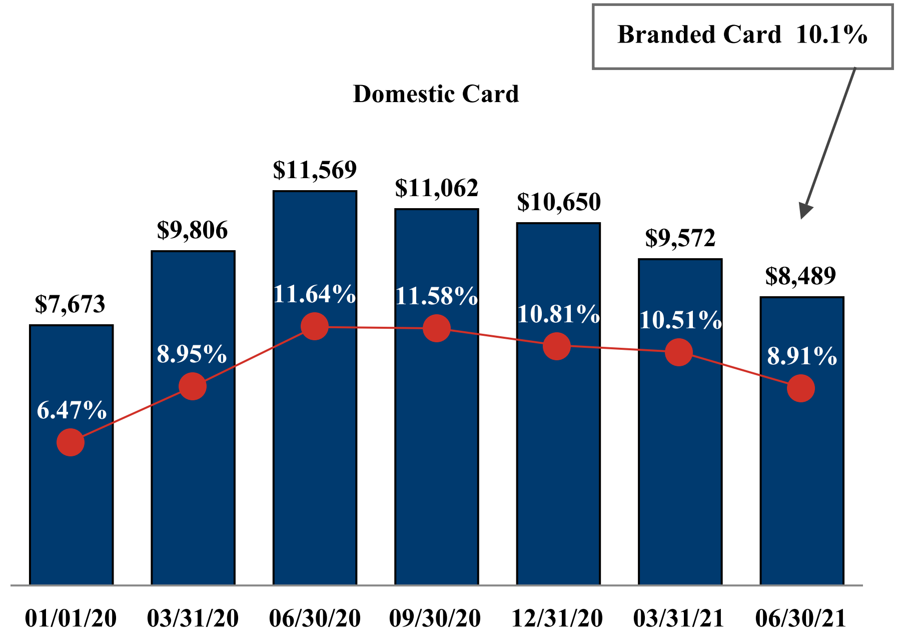
(1) Does not include ($23 million) of provision (benefit) related to unfunded lending commitments that is recorded in other liabilities in Commercial Banking.

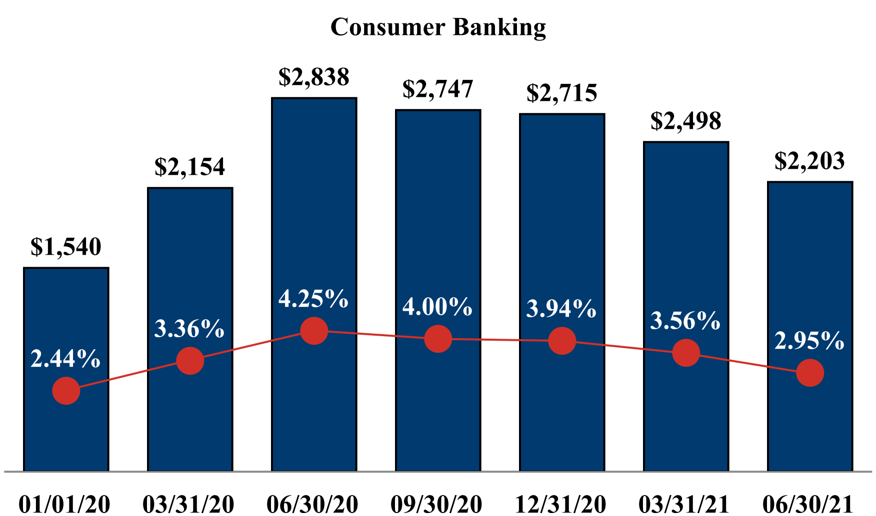
(2) Represents foreign currency translation adjustments.

