Third Quarter 2013 Results

October 17, 2013

Forward-Looking Statements

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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 Current Report on Form 8-K filed October 17, 2013, available on its website at www.capitalone.com under "Investors."

Third Quarter 2013 Results

Income Statement

(Dollars in millions, except per share data and as noted) (unaudited)	2013 Q3	2013 Q2	2012 Q3
Earnings			
Net interest income	$ 4,560	$ 4,553	$ 4,646
Non-interest income	1,091	1,085	1,136
Total net revenue	5,651	5,638	5,782
Provision for credit losses	849	762	1,014
Non-interest expense:			
Marketing	299	330	316
Amortization of intangibles	161	167	199
Acquisition-related	37	50	48
Operating expenses	2,650	2,512	2,482
Total non-interest expense	3,147	3,059	3,045
Income from continuing operations before income taxes	1,655	1,817	1,723
Income tax provision	525	581	535
Income from continuing operations, net of tax	1,130	1,236	1,188
Loss from discontinued operations, net of tax	(13)	(119)	(10)
Net income	1,117	1,117	1,178
Dividends and undistributed earnings allocated to participating securities	(5)	(4)	(5)
Preferred stock dividends	(13)	(13)	—
Net income available to common stockholders	$ 1,099	$ 1,100	$ 1,173
Diluted net income per common share	$ 1.86	$ 1.87	$ 2.01

Third Quarter 2013 Highlights

- Q3 2013 net income of $1.1 billion, or $1.86 per share
- Q3 2013 non-GAAP deal-adjusted net income of $1.3 billion, or $2.14 per share (see Appendix A for reconciliation)
- Pre-provision earnings before tax of $2.5 billion
- Higher non-interest expense – higher operating expenses (litigation reserve) partially offset by lower marketing expense
- Higher provision expense – net charge-offs of $917 million; $88 million allowance release
- Completed sale of Best Buy portfolio; impacts in line with previous estimates

Net Interest Margin

Average Balances, Net Interest Income and Net Interest Margin

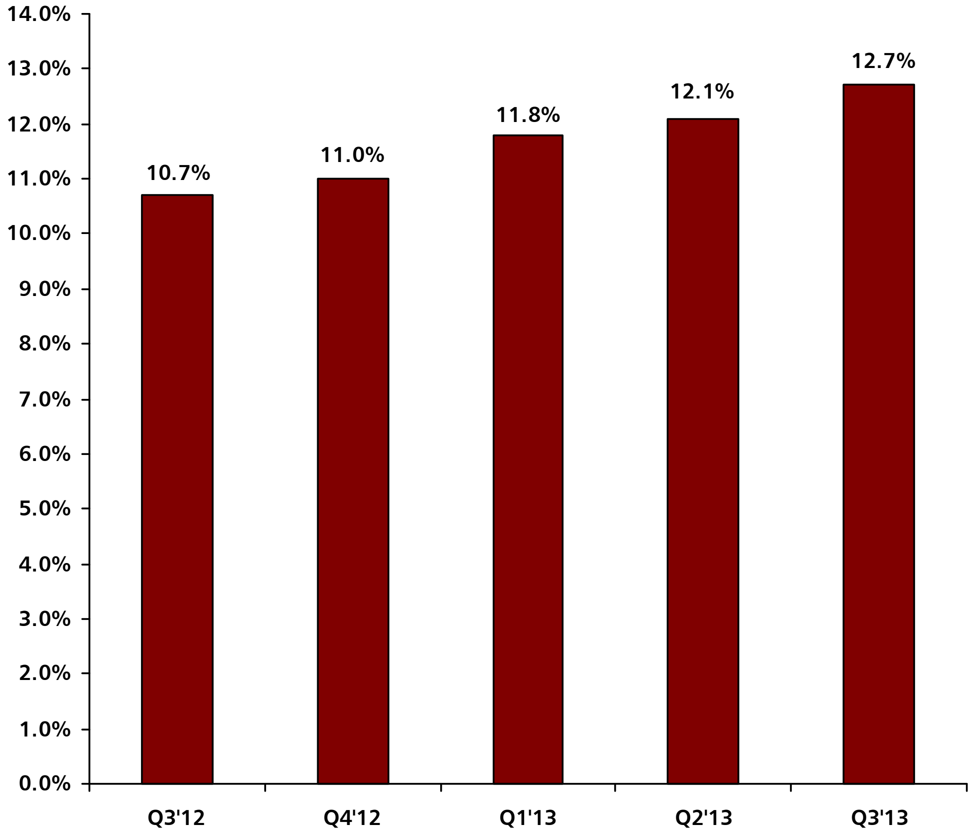
(Dollars in millions)(unaudited)	2013 Q3 Average Balance	2013 Q3 Interest Income/ Expense	2013 Q3 Yield/ Rate	2013 Q2 Average Balance	2013 Q2 Interest Income/ Expense	2013 Q2 Yield/ Rate	2012 Q3 Average Balance	2012 Q3 Interest Income/ Expense	2012 Q3 Yield/ Rate
Interest-earning assets:									
Loans, including loans held for sale	$ 195,839	$ 4,579	9.35 %	$ 196,874	$ 4,596	9.34 %	$ 203,463	$ 4,903	9.64 %
Investment securities	63,317	396	2.50	63,907	391	2.45	57,928	335	2.31
Cash equivalents and other	5,640	23	1.63	5,763	23	1.60	5,412	16	1.18
Total interest-earning assets	$ 264,796	$ 4,998	7.55 %	$ 266,544	$ 5,010	7.52 %	$ 266,803	$ 5,254	7.88 %
Interest-bearing liabilities:									
Interest-bearing deposits	$ 186,752	$ 309	0.66 %	$ 189,311	$ 318	0.67 %	$ 193,700	$ 371	0.77 %
Securitized debt obligations	10,243	42	1.64	10,942	45	1.65	13,331	64	1.92
Senior and subordinated notes	12,314	76	2.47	12,692	82	2.58	11,035	85	3.08
Other borrowings	13,798	11	0.32	13,281	12	0.36	12,085	88	2.91
Total interest-bearing liabilities	$ 223,107	$ 438	0.79 %	$ 226,226	$ 457	0.81 %	$ 230,151	$ 608	1.06 %
Net interest income/spread		$ 4,560	6.76 %		$ 4,553	6.71 %		$ 4,646	6.82 %
Impact of non-interest bearing funding			0.13			0.12			0.15
Net interest margin			6.89 %			6.83 %			6.97 %

