



Fourth Quarter 2003 Results

January 21, 2004

Forward looking statements

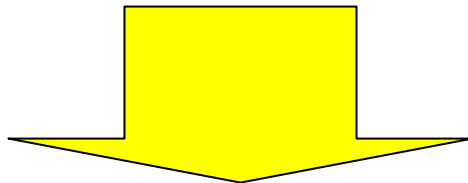
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Certain statements in this presentation and other oral and written statements made by the Company from time to time, are forward-looking statements, including those that discuss strategies, goals, outlook or other non-historical matters; or project revenues, income, returns or other financial measures. To the extent 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 our actual results to differ materially from those described in forward-looking statements, including, among other things: continued intense competition from numerous providers of products and services which compete with our businesses; an increase in credit losses; financial legal, regulatory or accounting changes; general economic conditions affecting consumer income, spending and repayments; changes in our aggregate accounts or consumer loan balances and the growth rate and composition thereof; changes in the reputation of the credit card industry and/or the company with respect to practices and products; our ability to continue to securitize our credit cards and consumer loans and to otherwise access the capital markets at attractive rates and terms to fund our operations and future growth; losses associated with new products or services or expansion internationally; any significant disruption of, or loss of public confidence in, the United States Mail service affecting our response rates and consumer payments; our ability to recruit experienced personnel to assist in the management and operations of new products and services; and other factors listed from time to time in reports we file with the Securities and Exchange Commission (the "SEC"), including, but not limited to, factors set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2002, and any subsequent quarterly reports on Form 10-Q. 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. Further information about Capital One can be obtained from the Corporation's public filings with the SEC. A reconciliation of any non-GAAP financial measures included in this presentation can be found in the Company's most recent Form 8-K or Form 10-Q concerning quarterly financial results, available on the Company's website at www.capitalone.com in Investor Relations under "About Capital One."

A strong 2003 positions Capital One for a solid 2004

- **Credit metrics improved throughout 2003**
- **Diversification generated meaningful profits**
- **Loan growth of 19%, largely upmarket**
- **Strong liquidity and capital**
- **Strengthened regulatory relationships**



2003 EPS of \$4.85
2004 EPS guidance of \$5.30 to \$5.60

Three trends are continuing to drive our metrics

Diversification

**Move
Upmarket**

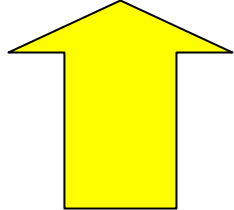
**Improving
Credit**

- **Annual ROA relatively stable as lower expenses (as a % of loans) offset lower revenue margin**
 - **lower charge-off rate (provision)**
 - **lower operating expense as % of loans**
 - **lower marketing cost as % of loans**

Fourth quarter 2003

**Financial
Update**

**Business
Update**



Solid business fundamentals are reflected in Capital One's Q4 financial results

Quarter Results

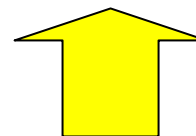
\$ Millions (except per share data)

	<u>Q403</u>	<u>Q303</u>	<u>Change</u>	<u>% Change</u>
Income Statement Highlights				
Revenue	\$ 2,649.2	\$ 2,550.0	\$ 99.2	3.9%
Provision Expense	\$ 938.0	\$ 847.0	\$ 91.0	10.7%
Marketing Expense	\$ 290.1	\$ 316.0	\$ (25.9)	(8.2%)
Operating Expense	\$ 999.3	\$ 925.8	\$ 73.5	7.9%
Net Income After Tax	\$ 265.7	\$ 275.5	\$ (9.8)	(3.6%)
EPS	\$ 1.11	\$ 1.17	\$ (0.06)	(5.1%)
Key Metric Highlights				
Accounts (000's)	47,038	46,406	632	1.4%
Loans	\$ 71,245	\$ 67,260	\$ 3,985	5.9%
Revenue Margin	13.89%	14.36%	(47 bp)	
Return on Assets	1.30%	1.45%	(15 bp)	
Allowance	\$ 1,595	\$ 1,570	\$ 25	1.6%
Charge-off Rate	5.32%	5.44%	(12 bp)	
Delinquency Rate	4.46%	4.65%	(19 bp)	
Capital to Managed Assets	8.19%	8.12%	7 bp	

Higher reported loan balances resulted in an allowance build in the fourth quarter of 2003

Impact on Allowance

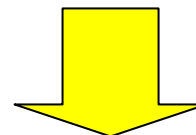
Reported loans up \$2.2B



\$160-170MM

Improved credit performance

- Mix shift
- Payment experience



(\$130-145MM)

Net effect on allowance



\$25MM

Solid business fundamentals are reflected in Capital One's 2003 financial results

Annual Results

\$ Millions (except per share data)

