First Quarter 2018 Results

April 24, 2018

Forward-Looking Statements

Please note that the following materials containing information regarding Capital One's financial performance speak only as of the particular date or dates indicated in these materials. Capital One does not undertake any obligation to update or revise any of the information contained herein whether as a result of new information, future events or otherwise.

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, credit worthiness 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, and the impact of inaccurate estimates or inadequate reserves; compliance with financial, legal, regulatory, tax or accounting changes or actions, including the impacts of the Tax Act, the Dodd-Frank Act, and other regulations governing bank capital and liquidity standards; developments, changes or actions relating to any litigation, governmental investigation or regulatory enforcement action or 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; 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 amount and rate of deposit growth; Capital One's ability to execute on its strategic and operational plans; Capital One's response to competitive pressures; changes in retail distribution strategies and channels, including the emergence of new technologies and product delivery systems; the success of Capital One's marketing efforts in attracting and retaining customers; 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 in the technology platforms on which Capital One relies, including cybersecurity, business continuity and related operational risks, as well as other security failures or breaches of Capital One's systems or those of its customers, partners, service providers or other third parties; Capital One's ability to maintain a compliance and technology infrastructure suitable for the nature of its business; Capital One's ability to develop and adapt to rapid changes in digital technology to address the needs of its customers and comply with applicable regulatory standards, including Capital One's increasing reliance on third party infrastructure and compliance with data protection and privacy standards; the effectiveness of Capital One's risk management strategies; Capital One's ability to control costs, including the amount of, and rate of growth in, its expenses as Capital One's business develops or changes or as Capital One expands into new market areas; the extensive use, reliability and accuracy of the models and data Capital One relies on in its business; Capital One's ability to recruit and retain talented and experienced personnel; the impact from, and Capital One's ability to respond to, natural disasters and other catastrophic events; changes in the labor and employment markets; fraud or misconduct by Capital One's customers, employees, business partners or third parties; merchants' increasing focus on the fees charged by credit card networks; 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, 2017.

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 24, 2018, available on its website at www.capitalone.com under "Investors."

Company Highlights

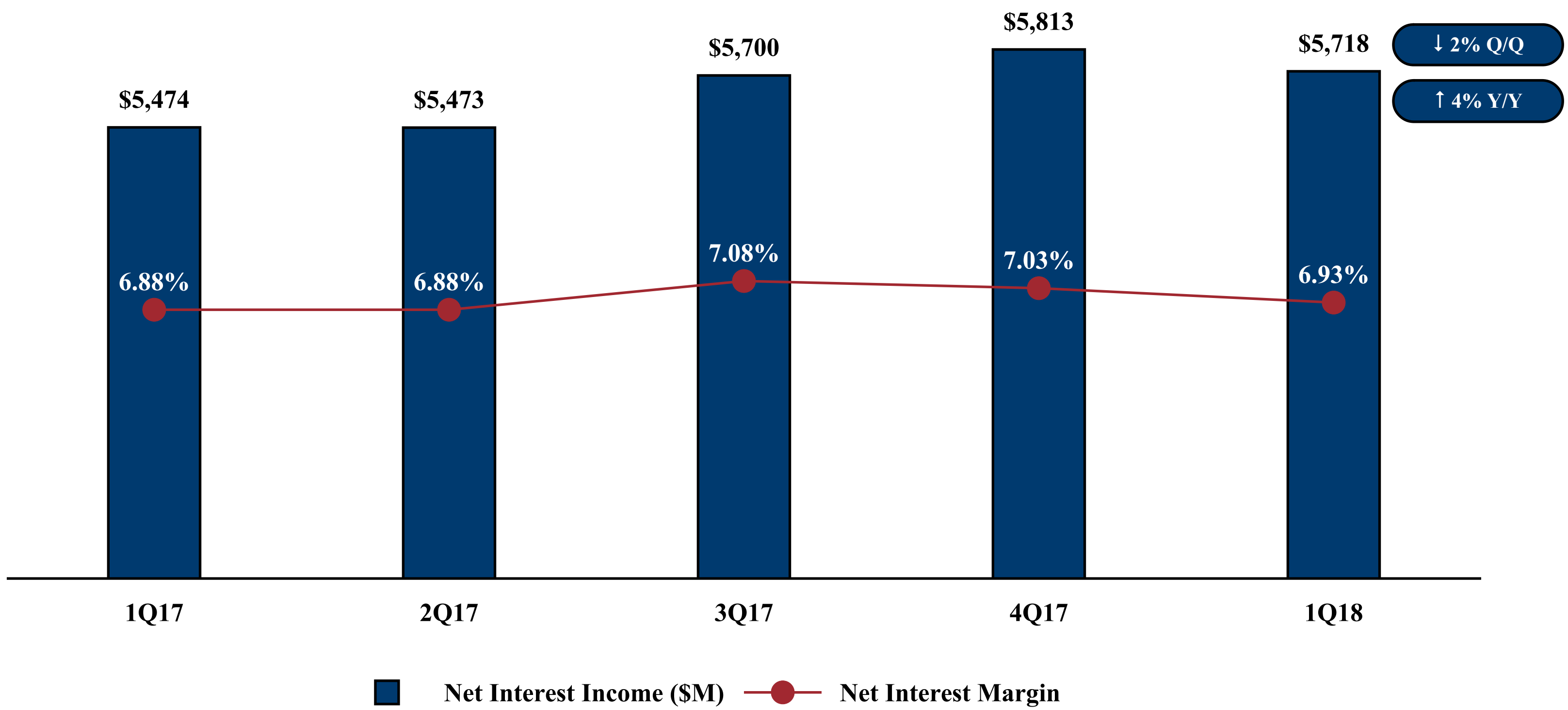
- Net income for the first quarter of 2018 of $1.3 billion, or $2.62 per diluted common share.
  - Excluding adjusting items, net income per diluted common share was $2.65[(1)].
- Pre-provision earnings increased 3% to $3.3 billion for the first quarter of 2018[(2)].
- Efficiency ratio of 51.72% for the first quarter of 2018.
  - Efficiency ratio excluding adjusting items was 51.45%[(1)].
- Common equity Tier 1 capital ratio under Basel III Standardized Approach of 10.5% at March 31, 2018.
- Period-end loans held for investment decreased $6.2 billion, or 2%, to $248.3 billion.
- Average loans held for investment decreased $2.8 billion, or 1%, to $249.7 billion.
- Period-end total deposits increased $7.1 billion, or 3%, to $250.8 billion.
- Average total deposits increased $3.7 billion, or 2%, to $245.3 billion.