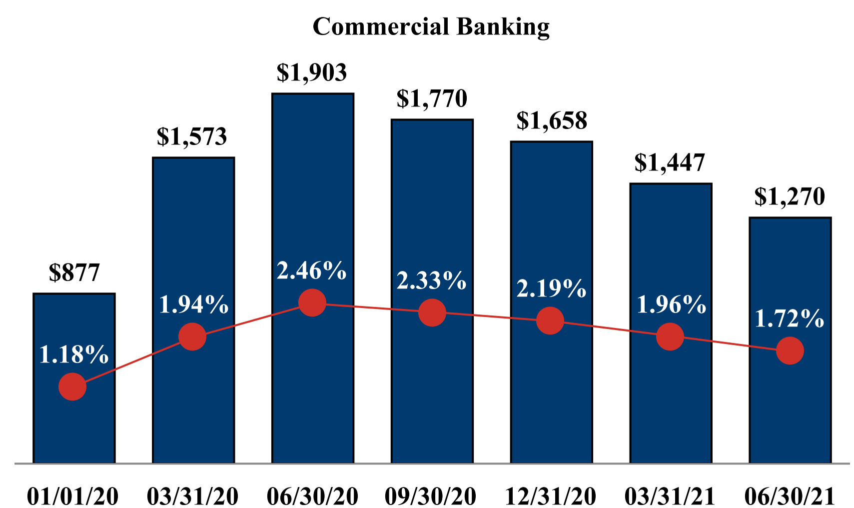
Allowance Coverage Ratios by Segment

Allowance for credit losses ($M)
Allowance Coverage Ratio

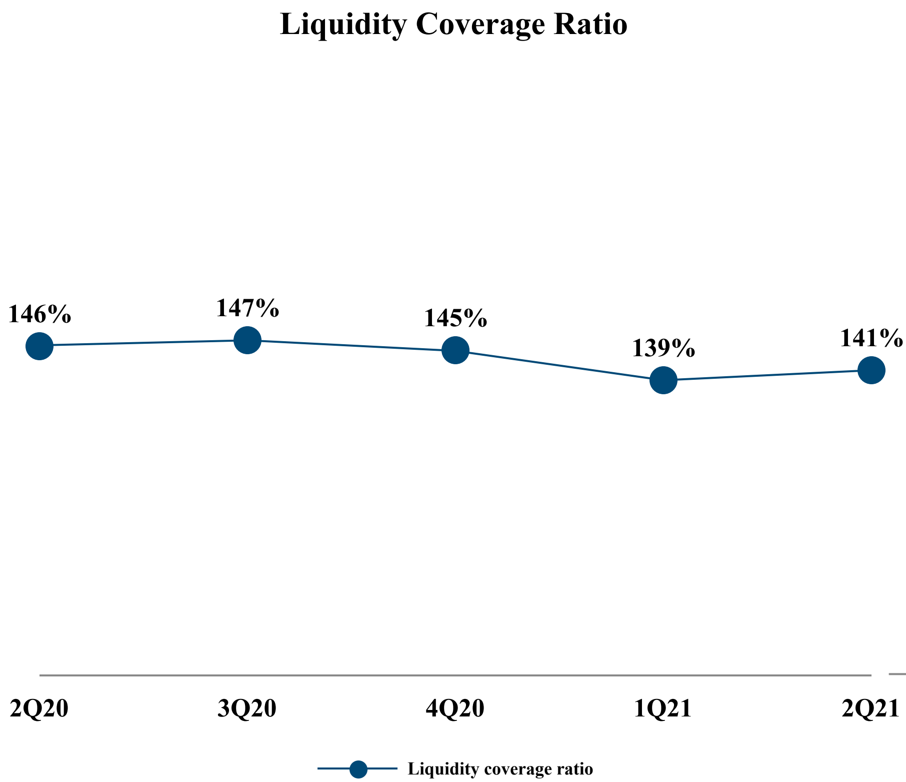


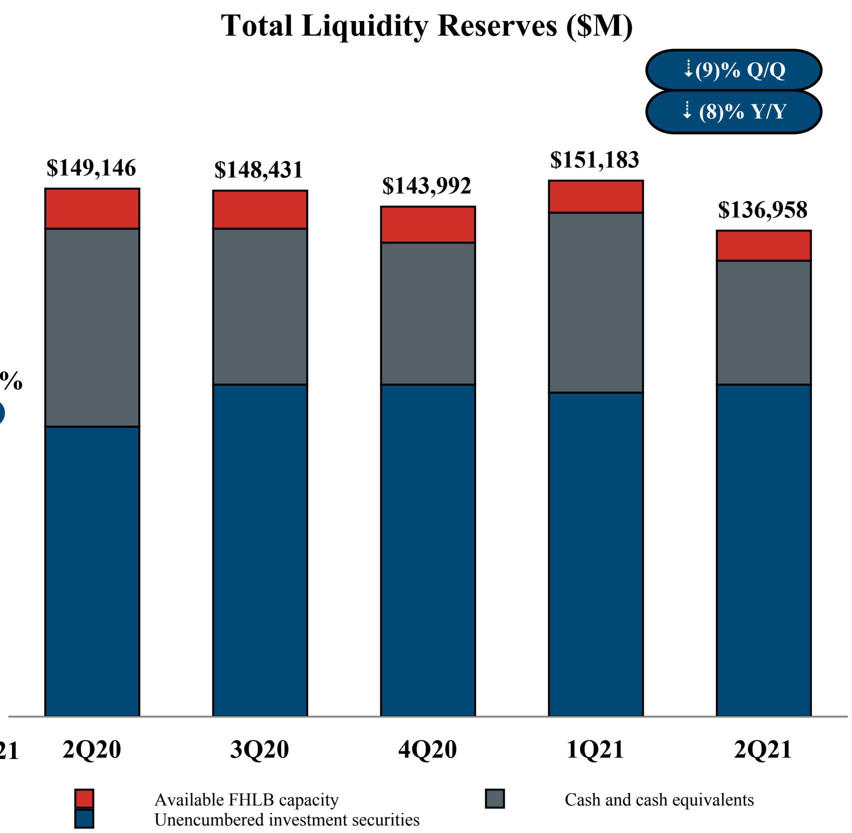






Liquidity



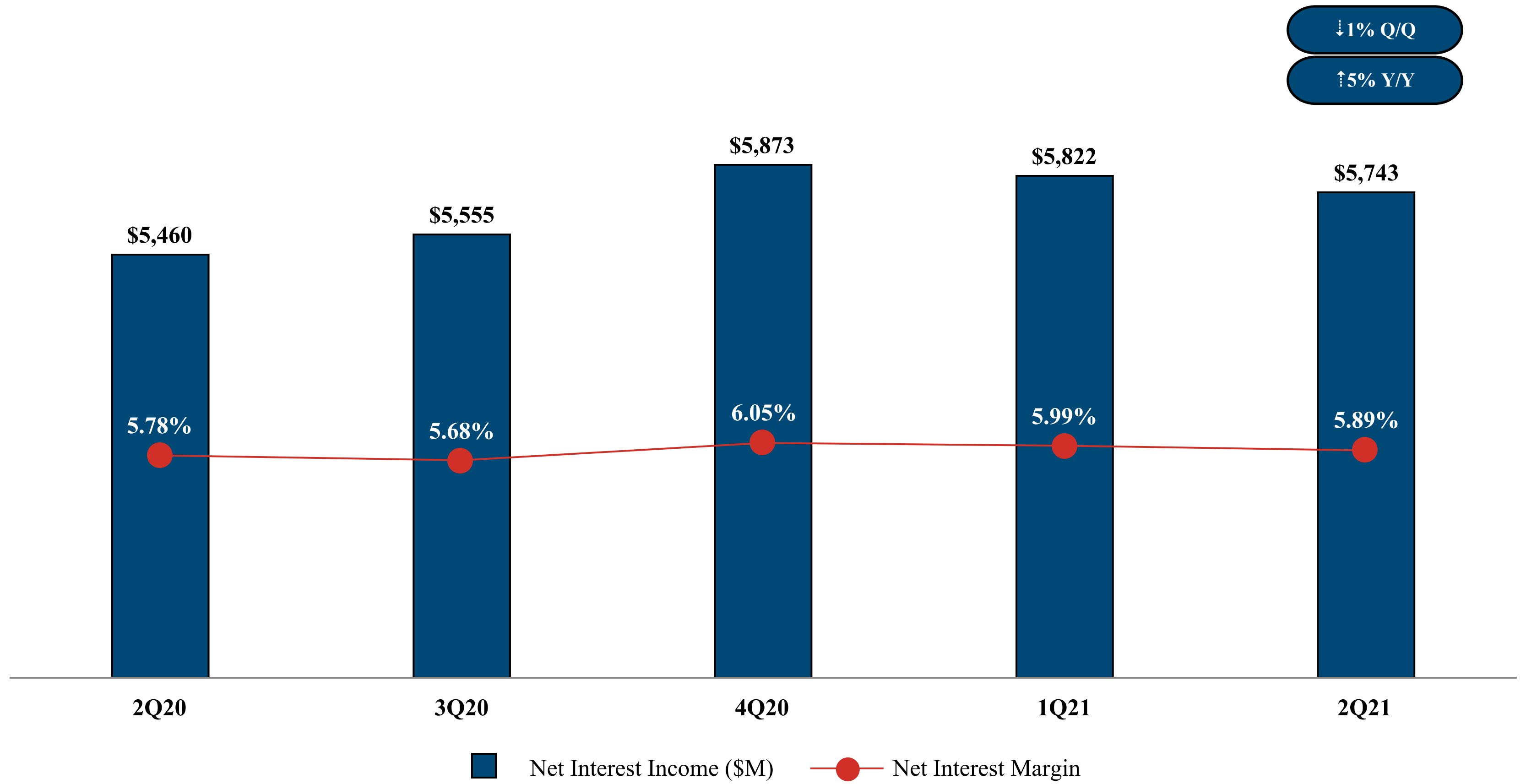


Second Quarter 2021 Highlights

- Average quarterly liquidity coverage ratio of 141%
- Total liquidity reserves of $137.0 billion as of June 30, 2021
    - $34.8 billion in cash and cash equivalents

Note: 2Q21 LCR is preliminary and therefore subject to change.

Net Interest Income and Net Interest Margin



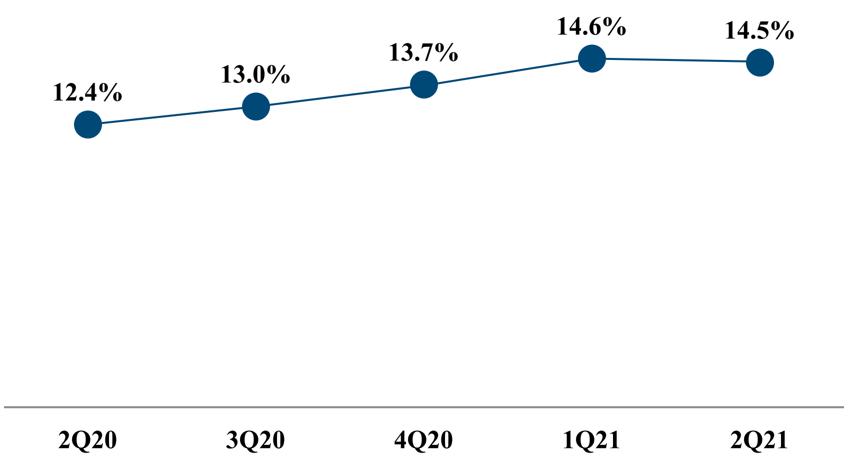