	<u>2003</u>	<u>2002</u>	<u>Change</u>	<u>% Change</u>
Income Statement Highlights				
Revenue	\$ 10,238.6	\$ 9,695.5	\$ 543.1	5.6%
Provision Expense	\$ 3,555.0	\$ 3,658.9	\$ (103.9)	(2.8%)
Marketing Expense	\$ 1,118.4	\$ 1,070.6	\$ 47.8	4.5%
Operating Expense	\$ 3,738.3	\$ 3,515.0	\$ 223.3	6.4%
Net Income After Tax	\$ 1,135.8	\$ 899.6	\$ 236.2	26.3%
EPS	\$ 4.85	\$ 3.93	\$ 0.92	23.4%
Key Metric Highlights				
Accounts (000's)	47,038	47,369	(331)	(0.7%)
Loans	\$ 71,245	\$ 59,747	\$ 11,498	19.2%
Revenue Margin	14.65%	16.93%	(228 bp)	
Return on Assets	1.52%	1.49%	3 bp	
Allowance	\$ 1,595	\$ 1,720	(\$125)	(7.3%)
Charge-off Rate	5.86%	5.24%	62 bp	
Delinquency Rate	4.46%	5.60%	(114 bp)	
Capital to Managed Assets	8.19%	7.86%	33 bp	

Capital One continues to deliver sustained earnings power as it diversifies and moves upmarket

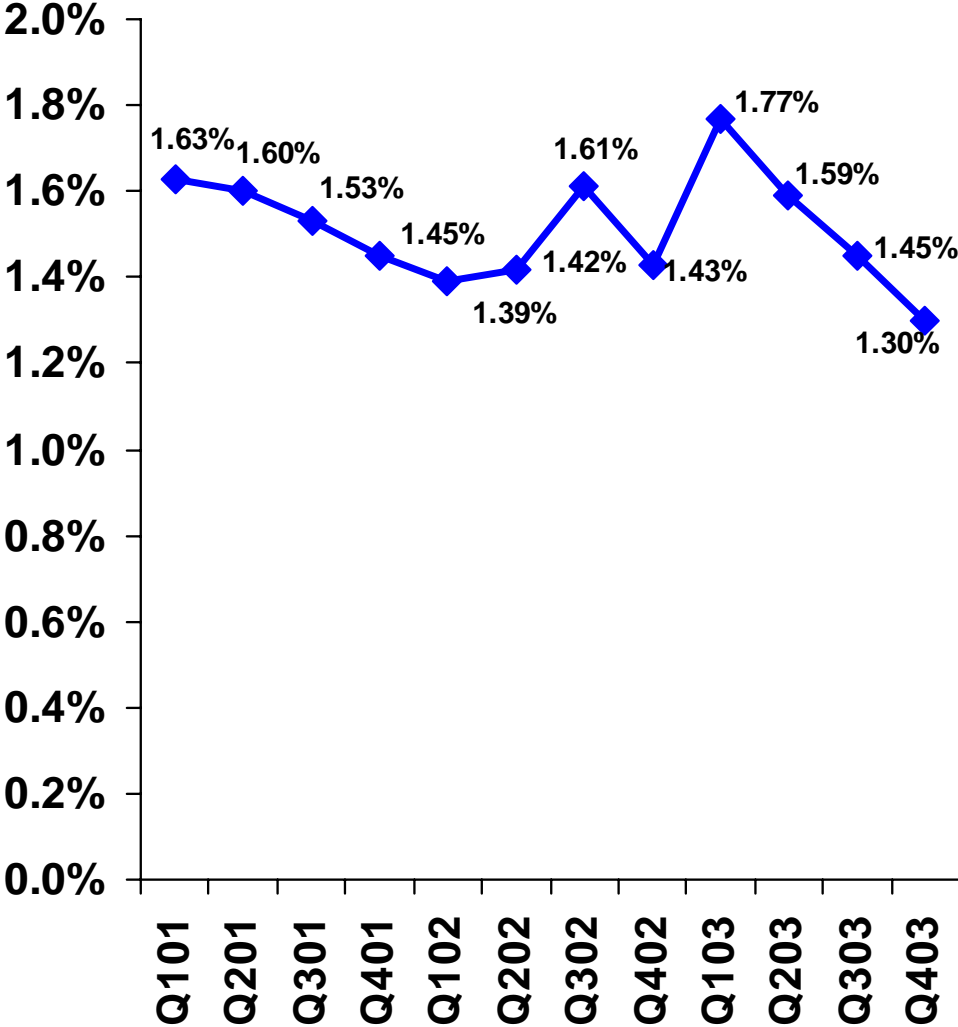
As a Percentage of Total Managed Average Assets