Note: All comparisons are for the first quarter of 2018 compared with the fourth quarter of 2017 unless otherwise noted. Regulatory capital metrics and capital ratios as of March 31, 2018 are preliminary and therefore subject to change.

(1) Amounts excluding adjusting items are non-GAAP measures. See Appendix Slide 13 for the reconciliation of non-GAAP measures to our reported results.

(2) Pre-provision earnings is calculated based on the sum of net interest income and non-interest income, less non-interest expense for the period.

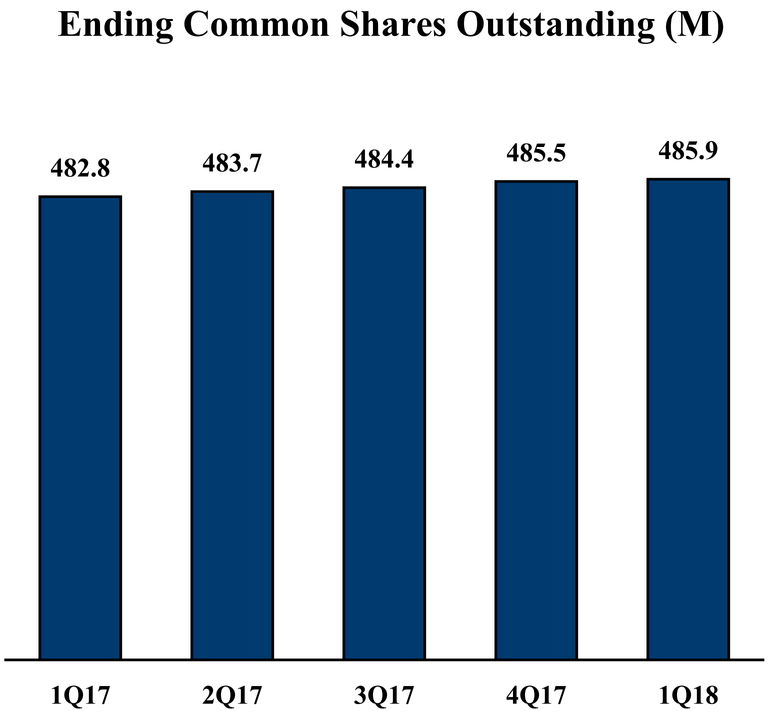
Net Interest Income and Net Interest Margin