Second Quarter 2021 Highlights

- Net interest margin decreased 10 basis points quarter-over-quarter primarily driven by lower yields in Domestic Card, partially offset by favorable impact from day count.
- Net interest margin increased 11 basis points year-over-year primarily driven by lower rates on interest-bearing liabilities, partially offset by higher balances and lower yields in investment securities.

Capital

(Dollars in millions)	Amount	Ratio
Common equity Tier 1 (CET1) as of March 31, 2021	$ 43,051	14.6%
Q2 2021 Net income	**3,536**	**110 bps**
CECL Transition Provisions	**(424)**	**(10)bps**
Share Repurchases	**(1,662)**	**(50)bps**
Other quarterly activities	**(69)**	**— bps**
Risk Weighted Assets changes	**N/A**	**(60)bps**
CET1 as of June 30, 2021	**44,432**	**14.5%**

Common Equity Tier 1 Capital Ratio



Second Quarter 2021 Highlights

- CET1 capital ratio of 14.5% at June 30, 2021
- Stress Capital Buffer of 2.5% effective October 1, 2021
- Repurchased 11.4 million common shares for $1.7 billion; YTD repurchases of $2.2 billion under our $7.5 billion authorization

Note: Regulatory capital metrics and capital ratios as of June 30, 2021 are preliminary and therefore subject to change.

