



First Quarter 2015 Results

April 23, 2015

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, accruals for claims in litigation and for other claims against Capital One, earnings per share 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: general economic and business conditions in the U.S., the U.K., Canada or Capital One's local markets, including conditions affecting employment levels, interest rates, collateral values, 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, tax or accounting changes or actions, including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder and regulations governing bank capital and liquidity standards, including Basel-related initiatives and potential changes to financial accounting and reporting standards; developments, changes or actions relating to any litigation matter involving Capital One; the inability to sustain revenue and earnings growth; increases or decreases in interest rates; Capital One's ability to access the capital markets at attractive rates and terms to capitalize and fund its operations and future growth; the success of Capital One's marketing efforts in attracting and retaining customers; increases or decreases in Capital One's aggregate loan balances or the number of customers and the growth rate and composition thereof, including increases or decreases resulting from factors such as shifting product mix, amount of actual marketing expenses Capital One incurs and attrition of loan balances; the level of future repurchase or indemnification requests Capital One may receive, the actual future performance of mortgage 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 Capital One; the amount and rate of deposit growth; changes in the reputation of, or expectations regarding, the financial services industry 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 and technology infrastructure suitable for the nature of its business; Capital One's ability to develop digital technology that addresses the needs of its customers; Capital One's ability to control costs; the amount of, and rate of growth in, Capital One's expenses as its 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 Capital One's response rates and consumer payments; any significant disruption of, or loss of public confidence in, the internet affecting the ability of Capital One's customers to access their accounts and conduct banking transactions; Capital One's ability to recruit and retain talented and experienced personnel to assist in the development, management and operation of new products and services; changes in the labor and employment markets; fraud or misconduct by Capital One's customers, employees or business partners; 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, including, but not limited to, the Annual Report on Form 10-K for the year ended December 31, 2014.

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 Current Report on Form 8-K filed April 23, 2015, available on its website at www.capitalone.com under "Investors."

First Quarter 2015 Results

Income Statement

	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2015 Q1 vs.	
						2014 Q4	2014 Q1
<i>(Dollars in millions, except per share data and as noted) (unaudited)</i>							
Earnings							
Net interest income	\$ 4,576	\$ 4,656	\$ 4,497	\$ 4,315	\$ 4,350	(2)%	5%
Non-interest income	1,071	1,157	1,142	1,153	1,020	(7)	5
Total net revenue	5,647	5,813	5,639	5,468	5,370	(3)	5
Provision for credit losses	935	1,109	993	704	735	(16)	27
Non-interest expense:							
Marketing	375	509	392	335	325	(26)	15
Amortization of intangibles	110	123	130	136	143	(11)	(23)
Acquisition-related	7	10	13	18	23	(30)	(70)
Operating expenses	2,557	2,642	2,450	2,490	2,441	(3)	5
Total non-interest expense	3,049	3,284	2,985	2,979	2,932	(7)	4
Income from continuing operations before income taxes	1,663	1,420	1,661	1,785	1,703	17	(2)
Income tax provision	529	450	536	581	579	18	(9)
Income from continuing operations, net of tax	1,134	970	1,125	1,204	1,124	17	1
Income (loss) from discontinued operations, net of tax	19	29	(44)	(10)	30	(34)	(37)
Net income	1,153	999	1,081	1,194	1,154	15	—
Dividends and undistributed earnings allocated to participating securities	(6)	(4)	(5)	(4)	(5)	50	20
Preferred stock dividends	(32)	(21)	(20)	(13)	(13)	52	146
Net income available to common stockholders	\$ 1,115	\$ 974	\$ 1,056	\$ 1,177	\$ 1,136	14	(2)
Diluted earnings per common share:							
Net income from continuing operations	\$ 1.97	\$ 1.68	\$ 1.94	\$ 2.06	\$ 1.91	17%	3%
Income (loss) from discontinued operations	0.03	0.05	(0.08)	(0.02)	0.05	(40)	(40)
Net income per diluted common share	\$ 2.00	\$ 1.73	\$ 1.86	\$ 2.04	\$ 1.96	16	2

First Quarter 2015 Highlights

- Q1 2015 net income of \$1.2 billion, or \$2.00 per share; pre-provision earnings before tax of \$2.6 billion
- Q1 2015 return on average tangible common equity¹ of 15.00%
- Lower provision for credit losses – net charge-offs of \$881 million; \$22 million allowance build
- Mortgage representation & warranty benefit of \$19 million (\$12 million net of tax) in discontinued operations

¹ Return on average tangible common equity is a non-GAAP measure and may not be comparable to similarly titled measures reported by other companies. See Table 14: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures of Exhibit 99.2 of Capital One's Current Report on Form 8-K filed on April 23, 2015 for additional information.