Third Quarter 2013 Highlights

- Total interest-earning assets down quarter-over-quarter
  - Lower Card and Home Loans offset by growth in Commercial and Auto Finance
- Total interest-bearing liabilities down quarter-over-quarter
  - Driven by lower funding needs due to lower interest-earning assets
- 6 bps increase in Net Interest Margin quarter-over-quarter
  - Primarily driven by one additional day in Q3 2013 vs. Q2 2013 and higher yield on investment securities

Capital Generation

Tier 1 Common Ratio (Basel I)[1]



Highlights

- **Q3 2013 Basel I Tier 1 common ratio up 60bps in the quarter to 12.7%**
- **Q3 2013 Tier 1 common ratio Basel III Advanced Approaches equivalent is above Basel III target of 8%[2]**

1 Tier 1 common ratio is a regulatory capital measure calculated based on Tier 1 common capital divided by risk-weighted assets. See "Exhibit 99.2—Table 13: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures under Basel I" for the calculation of this ratio.

2 Estimated based on our current interpretation, expectations and understanding of the Basel III estimated 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. Basel III estimated calculations are necessarily subject to change based on, among other things, further changes to final rules and regulations, model calibration and 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.

Basel III Advanced Approaches Tier 1 common ratio equivalent remains above target

	Basel I	Basel III Standardized	Basel III Advanced
When:	• **Today**	• **Phased in:** • 20% numerator impacts per year, starting Q1 2014 • 100% denominator impacts in Q1 2015	• **Uncertain:** • Earliest date to begin parallel run Q1 2015 • Earliest date to exit parallel run Q1 2016 • No US bank has exited parallel run
Major Impacts:	• **N/A**	• **Numerator:** AOCI included & PCCR deducted from capital • **Denominator:** Higher RWA for some types of loans & securities	• **Numerator:** AOCI included & PCCR deducted from capital; additional adjustment factors will influence numerator • **Denominator:** Company specific RWA models
Q3 2013 Tier 1 Common Ratio Equivalent:	• **12.7%**	• **~12.6% (w/ 2014 phase in)[1]** • **~11.7% (w/ 2015 phase in)[1]** • **~11.1% (fully phased in)[1]**	• **Low to Mid 8% range[2]** • **Above target**
Relevance:	• **Primary regulatory capital metric today** • **Included in 2014 CCAR**	• **Primary regulatory capital metric as of Q1 2014** • **Included in 2014 CCAR**	• **Reported capital metric at destination (along with Basel III Standardized Approach)**