Financial Summary—Business Segment Results

(Dollars in millions)	Three Months Ended June 30, 2021				
	Credit Card	Consumer Banking	Commercial Banking	Other	Total
Net interest income (loss)	$ 3,217	$ 2,101	$ 460	$ (35)	$ 5,743
Non-interest income (loss)	1,253	144	257	(23)	1,631
Total net revenue (loss)	4,470	2,245	717	(58)	7,374
Provision (benefit) for credit losses	(635)	(306)	(219)	—	(1,160)
Non-interest expense	2,263	1,123	417	163	3,966
Income (loss) from continuing operations before income taxes	2,842	1,428	519	(221)	4,568
Income tax provision (benefit)	672	337	123	(101)	1,031
Income (loss) from continuing operations, net of tax	$ 2,170	$ 1,091	$ 396	$ (120)	$ 3,537

Credit Card

(Dollars in millions, except as noted)	2021 Q2	2021 Q1	2020 Q2	2021 Q2 vs. 2021 Q1	2021 Q2 vs. 2020 Q2
Earnings:					
Net interest income	**$ 3,217**	$ 3,372	$ 3,369	(5) %	(5) %
Non-interest income	**1,253**	1,029	845	22	48
Total net revenue	**4,470**	4,401	4,214	2	6
Provision (benefit) for credit losses	**(635)**	(492)	2,944	29	**
Non-interest expense	**2,263**	2,135	1,969	6	15
Pre-tax income (loss)	**2,842**	2,758	(699)	3	**
Selected performance metrics:					
Period-end loans held for investment	**$101,017**	$ 99,127	$ 107,310	2 %	(6) %
Average loans held for investment	**99,674**	100,534	108,748	(1)	(8)
Total net revenue margin	**17.59 %**	17.17 %	15.50 %	42 bps	209 bps
Net charge-off rate	**2.29**	2.52	4.46	(23)	(217)
Purchase volume	**$132,676**	$ 108,333	$ 90,149	22 %	47 %

Second Quarter 2021 Highlights

- Ending loans held for investment down $6.3 billion, or 6%, year-over-year; average loans held for investment down $9.1 billion, or 8%, year-over-year
- Purchase volume up 47% year-over-year
- Revenue up $256 million, or 6%, year-over-year
- Revenue margin of 17.59%
- Non-interest expense up $294 million, or 15%, year-over-year
- Provision for credit losses down $3.6 billion year-over-year
- Net charge-off rate of 2.29%

Domestic Card

(Dollars in millions, except as noted)	2021 Q2	2021 Q1	2020 Q2	2021 Q2 vs. 2021 Q1	2021 Q2 vs. 2020 Q2
Earnings:					
Net interest income	**$ 2,944**	$ 3,095	$ 3,094	(5) %	(5) %
Non-interest income	**1,183**	959	795	23	49
Total net revenue	**4,127**	4,054	3,889	2	6
Provision (benefit) for credit losses	**(561)**	(491)	2,906	14	**
Non-interest expense	**2,034**	1,923	1,776	6	15
Pre-tax income (loss)	**2,654**	2,622	(793)	1	**
Selected performance metrics:					
Period-end loans held for investment	**$ 95,309**	$ 91,099	$ 99,390	5 %	(4) %
Average loans held for investment	**91,535**	92,594	100,996	(1)	(9)
Total net revenue margin	**17.66 %**	17.15 %	15.40 %	51 bps	226 bps
Net charge-off rate	**2.28**	2.54	4.53	(26)	(225)
30+ day performing delinquency rate	**1.68**	2.24	2.74	(56)	(106)
Purchase volume	**$ 122,456**	$ 99,960	$ 82,860	23 %	48 %