Net Interest Margin

Average Balances, Net Interest Income and Net Interest Margin

	2015 Q1			2014 Q4			2014 Q1		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
<i>(Dollars in millions) (unaudited)</i>									
Interest-earning assets:									
Loans, including loans held for sale	\$ 205,854	\$ 4,540	8.82%	\$ 204,137	\$ 4,613	9.04%	\$ 194,020	\$ 4,307	8.88%
Investment securities	63,181	406	2.57	62,952	405	2.57	62,124	416	2.68
Cash equivalents and other	9,392	28	1.19	6,347	27	1.70	6,515	30	1.84
Total interest-earning assets	<u>\$ 278,427</u>	<u>\$ 4,974</u>	<u>7.15</u>	<u>\$ 273,436</u>	<u>\$ 5,045</u>	<u>7.38</u>	<u>\$ 262,659</u>	<u>\$ 4,753</u>	<u>7.24</u>
Interest-bearing liabilities:									
Interest-bearing deposits	\$ 182,998	\$ 271	0.59	\$ 179,401	\$ 269	0.60	\$ 184,183	\$ 276	0.60%
Securitized debt obligations	11,563	33	1.14	11,479	36	1.25	10,418	38	1.46
Senior and subordinated notes	20,595	79	1.53	18,680	73	1.56	14,162	77	2.17
Other borrowings and liabilities	14,721	15	0.41	14,058	11	0.31	11,398	12	0.42
Total interest-bearing liabilities	<u>\$ 229,877</u>	<u>\$ 398</u>	<u>0.69</u>	<u>\$ 223,618</u>	<u>\$ 389</u>	<u>0.70</u>	<u>\$ 220,161</u>	<u>\$ 403</u>	<u>0.73</u>
Net interest income/spread		<u>\$ 4,576</u>	<u>6.46</u>		<u>\$ 4,656</u>	<u>6.68</u>		<u>\$ 4,350</u>	<u>6.51</u>
Impact of non-interest bearing funding			<u>0.11</u>			<u>0.13</u>			<u>0.11</u>
Net interest margin			<u>6.57%</u>			<u>6.81%</u>			<u>6.62%</u>

First Quarter 2015 Highlights

- 24 bps decrease in net interest margin quarter-over-quarter driven by 2 fewer days in the quarter and temporarily higher cash balances

Capital

- Common equity Tier 1 capital ratio under Basel III Standardized Approach of 12.5% at March 31, 2015
- Estimated common equity Tier 1 capital ratio under Basel III Advanced Approaches remained above 8%¹ target at March 31, 2015
- Reduced net common shares outstanding by 5 million shares in Q1 2015 driven by share repurchases

¹. Estimated based on our current interpretation, expectations and understanding of the Basel III Advanced Approaches capital rules and other capital regulations issued by U.S. regulators and the application of such rules to our businesses as currently conducted. Current and future Basel III Advanced Approaches estimated calculations are necessarily subject to change based on, among other things, further changes to final rules and regulations, model calibration, other implementation guidance, changes in our businesses and certain actions of management, including those affecting the composition of our balance sheet. We believe our estimate of this capital ratio provides useful information to investors and others relative to an expected future regulatory capital standard.