[1] Pro-forma applied to 9/30/2013 balances
[2] Includes preliminary analysis of RWA (denominator) impacts of and capital (numerator) impacts of Basel III Advanced Approaches; adjusted for scheduled amortization of PCCR and capital punitive securities by 2016; see note on previous slide for additional information on this estimate

Credit Card

Credit Card Performance Metrics

(Dollars in millions) (unaudited)	2013 Q3	2013 Q2	2012 Q3
Credit Card			
Earnings:			
Net interest income	**$ 2,757**	$ 2,804	$ 2,991
Non-interest income	**834**	832	826
Total net revenue	**3,591**	3,636	3,817
Provision for credit losses	**617**	713	892
Non-interest expense	**1,904**	1,819	1,790
Income (loss) from continuing operations before taxes	**1,070**	1,104	1,135
Income tax provision (benefit)	**376**	385	394
Income (loss) from continuing operations, net of tax	**$ 694**	$ 719	$ 741
Selected performance metrics:			
Period-end loans held for investment	**$ 77,967**	$ 78,310	$ 89,033
Average loans held for investment	**77,729**	77,946	88,656
Average yield on loans held for investment	**15.72 %**	15.94 %	15.03 %
Total net revenue margin	**18.48**	18.66	17.22
Net charge-off rate	**3.78**	4.36	3.22
30+ day performing delinquency rate	**3.51**	3.13	3.65
30+ day delinquency rate	**	3.22	3.65
Nonperforming loan rate	**0.12**	0.12	—
Card loan premium amortization and other intangible accretion	**$ 45**	$ 57	$ 82
PCCR intangible amortization	**106**	110	131
Purchase volume	**50,943**	50,788	48,020

Domestic Card

Domestic Card Performance Metrics

(Dollars in millions) (unaudited)	2013 Q3	2013 Q2	2012 Q3
Domestic Card			
Earnings:			
Net interest income	$ 2,492	$ 2,536	$ 2,715
Non-interest income	749	737	722
Total net revenue	3,241	3,273	3,437
Provision for credit losses	529	647	811
Non-interest expense	1,713	1,635	1,584
Income (loss) from continuing operations before taxes	999	991	1,042
Income tax provision (benefit)	355	353	369
Income (loss) from continuing operations, net of tax	$ 644	$ 638	$ 673
Selected performance metrics:			
Period-end loans held for investment	$ 69,936	$ 70,490	$ 80,621
Average loans held for investment	69,947	69,966	80,502
Average yield on loans held for investment	15.65 %	15.91 %	14.88 %
Total net revenue margin	18.53	18.71	17.08
Net charge-off rate	3.67	4.28	3.04
30+ day performing delinquency rate	3.46	3.05	3.52
30+ day delinquency rate	**	3.05	3.52
Purchase volume	$ 47,420	$ 47,273	$ 44,552

Third Quarter 2013 Highlights

- Ending loans down ~1% from Q2 2013 (excluding planned run-off, ending loans stable compared to Q2); down ~13% year-over-year (excluding planned run-off and portfolio sale, down ~3% year-over-year)
- Purchase volume up 6.4% year-over-year; purchase volume on general purpose credit cards[1] up 8.6% year-over-year
- Revenue margin decreased to 18.5%; excluding HFS impacts, revenue margin was 17.2%
- Non-interest expense up $78 million in Q3, driven by litigation reserve addition, partially offset by lower marketing expense
- Net charge-off rate of 3.67%, down 61 basis points from Q2 2013; delinquency rate of 3.46%, up 41 basis points from Q2 2013

[1] Includes Branded & Co-Branded credit cards

Consumer Banking

Consumer Banking Performance Metrics

(Dollars in millions) (unaudited)	2013 Q3	2013 Q2	2012 Q3
Consumer Banking			
Earnings:			
Net interest income	$ 1,481	$ 1,478	$ 1,501
Non-interest income	184	189	260
Total net revenue	1,665	1,667	1,761
Provision for credit losses	202	67	202
Non-interest expense	927	910	977
Income from continuing operations before taxes	536	690	582
Income tax provision	191	246	206
Income from continuing operations, net of tax	$ 345	$ 444	$ 376
Selected performance metrics:			
Period-end loans held for investment	$ 71,285	$ 72,218	$ 76,738
Average loans held for investment	71,664	72,930	77,271
Average yield on loans held for investment	6.21 %	5.99 %	6.05 %
Auto loan originations	$ 4,752	$ 4,525	$ 3,905
Period-end deposits	168,437	169,789	173,100
Average deposits	169,082	170,733	173,334
Deposit interest expense rate	0.63 %	0.64 %	0.71 %
Core deposit intangible amortization	$ 34	$ 35	$ 41
Net charge-off rate	0.95 %	0.60 %	0.83 %
30+ day performing delinquency rate	2.82	2.55	2.23