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Revenue	13.68%	16.05%	16.40%
Provision	(4.75%)	(6.06%)	(4.17%)
Operating Expense	(5.00%)	(5.82%)	(7.15%)
Marketing	(1.49%)	(1.77%)	(2.60%)
Tax	(0.90%)	(0.91%)	(0.94%)
Net Income (ROA)	1.52%*	1.49%	1.54%

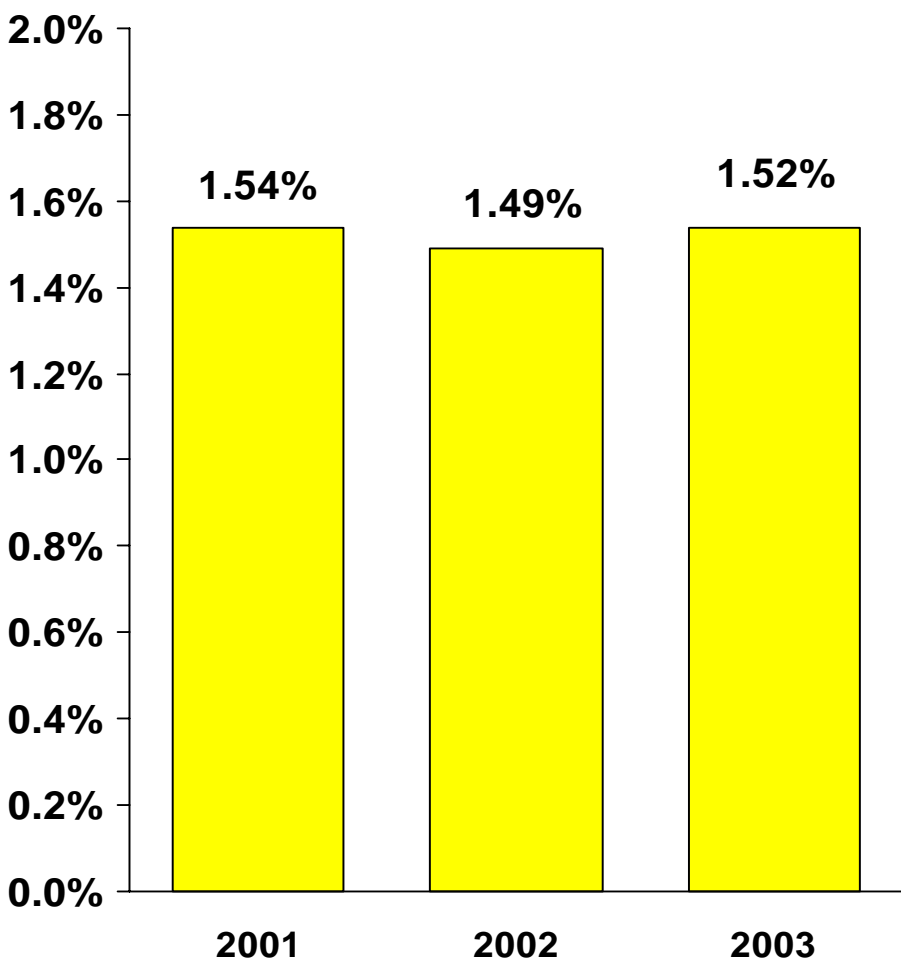
* Also includes 0.02% cumulative effect of accounting change in 2003 related to FIN 46