Credit Card

Credit Card Performance Metrics

	2015	2014	2014	2014	2014	2015 Q1 vs.	
						2014	2014
	Q1	Q4	Q3	Q2	Q1	Q4	Q1
<i>(Dollars in millions) (unaudited)</i>							
Credit Card							
Earnings:							
Net interest income	\$ 2,666	\$ 2,697	\$ 2,627	\$ 2,461	\$ 2,525	(1)%	6%
Non-interest income	816	841	846	839	785	(3)	4
Total net revenue	3,482	3,538	3,473	3,300	3,310	(2)	5
Provision for credit losses	669	856	787	549	558	(22)	20
Non-interest expense	1,776	1,888	1,730	1,719	1,726	(6)	3
Income from continuing operations before taxes	1,037	794	956	1,032	1,026	31	1
Income tax provision	369	275	332	364	358	34	3
Income from continuing operations, net of tax	\$ 668	\$ 519	\$ 624	\$ 668	\$ 668	29	—
Selected performance metrics:							
Period-end loans held for investment	\$ 81,754	\$ 85,876	\$ 80,631	\$ 79,018	\$ 75,850	(5)%	8%
Average loans held for investment	82,581	81,740	79,494	76,997	77,502	1	7
Average yield on loans held for investment	14.30%	14.61%	14.65%	14.22%	14.43%	(31)bps	(13)bps
Total net revenue margin	16.87	17.31	17.48	17.14	17.08	(44)	(21)
Net charge-off rate	3.48	3.38	2.88	3.56	4.02	10	(54)
30+ day performing delinquency rate	2.91	3.24	3.22	2.89	3.08	(33)	(17)
30+ day delinquency rate	2.97	3.30	3.29	2.97	3.16	(33)	(19)
Nonperforming loan rate	0.08	0.08	0.09	0.10	0.11	—	(3)
Card loan premium amortization and other intangible accretion	\$ 11	\$ 11	\$ 18	\$ 31	\$ 37	—%	(70)%
PCCR intangible amortization	84	87	90	94	98	(3)	(14)
Purchase volume	57,383	63,484	57,474	56,358	47,434	(10)	21

Domestic Card

Domestic Card Performance Metrics

	2015	2014	2014	2014	2014	2015 Q1 vs.	
						2014	2014
	Q1	Q4	Q3	Q2	Q1	Q4	Q1
<i>(Dollars in millions) (unaudited)</i>							
Domestic Card							
Earnings:							
Net interest income	\$ 2,421	\$ 2,432	\$ 2,361	\$ 2,193	\$ 2,255	—%	7%
Non-interest income	743	768	763	768	702	(3)	6
Total net revenue	3,164	3,200	3,124	2,961	2,957	(1)	7
Provision for credit losses	610	765	738	504	486	(20)	26
Non-interest expense	1,580	1,676	1,530	1,513	1,545	(6)	2
Income from continuing operations before taxes	974	759	856	944	926	28	5
Income tax provision	353	272	306	337	331	30	7
Income from continuing operations, net of tax	\$ 621	\$ 487	\$ 550	\$ 607	\$ 595	28	4
Selected performance metrics:							
Period-end loans held for investment	\$ 74,131	\$ 77,704	\$ 73,143	\$ 71,165	\$ 68,275	(5)%	9%
Average loans held for investment	74,770	74,026	71,784	69,376	69,810	1	7
Average yield on loans held for investment	14.23%	14.43%	14.46%	13.95%	14.19%	(20)bps	4bps
Total net revenue margin	16.93	17.29	17.41	17.07	16.94	(36)	(1)
Net charge-off rate	3.55	3.39	2.83	3.52	4.01	16	(46)
30+ day performing delinquency rate	2.92	3.27	3.21	2.83	3.02	(35)	(10)
30+ day delinquency rate	2.92	3.27	3.21	2.83	3.02	(35)	(10)
Purchase volume	\$ 52,025	\$ 58,234	\$ 53,690	\$ 52,653	\$ 44,139	(11)%	18%

First Quarter 2015 Highlights

- Ending loans up 9% year-over-year; average loans up 7% year-over-year
- Revenue margin flat year-over-year; down seasonally quarter-over-quarter
- General purpose credit card¹ purchase volume up 19% year-over-year
- Higher year-over-year provision for credit losses driven by increased allowance reflecting loan growth
- Net charge-off rate at 3.55%