Third Quarter 2013 Highlights

- Period-end loans declined ~$1 billion from Q2 2013 driven by expected portfolio runoff in Home Loans, partially offset by continued growth in Auto Finance
- Revenue stable; lower volumes and margin compression in Auto Finance, offset by increase in loan yields
- Provision for credit losses up $135 million, driven by seasonally higher Auto Finance provision and a smaller allowance release in Home Loans
- Overall Consumer Banking net charge-off rate remains below 1%

Commercial Banking

Commercial Banking Performance Metrics

(Dollars in millions) (unaudited)	2013 Q3	2013 Q2	2012 Q3
Commercial Banking			
Earnings:			
Net interest income	$ 480	$ 457	$ 432
Non-interest income	87	93	87
Total net revenue	567	550	519
Provision for credit losses	31	(14)	(87)
Non-interest expense	266	269	253
Income from continuing operations before taxes	270	295	353
Income tax provision	96	105	125
Income from continuing operations, net of tax	$ 174	$ 190	$ 228
Selected performance metrics:			
Period-end loans held for investment	42,399	$ 40,805	$ 37,209
Average loans held for investment	41,576	39,512	36,767
Average yield on loans held for investment	3.87 %	3.84 %	4.14 %
Period-end deposits	30,592	$ 30,869	$ 28,670
Average deposits	30,685	30,746	28,063
Deposit interest expense rate	0.27 %	0.26 %	0.31 %
Core deposit intangible amortization	6	$ 8	$ 8
Net charge-off rate	0.07 %	0.04 %	— %
Nonperforming loan rate	0.47	0.60	0.82
Nonperforming asset rate	0.56	0.62	0.87

Third Quarter 2013 Highlights

- Period-end loans grew 4% from Q2 2013 and 14% year-over-year, driven by growth in specialized industry verticals in C&I and CRE
- Revenue was up 3% from Q2 2013 and 9% year-over-year, as higher loan and deposit balances were partially offset by lower spreads
- Credit remains strong, with net charge-off rate of 7 bps

We remain focused on delivering value

Improve Profitability

- Costs
- Credit
- Growth

Return Capital

- Strong capital & liquidity
- High, sustainable returns
- Strong strategic footprint
- Near-term asset run-off

Appendix A — Non-GAAP Deal Adjusted Net Income Reconciliation

(Dollars in millions, except per share data and as noted) (unaudited)	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3
Non-GAAP Deal Adjusted Net Income					
Net income	**$ 1,117**	**$ 1,117**	$ 1,066	$ 843	$ 1,178
Add back:					
Card loan premium amortization and other intangible accretion	**45**	**57**	57	65	82
Amortization of intangibles	**161**	**167**	177	191	199
Acquisition-related costs	**37**	**50**	46	69	48
Total deal-related items, pre-tax	**243**	**274**	280	325	329
Income tax effect	**(77)**	**(88)**	(85)	(99)	(102)
Total deal-related items, net of tax[1]	**166**	**186**	195	226	227
Non-GAAP deal adjusted net income	**$ 1,283**	**$ 1,303**	$ 1,261	$ 1,069	$ 1,405
Dividends and undistributed earnings allocated to participating securities	**(5)**	**(4)**	(5)	(3)	(5)
Preferred stock dividends	**(13)**	**(13)**	(13)	(15)	—
Non-GAAP deal adjusted net income available to common shareholders	**$ 1,265**	**$ 1,286**	$ 1,243	$ 1,051	$ 1,400
Weighted average shares outstanding (in millions) for diluted EPS	**591.1**	**588.8**	586.3	585.6	584.1
Non-GAAP diluted EPS	**$ 2.14**	**$ 2.18**	$ 2.12	$ 1.79	$ 2.40

[1] **Calculated based on the effective tax rate for each respective quarter**