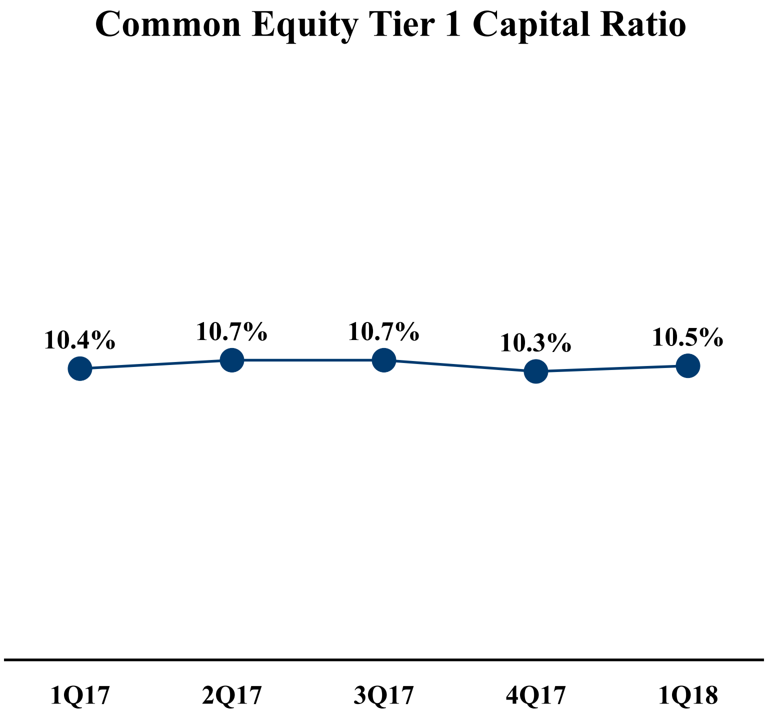


First Quarter 2018 Highlights

- Net interest margin decreased 10 basis points quarter-over-quarter primarily driven by two fewer days to recognize income and higher rates on interest-bearing liabilities, partially offset by higher yield in our Domestic Card business.
- Net interest margin increased 5 basis points year-over-year primarily driven by growth and higher yield in our Domestic Card business, partially offset by higher rates on interest-bearing liabilities.