Second Quarter 2021 Highlights

- Ending loans held for investment down $4.1 billion, or 4%, year-over-year; average loans held for investment down $9.5 billion, or 9%, year-over-year
- Purchase volume up 48% year-over-year
- Revenue up $238 million, or 6%, year-over-year
- Revenue margin of 17.66%
- Non-interest expense up $258 million, or 15%, year-over-year
- Provision for credit losses down $3.5 billion year-over-year
- Net charge-off rate of 2.28%

Consumer Banking

(Dollars in millions, except as noted)	2021 Q2	2021 Q1	2020 Q2	2021 Q2 vs. 2021 Q1	2021 Q2 vs. 2020 Q2
Earnings:					
Net interest income	**$ 2,101**	$ 2,030	$ 1,665	3 %	26 %
Non-interest income	**144**	141	97	2	48
Total net revenue	**2,245**	2,171	1,762	3	27
Provision (benefit) for credit losses	**(306)**	(126)	876	143	**
Non-interest expense	**1,123**	1,117	1,036	1	8
Pre-tax income (loss)	**1,428**	1,180	(150)	21	**
Selected performance metrics:					
Period-end loans held for investment	**$ 74,759**	$ 70,202	$ 66,712	6 %	12 %
Average loans held for investment	**72,705**	69,234	64,851	5	12
Auto loan originations	**12,959**	8,833	8,292	47	56
Period-end deposits	**251,155**	254,001	246,804	(1)	2
Average deposits	**252,488**	249,499	232,293	1	9
Average deposits interest rate	**0.31 %**	0.36 %	0.89 %	(5)bps	(58)bps
Net charge-off (recovery) rate	**(0.06)**	0.52	1.19	(58)	(125)

Second Quarter 2021 Highlights

- Ending loans held for investment up $8.0 billion, or 12%, year-over-year; average loans held for investment up $7.9 billion, or 12%, year-over-year
- Ending deposits up $4.4 billion, or 2%, year-over-year
- Auto loan originations up $4.7 billion, or 56%, year-over-year
- Revenue up $483 million, or 27%, year-over-year
- Non-interest expense up $87 million, or 8%, year-over-year
- Provision for credit losses down $1.2 billion year-over-year
- Net charge-off (recovery) rate of (0.06)%

Commercial Banking

(Dollars in millions, except as noted)	2021 Q2	2021 Q1	2020 Q2	2021 Q2 vs. 2021 Q1	2021 Q2 vs. 2020 Q2
Earnings:					
Net interest income	**$ 460**	$ 520	$ 518	(12) %	(11) %
Non-interest income	**257**	240	180	7	43
Total net revenue	**717**	760	698	(6)	3
Provision (benefit) for credit losses	**(219)**	(203)	427	8	**
Non-interest expense	**417**	419	425	—	(2)
Pre-tax income (loss)	**519**	544	(154)	(5)	**
Selected performance metrics:					
Period-end loans held for investment	**$ 73,821**	$ 73,802	$ 77,490	—	(5) %
Average loans held for investment	**74,084**	74,169	79,759	—	(7)
Period-end deposits	**42,973**	41,552	35,669	3 %	20
Average deposits	**42,311**	40,107	34,635	5	22
Average deposits interest rate	**0.14 %**	0.18 %	0.30 %	(4)bps	(16)bps
Net charge-off (recovery) rate	**(0.11)**	0.09	0.51	(20)	(62)
Risk category as a percentage of period-end loans held for investment:[(1)]					
Criticized performing	**7.6 %**	9.2 %	7.7 %	(160)bps	(10)bps
Criticized nonperforming	**1.0**	0.9	0.9	10	10

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

Second Quarter 2021 Highlights

- Ending loans held for investment down $3.7 billion, or 5%, year-over-year; average loans held for investment down $5.7 billion, or 7%, year-over-year
- Ending deposits up $7.3 billion, or 20%, year-over-year; average deposits up $7.7 billion, or 22%, year-over-year
- Revenue up $19 million, or 3%, year-over-year
- Non-interest expense down $8 million, or 2%, year-over-year
- Provision for credit losses down $646 million year-over-year
- Net charge-off (recovery) rate of (0.11)%
- Criticized performing loan rate of 7.6% and criticized nonperforming loan rate of 1.0%

