Third quarter 2008 results

October 16, 2008
Forward looking statements

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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

Excluding Visa one-time impacts
Credit metrics continues to perform in-line with expectations

**Monthly Managed Net Charge-off Rate**

- **National Lending**
  - Q308: 5.85%

- **Local Banking**
  - Q308: 0.46%

**Monthly Managed Delinquency and Non-Performing Loan Rate**

- **National Lending**
  - 30+ Delinquency Rate
    - Q308: 5.43%

- **Local Banking**
  - Non-performing loans as % of loans
    - Q308: 0.96%
Allowance coverage ratios remain high

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

<table>
<thead>
<tr>
<th>Allowance as % of Reported Loans</th>
<th>Q207</th>
<th>Q307</th>
<th>Q407</th>
<th>Q108</th>
<th>Q208</th>
<th>Q308</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Card</td>
<td>147%</td>
<td>149%</td>
<td>172%</td>
<td>167%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td></td>
<td></td>
<td>133%</td>
<td>123%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto</td>
<td>43%</td>
<td>17%</td>
<td>57%</td>
<td>47%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

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

<table>
<thead>
<tr>
<th>Net Income from Continuing Operations ($Millions)</th>
<th>Q308</th>
<th>Q208</th>
<th>Q108</th>
<th>Q407</th>
<th>Q307</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National Lending</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Card</td>
<td>$345.0</td>
<td>$340.4</td>
<td>$491.1</td>
<td>$498.7</td>
<td>$626.8</td>
</tr>
<tr>
<td>Auto Finance</td>
<td>14.5</td>
<td>33.6</td>
<td>(82.4)</td>
<td>(112.4)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>International</td>
<td>12.1</td>
<td>33.7</td>
<td>33.3</td>
<td>54.7</td>
<td>47.4</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td>371.6</td>
<td>407.6</td>
<td>442.0</td>
<td>441.0</td>
<td>670.5</td>
</tr>
<tr>
<td><strong>Local Banking</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>88.2</td>
<td>67.1</td>
<td>75.8</td>
<td>103.6</td>
<td>195.5</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>(74.0)</td>
<td>(12.2)</td>
<td>114.6</td>
<td>(223.0)</td>
<td>(49.6)</td>
</tr>
<tr>
<td><strong>Total Company</strong></td>
<td>$385.8</td>
<td>$462.5</td>
<td>$632.6</td>
<td>$321.6</td>
<td>$816.4</td>
</tr>
</tbody>
</table>
Our US Card business continues to deliver profits and generate capital despite a deteriorating economic environment.
We’ve retrenched and repositioned our auto business for resilience

Credit Risk Metrics

Managed Net Charge-off Rate
- Q207: 2.35%
- Q307: 3.56%
- Q407: 4.00%
- Q108: 3.84%
- Q208: 5.00%
- Q308: 6.00%
- Q408: 6.42%
- Q109: 7.62%
- Q210: 7.84%
- Q310: 8.00%
- Q410: 9.32%

Managed 30+ Delinquency Rate
- Q207: 6.00%
- Q307: 6.42%
- Q407: 7.84%
- Q108: 7.62%
- Q208: 7.15%
- Q308: 6.00%

Auto Loan Originations and Managed Loans ($B)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Managed Loans ($B)</th>
<th>Total Outstandings ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q207</td>
<td>$3.0</td>
<td>$24.1</td>
</tr>
<tr>
<td>Q307</td>
<td>$3.2</td>
<td>$24.3</td>
</tr>
<tr>
<td>Q407</td>
<td>$3.6</td>
<td>$25.1</td>
</tr>
<tr>
<td>Q108</td>
<td>$2.4</td>
<td>$24.6</td>
</tr>
<tr>
<td>Q208</td>
<td>$1.5</td>
<td>$23.4</td>
</tr>
<tr>
<td>Q308</td>
<td>$1.4</td>
<td>$22.3</td>
</tr>
</tbody>
</table>

Capital One
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)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Deposits</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q307</td>
<td>$72.8</td>
<td>$42.2</td>
</tr>
<tr>
<td>Q407</td>
<td>$73.1</td>
<td>$44.0</td>
</tr>
<tr>
<td>Q108</td>
<td>$73.4</td>
<td>$44.2</td>
</tr>
<tr>
<td>Q208</td>
<td>$74.2</td>
<td>$44.3</td>
</tr>
<tr>
<td>Q308</td>
<td>$75.0</td>
<td>$44.7</td>
</tr>
</tbody>
</table>

### Credit Risk Metrics

- **Non Performing Loans as a % of Loans**
  - Q207: 0.19%
  - Q307: 0.20%
  - Q407: 0.29%
  - Q108: 0.31%
  - Q208: 0.34%
  - Q308: 0.46%

- **Managed Net Charge-off Rate**
  - Q207: 0.19%
  - Q307: 0.20%
  - Q407: 0.41%
  - Q108: 0.56%
  - Q208: 0.81%
  - Q308: 0.96%
We expect sound operating metrics in 2008, despite increasing credit headwinds

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