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**Capital One Reports First Quarter Earnings per Share**

*36 % EPS Increase Over Year Ago Period*

*2004 Earnings Guidance Unchanged*

**McLean, VA. (April 21, 2004)** – Capital One Financial Corporation (NYSE: COF) today announced that its fully diluted earnings per share for the first quarter of 2004 increased by 36 percent over the first quarter of 2003. The company has left unchanged its 2004 earnings guidance of \$5.30 to \$5.60 per share (fully diluted).

Earnings for the first quarter of 2004 were \$450.8 million, or \$1.84 per share (fully diluted), compared with earnings of \$308.5 million, or \$1.35 per share, for the first quarter of 2003 and \$265.7 million, or \$1.11 per share, in the previous quarter.

“We are pleased to report record earnings in the first quarter, which reflects strong credit performance and increased profitability of our diversified businesses,” said Richard D. Fairbank, Capital One’s Chairman and Chief Executive Officer. “We expect that the pattern of earnings reported this year will be similar to that of last year, starting with the highest earnings in the first quarter and moderating earnings as the year progresses.”

During the first quarter of 2004, Capital One grew its managed loan portfolio by \$572.1 million to \$71.8 billion. The managed charge-off rate declined to 4.83 percent in the first quarter of 2004, from 5.32 percent in the previous quarter and 6.47 percent in the first quarter of 2003. The managed delinquency rate (30+ days) declined to 3.80 percent as of March 31, 2004 from 4.46 percent as of the end of the previous quarter and 4.97 percent as of March 31, 2003.

The company continues to diversify its portfolio and earnings beyond U.S. credit cards and shift its product mix upmarket. As a result, Capital One’s managed revenue margin declined to 13.38 percent in the first quarter of 2004 from 13.89 percent in the previous quarter and 15.70 percent in the first quarter of 2003. As the company continues its asset diversification and its shift upmarket, management expects revenue margins to continue to trend somewhat lower in 2004.

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At the same time, declining credit losses and other expenses are expected to leave the company's return on managed assets relatively stable for the full year of 2004 as compared with 2003. The company expects its charge-off rate for the remaining three quarters of 2004 to be between four and five percent.

"The decline in the managed delinquency rate (30+ days) to 3.80 percent at the end of the first quarter from 4.46 percent the end of the previous quarter is a key driver of our reduced provisioning expense," said Gary L. Perlin, Capital One's Chief Financial Officer. "This decline, along with our expectation of little to no growth in the subprime portion of the company's credit card portfolio, leads us to expect that our allowance for loan losses will continue to move somewhat lower in the near term."

The company generates earnings from its managed loan portfolio, which includes both on-balance sheet loans and securitized loans. For this reason, the company believes managed financial measures to be useful to stakeholders. In compliance with Regulation G of the Securities and Exchange Commission, the company is providing a numerical reconciliation of managed financial measures to comparable measures calculated on a reported basis using generally accepted accounting principles (GAAP). Please see the schedule titled "Reconciliation to GAAP Financial Measures" attached to this release for more information.

The company cautions that its current expectations in this release, in the presentation slides available on the company's website ([www.capitalone.com](http://www.capitalone.com)), and on its Form 10-K for the fiscal year ended December 31, 2003, for 2004 earnings, charge-off rates, revenue margins, allowance for loan losses, loan growth, and the composition of loan growth are forward-looking statements and actual results could differ materially from current expectations due to a number of factors, including: continued intense competition from numerous providers of products and services which compete with our businesses; changes in our aggregate accounts and balances, and the growth rate and composition thereof; the company's ability to continue to diversify its assets; the company's ability to access the capital markets at attractive rates and terms to fund its operations and future growth; and general economic conditions affecting consumer income and spending, which may affect consumer bankruptcies, defaults, and charge-offs.

A discussion of these and other factors can be found in Capital One's annual report and other reports filed with the Securities and Exchange Commission, including, but not limited to, Capital One's report on Form 10-K for the fiscal year ended December 31, 2003.

### ***About Capital One***

Headquartered in McLean, Virginia, Capital One Financial Corporation ([www.capitalone.com](http://www.capitalone.com)) is a holding company whose principal subsidiaries, Capital One Bank and Capital One, F.S.B., offer consumer lending products and Capital One Auto Finance, Inc., offers automobile and other motor vehicle financing products. Capital One's subsidiaries collectively had 46.7 million managed accounts and \$71.8 billion in managed loans outstanding as of March 31, 2004. Capital One, a *Fortune 500* company, is one of the largest providers of MasterCard and Visa credit cards in the world. Capital One trades on the New York Stock Exchange under the symbol "COF" and is included in the S&P 500 index.

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NOTE: First quarter 2004 financial results, SEC Filings, and first quarter earnings conference call slides are accessible on Capital One's home page ([www.capitalone.com](http://www.capitalone.com)). Choose "Investors" under "Company Information" on the left side of the page to view and download the earnings press release, slides, and other financial information. Additionally, a webcast of today's 5:00pm (EDT) earnings conference call is accessible through the same link.