¹ Includes Branded & Co-Branded credit cards

Consumer Banking

Consumer Banking Performance Metrics

	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2015 Q1 vs.	
						2014 Q4	2014 Q1
<i>(Dollars in millions) (unaudited)</i>							
Consumer Banking							
Earnings:							
Net interest income	\$ 1,434	\$ 1,459	\$ 1,425	\$ 1,431	\$ 1,433	(2)%	—%
Non-interest income	158	185	179	170	150	(15)	5
Total net revenue	1,592	1,644	1,604	1,601	1,583	(3)	1
Provision for credit losses	206	222	198	143	140	(7)	47
Non-interest expense	970	1,045	956	938	930	(7)	4
Income from continuing operations before taxes	416	377	450	520	513	10	(19)
Income tax provision	150	135	161	186	183	11	(18)
Income from continuing operations, net of tax	\$ 266	\$ 242	\$ 289	\$ 334	\$ 330	10	(19)
Selected performance metrics:							
Period-end loans held for investment	\$ 71,379	\$ 71,439	\$ 71,061	\$ 71,062	\$ 70,727	—%	1%
Average loans held for investment	71,441	71,254	71,048	70,884	70,663	—	1
Average yield on loans held for investment	6.26%	6.45%	6.18%	6.22%	6.18%	(19)bps	8bps
Auto loan originations	\$ 5,185	\$ 5,390	\$ 5,410	\$ 5,376	\$ 4,727	(4)%	10%
Period-end deposits	172,502	168,078	167,624	169,153	171,529	3	1
Average deposits	169,593	167,727	168,407	169,694	168,676	1	1
Average deposit interest rate	0.57%	0.57%	0.58%	0.57%	0.57%	—bps	—bps
Core deposit intangible amortization	\$ 22	\$ 24	\$ 26	\$ 28	\$ 30	(8)%	(27)%
Net charge-off rate	0.89%	1.20%	1.07%	0.69%	0.84%	(31)bps	5bps
30+ day performing delinquency rate	2.95	3.60	3.22	2.91	2.57	(65)	38
30+ day delinquency rate	3.46	4.23	3.82	3.49	3.14	(77)	32

First Quarter 2015 Highlights

- Ending loans increased by 1% year-over-year; auto loans growth offset by home loans run-off
- Revenue up 1% year-over-year driven by growth in Auto loans
- Higher year-over-year provision for credit losses driven by increase in allowance, reflecting growth in Auto

Commercial Banking

Commercial Banking Performance Metrics

	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2015 Q1 vs.	
						2014 Q4	2014 Q1
<i>(Dollars in millions) (unaudited)</i>							
Commercial Banking							
Earnings:							
Net interest income	\$ 461	\$ 455	\$ 439	\$ 436	\$ 421	1%	10%
Non-interest income	114	132	122	109	87	(14)	31
Total net revenue	575	587	561	545	508	(2)	13
Provision (benefit) for credit losses	60	32	9	12	40	88	50
Non-interest expense	272	293	268	267	255	(7)	7
Income from continuing operations before taxes	243	262	284	266	213	(7)	14
Income tax provision	88	93	102	95	76	(5)	16
Income from continuing operations, net of tax	\$ 155	\$ 169	\$ 182	\$ 171	\$ 137	(8)	13
Selected performance metrics:							
Period-end loans held for investment	\$ 50,741	\$ 50,890	\$ 49,788	\$ 48,321	\$ 46,230	—%	10%
Average loans held for investment	51,070	50,339	48,766	46,991	45,435	1	12
Average yield on loans held for investment	3.22%	3.33%	3.39%	3.50%	3.47%	(11)bps	(25)bps
Period-end deposits	\$ 32,575	\$ 31,954	\$ 31,918	\$ 31,440	\$ 31,485	2%	3%
Average deposits	32,845	32,363	31,772	31,238	31,627	1	4
Average deposit interest rate	0.24%	0.24%	0.24%	0.24%	0.25%	—bps	(1)bps
Core deposit intangible amortization	\$ 4	\$ 5	\$ 5	\$ 5	\$ 6	(20)%	(33)%
Net charge-off (recovery) rate	0.02%	0.07%	(0.05)%	0.03%	0.04%	(5)bps	(2)bps
Nonperforming loan rate	0.31	0.34	0.32	0.38	0.33	(3)	(2)
Nonperforming asset rate	0.31	0.36	0.35	0.41	0.36	(5)	(5)

First Quarter 2015 Highlights

- Loan balances up 10% year-over-year; flat quarter-over-quarter
- Revenues up 13% year-over-year driven by loan growth and higher non-interest income, partially offset by lower loan yields
- Non-interest expense up 7% year-over-year driven by portfolio growth and infrastructure investments
- Higher quarter-over-quarter provision for credit losses resulted primarily from allowance build for loans to the oil & gas industry driven by low oil prices

We remain focused on delivering value

**Attractive & Resilient Risk
Adjusted Returns**

Capital Distribution