Capital and Liquidity



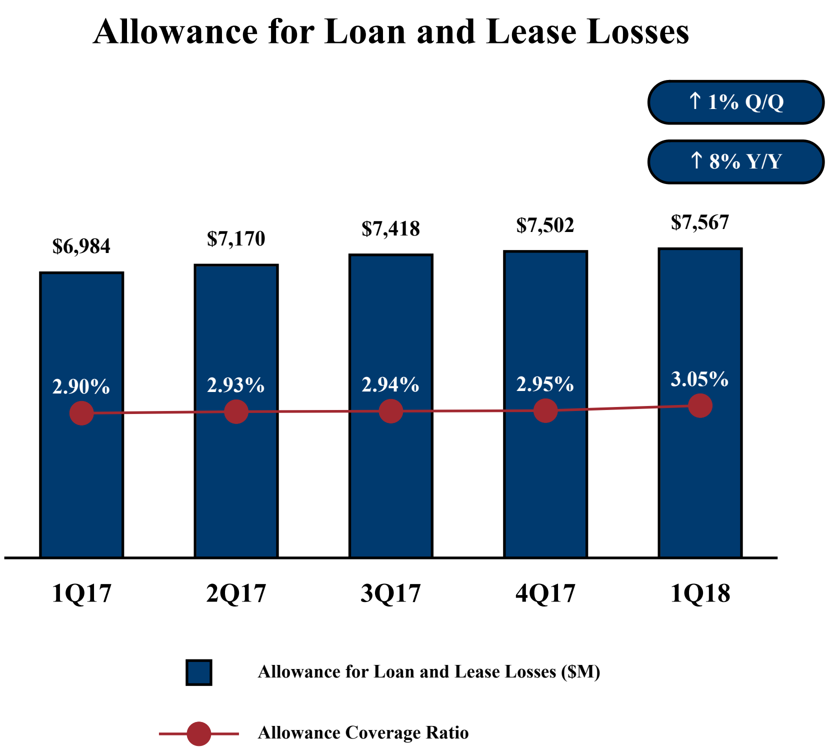


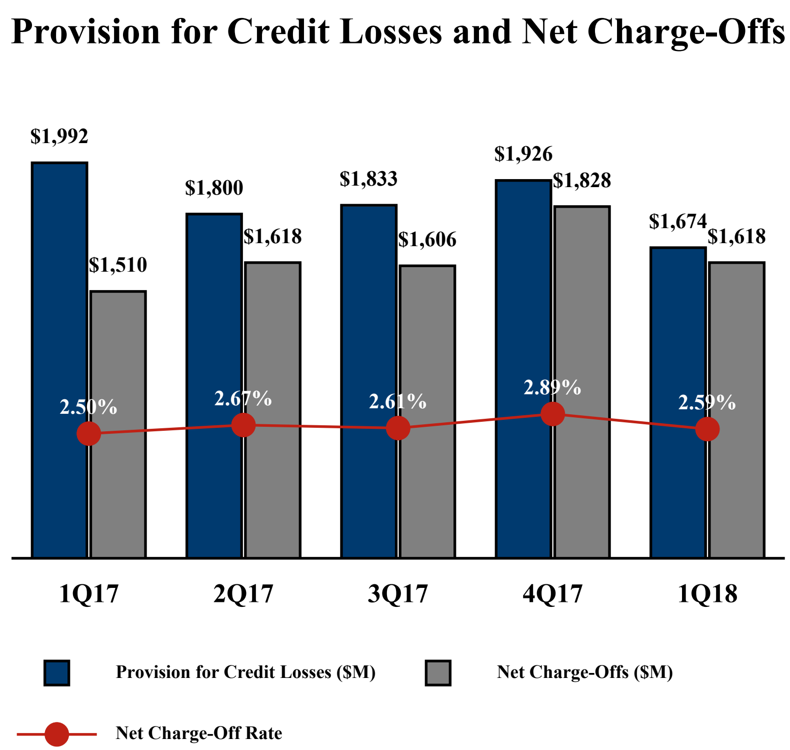
First Quarter 2018 Highlights

- Common equity Tier 1 capital ratio under Basel III Standardized Approach of 10.5% at March 31, 2018.
- We exceeded the fully phased-in LCR requirement at March 31, 2018.

Note: Regulatory capital metrics and capital ratios as of March 31, 2018 are preliminary and therefore subject to change.

Credit Quality





First Quarter 2018 Highlights

- Net charge-off rate of 2.59%.
- Allowance for loan and lease losses increased to $7.6 billion.
- Allowance as a percentage of loans held for investment of 3.05%.

Financial Summary—Business Segment Results

(Dollars in millions)	Three Months Ended March 31, 2018				
	Credit Card	Consumer Banking	Commercial Banking	Other	Total
Net interest income	$ 3,558	$ 1,615	$ 536	$ 9	$ 5,718
Non-interest income	857	174	187	(27)	1,191
Total net revenue (loss)	4,415	1,789	723	(18)	6,909
Provision (benefit) for credit losses	1,456	233	(14)	(1)	1,674
Non-interest expense	2,039	1,000	403	131	3,573
Income (loss) from continuing operations before income taxes	920	556	334	(148)	1,662
Income tax provision (benefit)	213	130	78	(102)	319
Income (loss) from continuing operations, net of tax	$ 707	$ 426	$ 256	$ (46)	$ 1,343

Credit Card

(Dollars in millions, except as noted)	2018 Q1	2017 Q4	2017 Q1	2018 Q1 vs. 2017 Q4	2018 Q1 vs. 2017 Q1
Earnings:					
Net interest income	**$ 3,558**	$ 3,568	$ 3,346	—	6%
Non-interest income	**857**	847	738	1%	16
Total net revenue	**4,415**	4,415	4,084	—	8
Provision for credit losses	**1,456**	1,486	1,717	(2)	(15)
Non-interest expense	**2,039**	2,108	1,929	(3)	6
Pre-tax income	**920**	821	438	12	110
Selected performance metrics:					
Period-end loans held for investment	**$ 107,576**	$ 114,762	$ 99,213	(6)%	8%
Average loans held for investment	**109,502**	110,029	101,169	—	8
Total net revenue margin	**16.13%**	16.05%	16.14%	8bps	(1)bps
Net charge-off rate	**5.03**	4.99	5.02	4	1
Purchase volume	**$ 86,545**	$ 95,659	$ 73,197	(10)%	18%

First Quarter 2018 Highlights

- Ending loans up $8.4 billion, or 8%, year-over-year; average loans up $8.3 billion, or 8%, year-over-year.
- Purchase volume up 18% year-over-year.
- Revenue up $331 million, or 8%, year-over-year.
- Revenue margin of 16.13%.
- Non-interest expense up $110 million, or 6%, year-over-year.
- Provision for credit losses down $261 million, or 15%, year-over-year.
- Net charge-off rate of 5.03%.