Return on assets is steady despite quarter-to-quarter variability

Managed ROA - Quarterly



Managed ROA - Annually



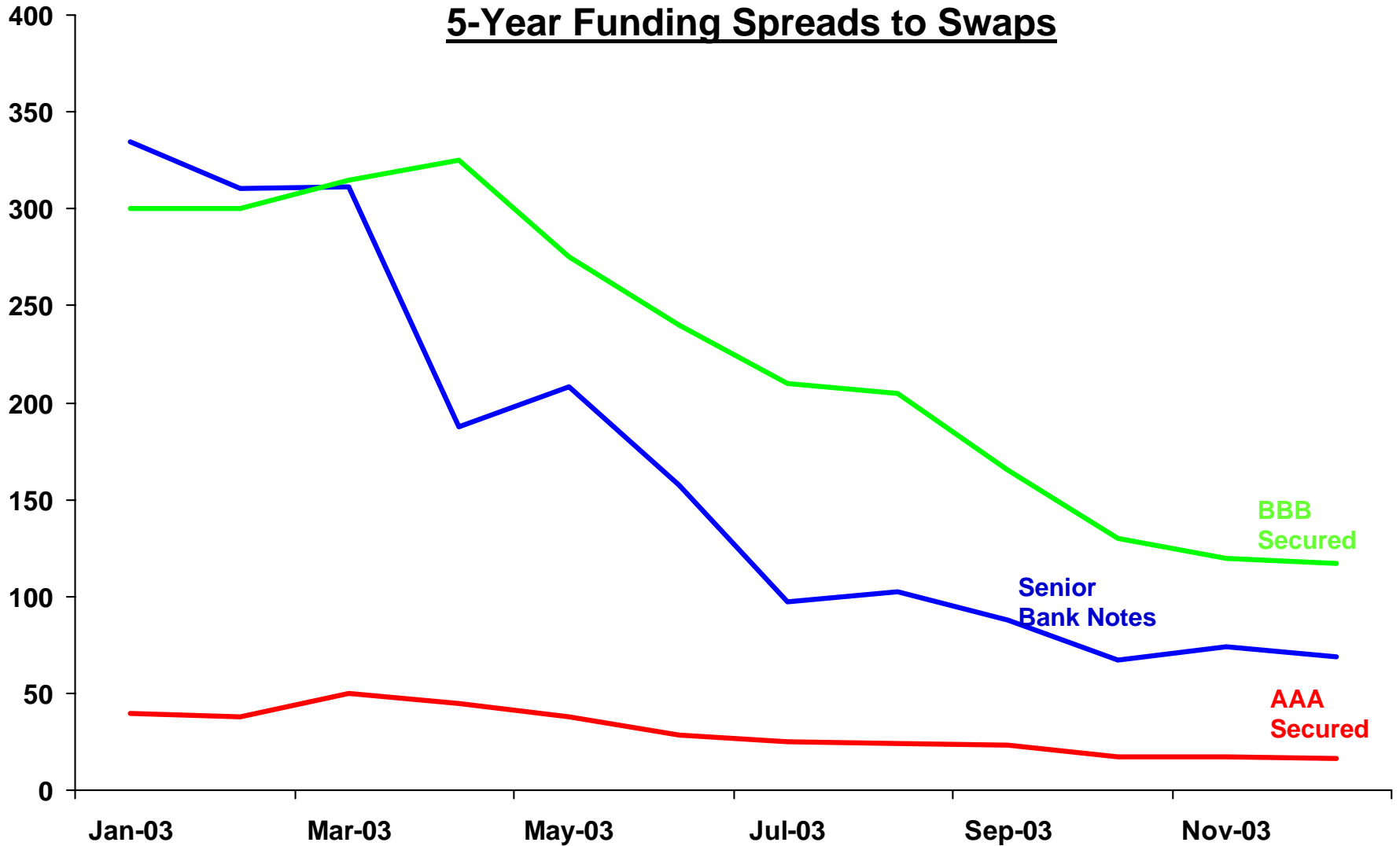
We raised \$5.8 billion in public funding during the fourth quarter

	Issuance Priced (\$ millions)	
	Q4 2003	2003
U.S. card securitizations		
AAA	\$1,750	\$5,100
A	\$400	\$1,100
BBB	\$400	\$1,375
U.K. card securitizations¹	-	\$981
Auto loan securitizations		
Prime	-	\$2,000
Non-prime	\$1,000	\$2,125
Senior notes	\$800	\$2,000
Subordinated bank notes	-	\$500
Deposit growth²	\$1,480	\$5,090
Total	\$5,830	\$20,271

1) In U.S. dollar equivalents based on exchange rate as of pricing date (7/7/03 and 9/26/03).

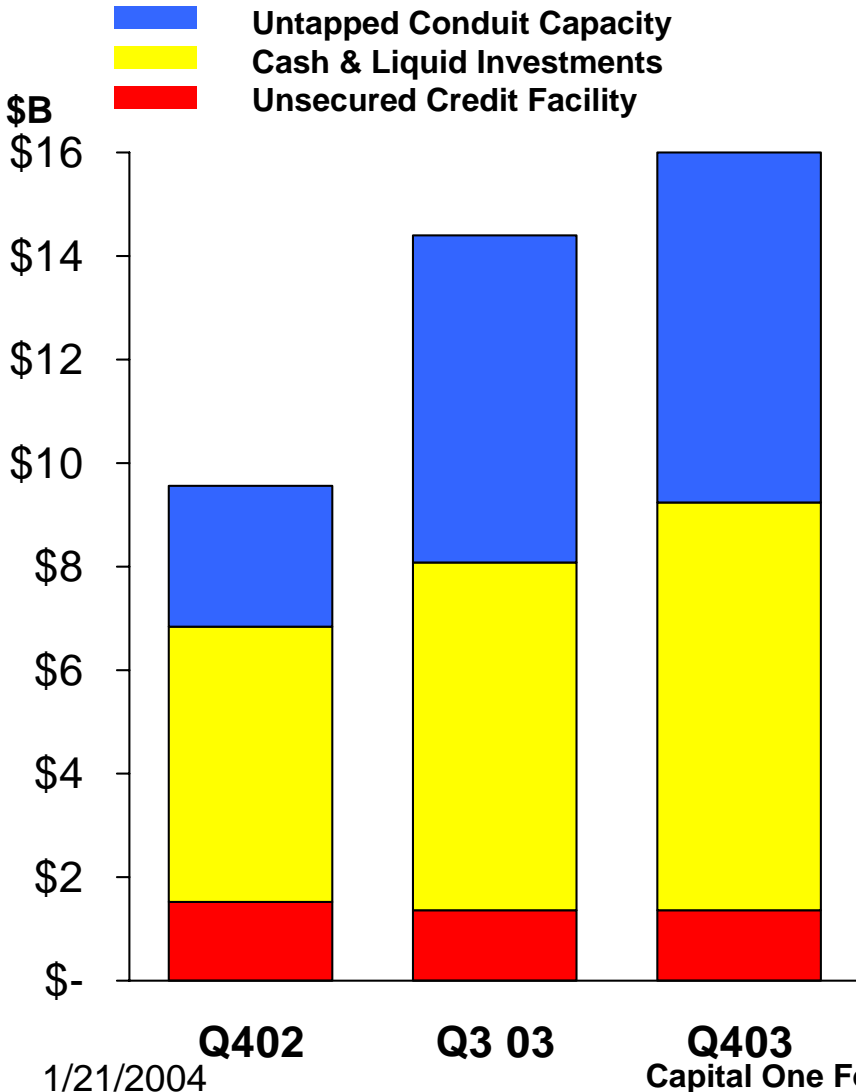
2) Net change in balances.