Appendix

Reconciliation of Non-GAAP Measures

	2021		2020		Six Months Ended June 30,	
(Dollars in millions, except per share data and as noted)	**Q2**	**Q1**	**Q2**	**Q1**	**2021**	**2020**
Adjusted diluted EPS:						
Net income (loss) available to common stockholders (GAAP)	**$ 3,446**	$ 3,236	$ (1,009)	$ (1,420)	**$ 6,682**	$ (2,429)
Legal reserve activity, including insurance recoveries	**55**	—	265	45	**55**	310
Cybersecurity Incident expenses, net of insurance	**—**	—	11	4	**—**	15
Adjusted net income (loss) available to common stockholders before income tax impacts (non-GAAP)	**3,501**	3,236	(733)	(1,371)	**6,737**	(2,104)
Income tax impacts	**(13)**	—	(3)	(12)	**(13)**	(15)
Adjusted net income (loss) available to common stockholders (non-GAAP)	**$ 3,488**	$ 3,236	$ (736)	$ (1,383)	**$ 6,724**	$ (2,119)
Diluted weighted-average common shares outstanding (in millions) (GAAP)	**452.3**	460.1	456.7	457.6	**456.2**	457.1
Diluted EPS (GAAP)	**$ 7.62**	$ 7.03	$ (2.21)	$ (3.10)	**$ 14.65**	$ (5.31)
Impact of adjustments noted above	**0.09**	—	0.60	0.08	**0.09**	0.67
Adjusted diluted EPS (non-GAAP)	**$ 7.71**	$ 7.03	$ (1.61)	$ (3.02)	**$ 14.74**	$ (4.64)
Adjusted efficiency ratio:						
Non-interest expense (GAAP)	**$ 3,966**	$ 3,740	$ 3,770	$ 3,729	**$ 7,706**	$ 7,499
Legal reserve activity, including insurance recoveries	**(55)**	—	(265)	(45)	**(55)**	(310)
Cybersecurity Incident expenses, net of insurance	**—**	—	(11)	(4)	**—**	(15)
Adjusted non-interest expense (non-GAAP)	**$ 3,911**	$ 3,740	$ 3,494	$ 3,680	**$ 7,651**	$ 7,174
Total net revenue (GAAP)	**$ 7,374**	$ 7,113	$ 6,556	$ 7,249	**$ 14,487**	$ 13,805
Efficiency ratio (GAAP)	**53.78%**	52.58%	57.50%	51.44%	**53.19%**	54.32%
Impact of adjustments noted above	**(74)bps**	— bps	(421)bps	(67)bps	**(38)bps**	(235)bps
Adjusted efficiency ratio (non-GAAP)	**53.04%**	52.58%	53.29%	50.77%	**52.81%**	51.97%
Adjusted operating efficiency ratio:						
Operating expense (GAAP)	**$ 3,346**	$ 3,239	$ 3,497	$ 3,238	**$ 6,585**	$ 6,735
Legal reserve activity, including insurance recoveries	**(55)**	—	(265)	(45)	**(55)**	(310)
Cybersecurity Incident expenses, net of insurance	**—**	—	(11)	(4)	**—**	(15)
Adjusted operating expense (non-GAAP)	**$ 3,291**	$ 3,239	$ 3,221	$ 3,189	**$ 6,530**	$ 6,410
Total net revenue (GAAP)	**$ 7,374**	$ 7,113	$ 6,556	$ 7,249	**$ 14,487**	$ 13,805
Operating efficiency ratio (GAAP)	**45.38%**	45.54%	53.34%	44.67%	**45.45%**	48.79%
Impact of adjustments noted above	**(75)bps**	— bps	(421)bps	(68)bps	**(38)bps**	(236)bps
Adjusted operating efficiency ratio (non-GAAP)	**44.63 %**	45.54%	49.13%	43.99%	**45.07%**	46.43%