Domestic Card

(Dollars in millions, except as noted)	2018 Q1	2017 Q4	2017 Q1	2018 Q1 vs. 2017 Q4	2018 Q1 vs. 2017 Q1
Earnings:					
Net interest income	**$ 3,229**	$ 3,268	$ 3,093	(1)%	4%
Non-interest income	**774**	781	699	(1)	11
Total net revenue	**4,003**	4,049	3,792	(1)	6
Provision for credit losses	**1,380**	1,402	1,637	(2)	(16)
Non-interest expense	**1,832**	1,880	1,717	(3)	7
Pre-tax income	**791**	767	438	3	81
Selected performance metrics:					
Period-end loans held for investment	**$ 98,535**	$ 105,293	$ 91,092	(6)%	8%
Average loans held for investment	**100,450**	101,087	93,034	(1)	8
Total net revenue margin	**15.94%**	16.03%	16.30%	(9)bps	(36)bps
Net charge-off rate	**5.26**	5.08	5.14	18	12
30+ day delinquency rate	**3.57**	4.01	3.71	(44)	(14)
Purchase volume	**$ 79,194**	$ 87,287	$ 66,950	(9)%	18%

First Quarter 2018 Highlights

- Ending and average loans both up $7.4 billion, or 8%, year-over-year.
- Purchase volume up 18% year-over-year.
- Revenue up $211 million, or 6%, year-over-year.
- Revenue margin of 15.94%.
- Non-interest expense up $115 million, or 7%, year-over-year.
- Provision for credit losses down $257 million, or 16%, year-over-year.
- Net charge-off rate of 5.26%.

Consumer Banking

(Dollars in millions, except as noted)	2018 Q1	2017 Q4	2017 Q1	2018 Q1 vs. 2017 Q4	2018 Q1 vs. 2017 Q1
Earnings:					
Net interest income	**$ 1,615**	$ 1,636	$ 1,517	(1)%	6%
Non-interest income	**174**	179	195	(3)	(11)
Total net revenue	**1,789**	1,815	1,712	(1)	4
Provision for credit losses	**233**	340	279	(31)	(16)
Non-interest expense	**1,000**	1,081	1,042	(7)	(4)
Pre-tax income	**556**	394	391	41	42
Selected performance metrics:					
Period-end loans held for investment	**$ 74,674**	$ 75,078	$ 73,982	(1)%	1%
Average loans held for investment	**74,997**	75,289	73,331	—	2
Auto loan originations	**6,707**	6,215	7,025	8	(5)
Period-end deposits	**193,073**	185,842	188,216	4	3
Average deposits	**187,785**	184,799	183,936	2	2
Average deposits interest rate	**0.80%**	0.69%	0.57%	11bps	23bps
Net charge-off rate	**1.19**	1.66	1.19	(47)	—

First Quarter 2018 Highlights

- Ending loans up $692 million, or 1%, year-over-year; average loans up $1.7 billion, or 2%, year-over-year.
- Ending deposits up $4.9 billion, or 3%, year-over-year.
- Auto loan originations down $318 million, or 5%, year-over-year.
- Revenue up $77 million, or 4%, year-over-year.
- Non-interest expense down $42 million, or 4%, year-over-year.
- Provision for credit losses down $46 million, or 16%, year-over-year.
- Net charge-off rate of 1.19%.

Commercial Banking

(Dollars in millions, except as noted)	2018 Q1	2017 Q4	2017 Q1	2018 Q1 vs. 2017 Q4	2018 Q1 vs. 2017 Q1
Earnings:					
Net interest income	**$ 536**	$ 566	$ 566	(5)%	(5)%
Non-interest income	**187**	188	158	(1)	18
Total net revenue	**723**	754	724	(4)	—
Provision (benefit) for credit losses	**(14)**	100	(2)	**	**
Non-interest expense	**403**	437	391	(8)	3
Pre-tax income	**334**	217	335	54	—
Selected performance metrics:					
Period-end loans held for investment	**$ 65,953**	$ 64,575	$ 67,320	2%	(2)%
Average loans held for investment	**65,181**	67,200	66,938	(3)	(3)
Period-end deposits	**34,449**	33,938	33,735	2	2
Average deposits	**34,057**	34,117	34,219	—	—
Average deposits interest rate	**0.52%**	0.46%	0.31%	6bps	21bps
Net charge-off rate	**0.11**	0.85	0.14	(74)	(3)
Risk category as a percentage of period-end loans held for investment:[1]					
Criticized performing	**3.7%**	4.1%	3.7%	(40)bps	—
Criticized nonperforming	**0.5**	0.4	1.2	10	(70)bps