Our spreads improved throughout 2003

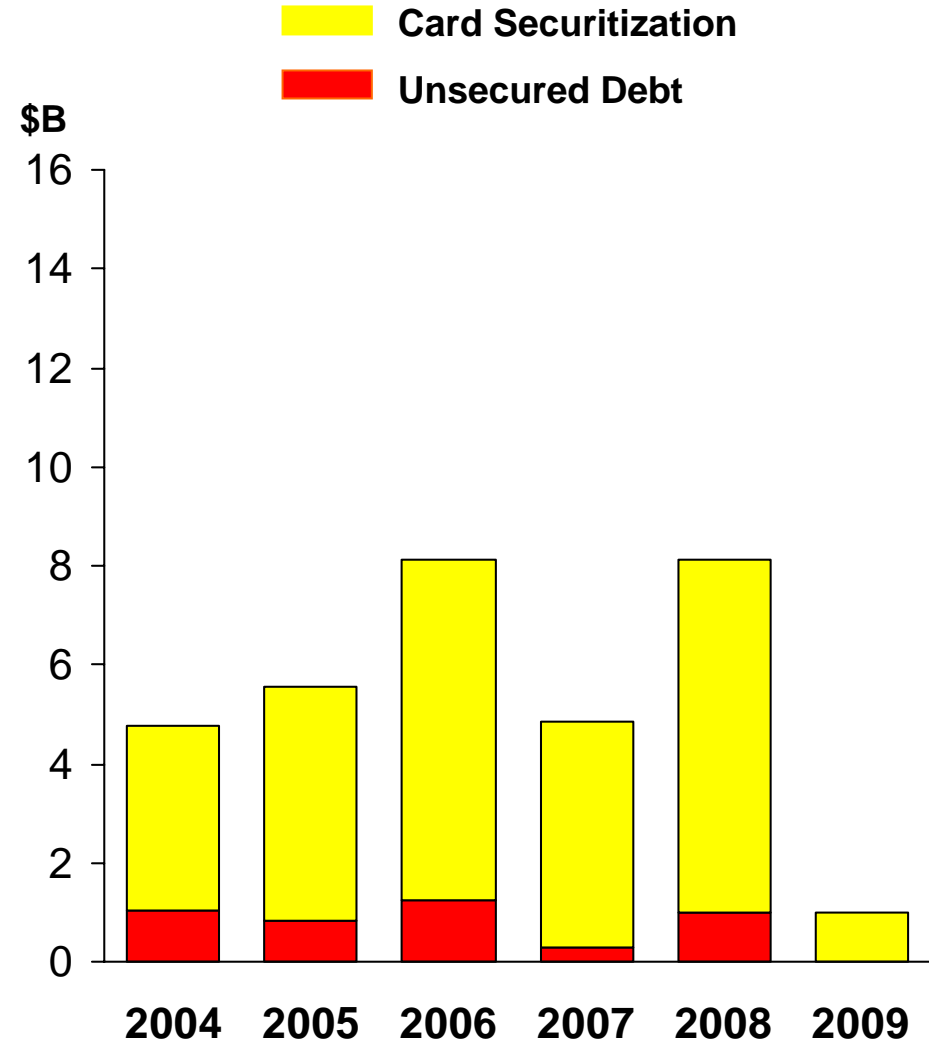


Our available liquidity is more than 3 times our term debt maturities for 2004

Available Liquidity



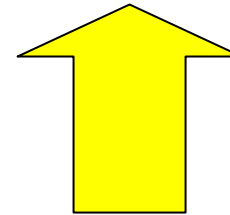
Term Debt Maturities



Fourth Quarter 2003

**Financial
Update**

**Business
Update**



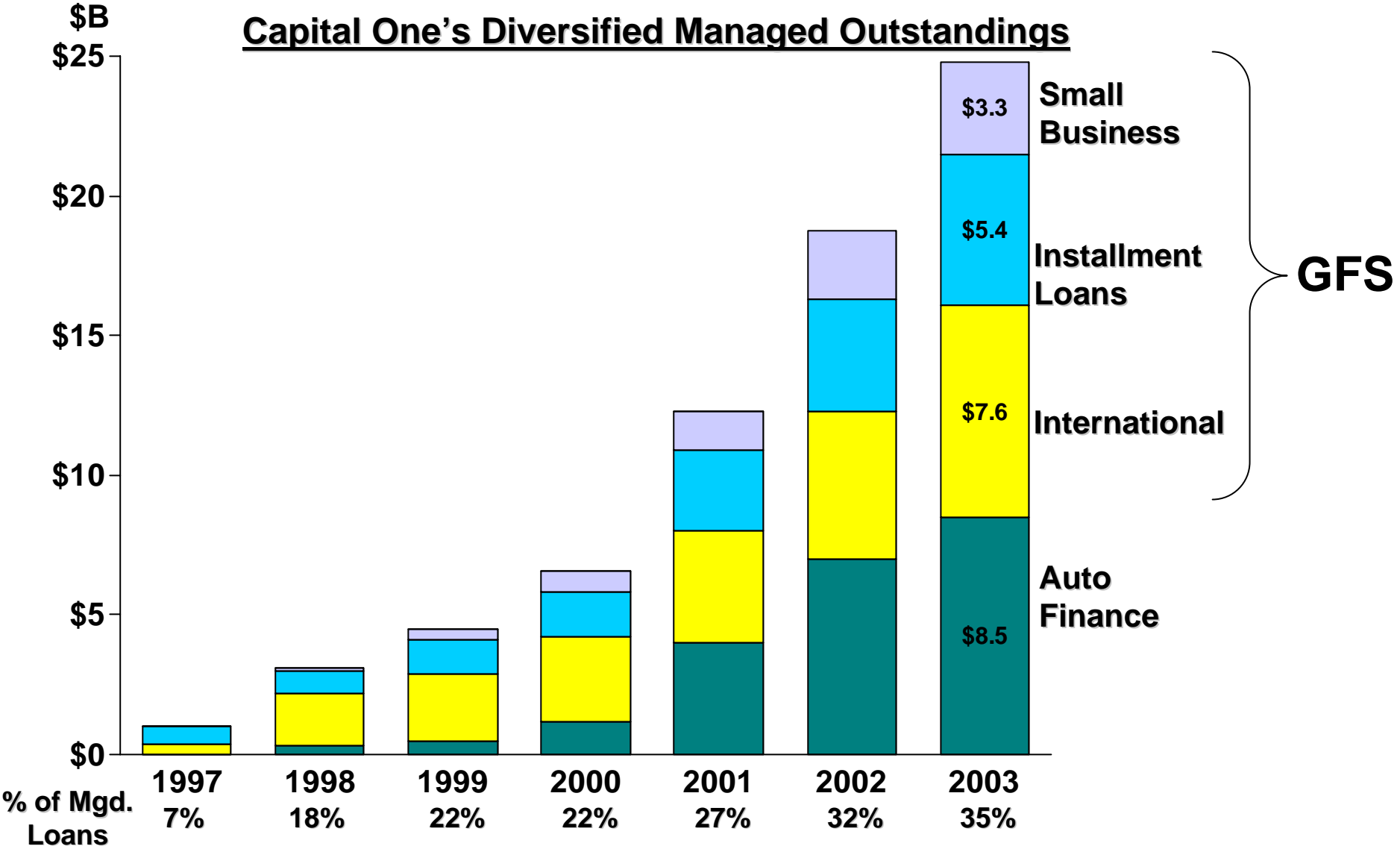
Loans grew 19% in 2003

\$ Billions	<u>12/31/03</u>	<u>9/30/03</u>	<u>12/31/02</u>	<u>Q403</u> <u>Growth</u>	<u>2003</u> <u>Growth</u>
US Card	\$46.3	\$44.3	\$40.9	4.5%	13.3%
Global Financial Services*	\$16.5	\$15.0	\$11.9	10.3%	39.1%
International	\$7.6	\$6.6	\$5.3	16.5%	43.5%
Installment Loans	\$5.4	\$5.2	\$4.0	2.7%	34.2%
Small Business	\$3.3	\$3.0	\$2.4	10.3%	37.0%
Auto Finance	\$8.5	\$8.0	\$7.0	5.7%	21.1%
Total Outstandings	\$71.2	\$67.3	\$59.7	5.9%	19.2%

* Global Financial Services includes all International businesses, Installment Loans, Small Business Lending, and a variety of smaller ventures

Diversified lending businesses now account for more than a third of outstandings

Capital One's Diversified Managed Outstandings



Our diversification investments are paying off

	Net Income After Tax* (\$Millions)		
	<u>2003</u>	<u>2002</u>	<u>2001</u>
Auto Finance	\$99.3	\$10.3	(\$35.4)
Global Financial Services	\$64.8	(\$8.1)	(\$44.6)
Total Diversification Businesses	\$164.1	\$2.2	(\$80.0)

* Based on internal allocations of consolidated results

1/21/2004

Capital One Fourth Quarter 2003 Results

Despite quarterly variability in profits, our outlook for segment profit growth remains strong

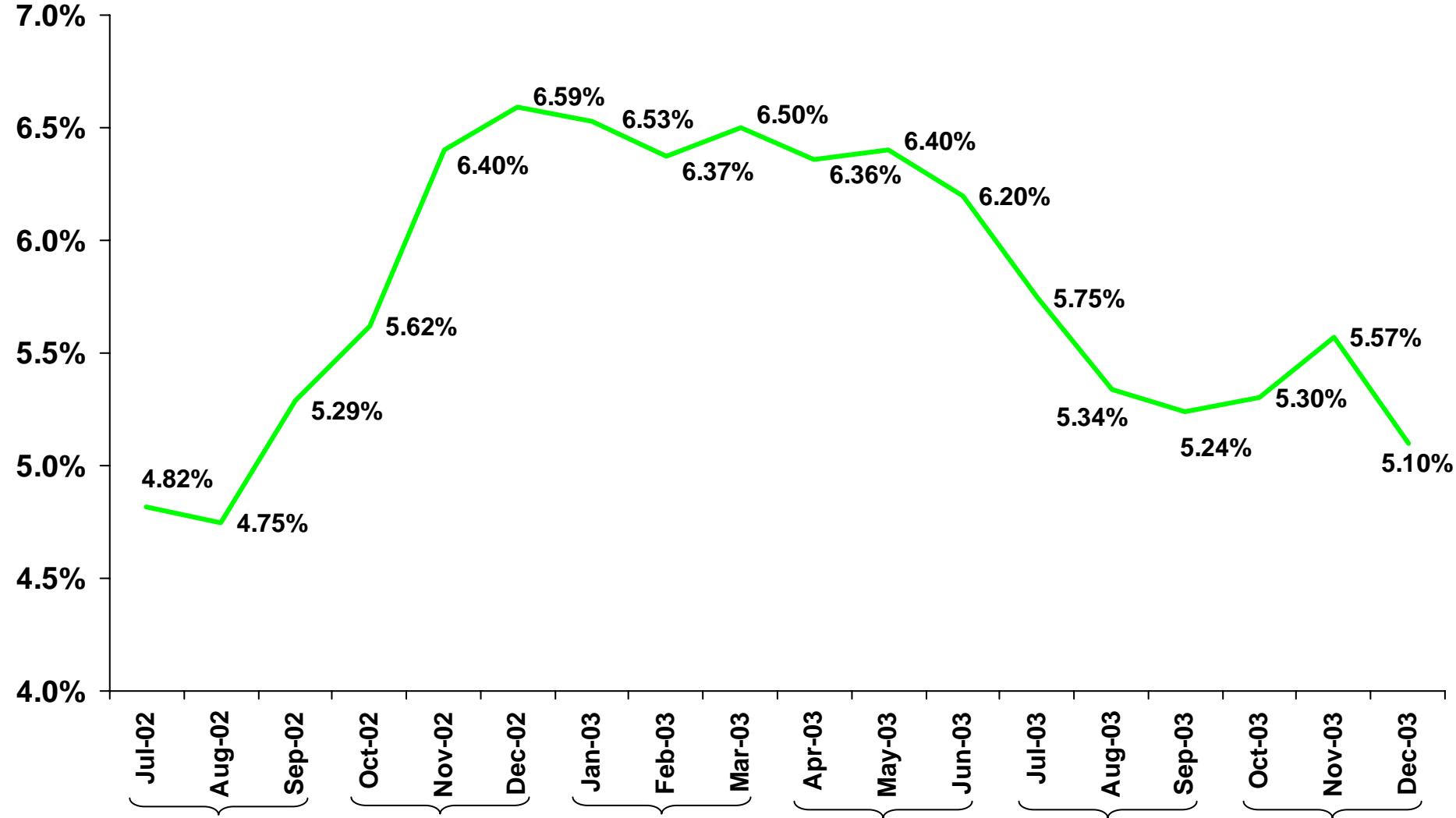
Net Income After Tax* (\$Millions)