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

** Not meaningful.

First Quarter 2018 Highlights

- Ending loans down $1.4 billion, or 2%, year-over-year; average loans down $1.8 billion, or 3%, year-over-year. Ending loans up 2% quarter-over-quarter.
- Ending deposits up $714 million, or 2%, year-over-year; average deposits flat year-over-year.
- Revenue flat year-over-year.
- Non-interest expense up $12 million, or 3%, year-over-year.
- Net charge-off rate of 0.11%.
- Criticized performing loan rate of 3.7% and criticized nonperforming loan rate of 0.5%.

Appendix

Non-GAAP Measures

(Dollars in millions, except per share data and as noted)	2018 Q1 Reported Results	2018 Q1 Adj.[1]	2018 Q1 Adjusted Results	2017 Q4 Reported Results	2017 Q4 Adj.[1]	2017 Q4 Adjusted Results	2017 Q1 Reported Results	2017 Q1 Adj.[1]	2017 Q1 Adjusted Results
Selected income statement data:									
Net interest income	**$ 5,718**	**—**	**$ 5,718**	$ 5,813	$ 11	$ 5,824	$ 5,474	$ 33	$ 5,507
Non-interest income	**1,191**	**$ 2**	**1,193**	1,200	9	1,209	1,061	37	1,098
Total net revenue	**6,909**	**2**	**6,911**	7,013	20	7,033	6,535	70	6,605
Provision for credit losses	**1,674**	**—**	**1,674**	1,926	—	1,926	1,992	—	1,992
Non-interest expense	**3,573**	**(17)**	**3,556**	3,779	(87)	3,692	3,434	(29)	3,405
Income from continuing operations before income taxes	**1,662**	**19**	**1,681**	1,308	107	1,415	1,109	99	1,208
Income tax provision (benefit)	**319**	**4**	**323**	2,170	(1,742)	428	314	(1)	313
Income (loss) from continuing operations, net of tax	**1,343**	**15**	**1,358**	(862)	1,849	987	795	100	895
Income (loss) from discontinued operations, net of tax	**3**	**—**	**3**	(109)	—	(109)	15	—	15
Net income (loss)	**1,346**	**15**	**1,361**	(971)	1,849	878	810	100	910
Dividends and undistributed earnings allocated to participating securities[2]	**(10)**	**—**	**(10)**	(1)	(5)	(6)	(5)	—	(5)
Preferred stock dividends	**(52)**	**—**	**(52)**	(80)	—	(80)	(53)	—	(53)
Net income (loss) available to common stockholders	**$ 1,284**	**$ 15**	**$ 1,299**	$ (1,052)	$ 1,844	$ 792	$ 752	$ 100	$ 852
Selected performance metrics:									
Diluted EPS[2]	**$ 2.62**	**$ 0.03**	**$ 2.65**	$ (2.17)	$ 3.79	$ 1.62	$ 1.54	$ 0.21	$ 1.75
Efficiency ratio	**51.72%**	**(27)bps**	**51.45%**	53.89%	(139)bps	52.50%	52.55%	(100)bps	51.55%

Note: We believe these selected non-GAAP measures help investors and users of our financial information understand the effect of the adjustments on our selected reported results and provide an alternate measurement of our performance. These non-GAAP measures should not be viewed as a substitute for our reported results determined in accordance with accounting principles generally accepted in the U.S. ("GAAP"), nor are they necessarily comparable to non-GAAP measures that may be presented by other companies.

[1] Adjustments for the following periods consist of:

(Dollars in millions)	2018 Q1	2017 Q4	2017 Q1
Restructuring charges	**$ 19**	$ 76	—
Impacts of the Tax Act	**—**	1,769	—
U.K. Payment Protection Insurance customer refund reserve ("U.K. PPI Reserve")	**—**	31	$ 99
Total	**19**	1,876	99
Income tax provision (benefit)	**4**	27	(1)
Net income	**$ 15**	$ 1,849	$ 100

[2] Dividends and undistributed earnings allocated to participating securities and earnings per share are computed independently for each period. Accordingly, the sum of each quarterly amount may not agree to the year-to-date total.