	<u>Q403</u>	<u>Q303</u>	<u>Q203</u>	<u>Q103</u>
US Card	\$322.7	\$276.2	\$274.2	\$308.1
Auto Finance	\$34.4	\$27.3	\$44.0	(\$6.5)
Global Financial Services	\$3.3	\$21.0	\$25.5	\$14.9

* Based on internal allocations of consolidated results

Charge-offs continue to decline

Monthly Managed Net Charge-off Rate



Quarterly C/O Rate:

4.96%

6.21%

6.47%

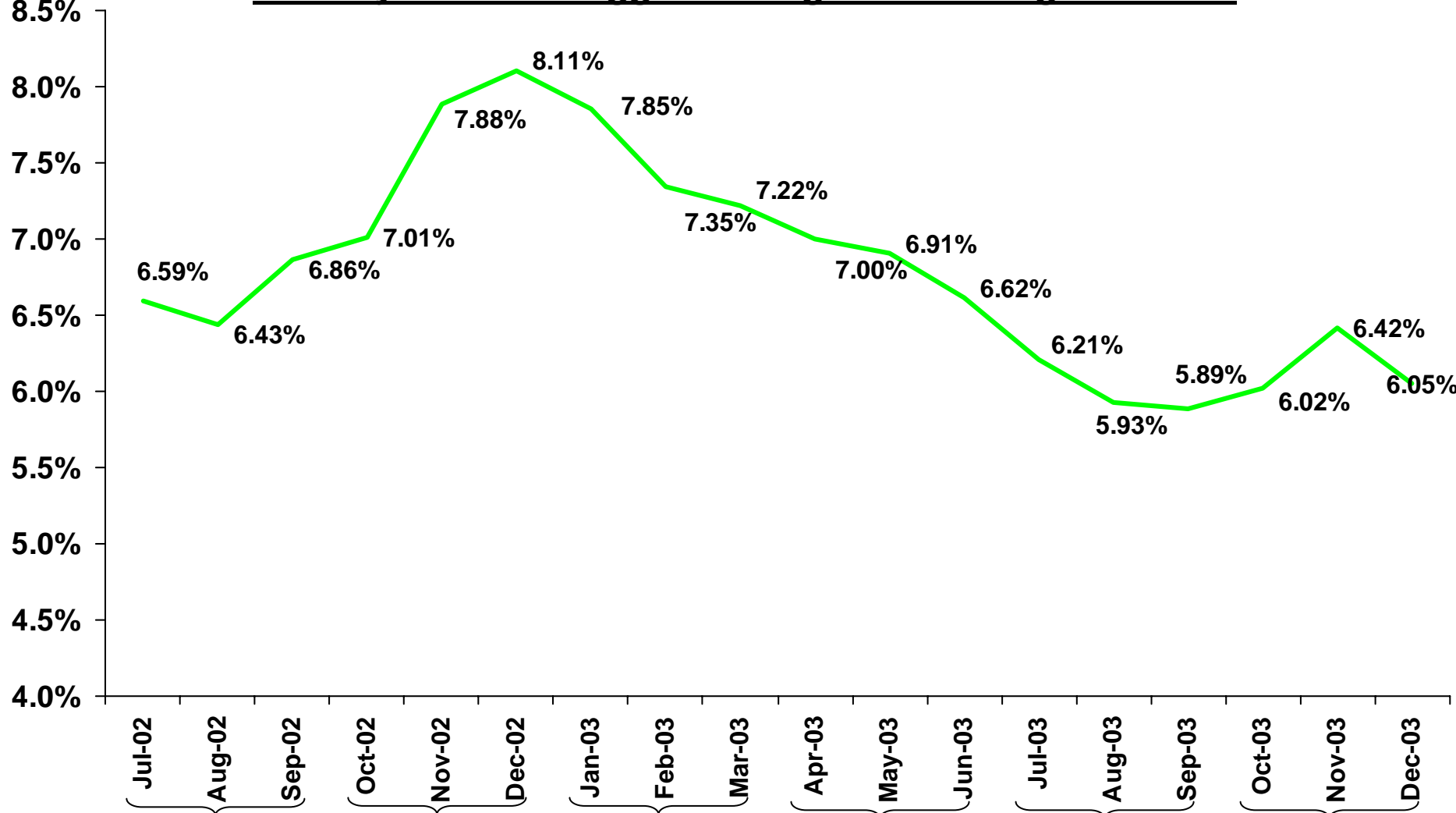
6.32%

5.44%

5.32%

Lagged charge-offs are holding steady

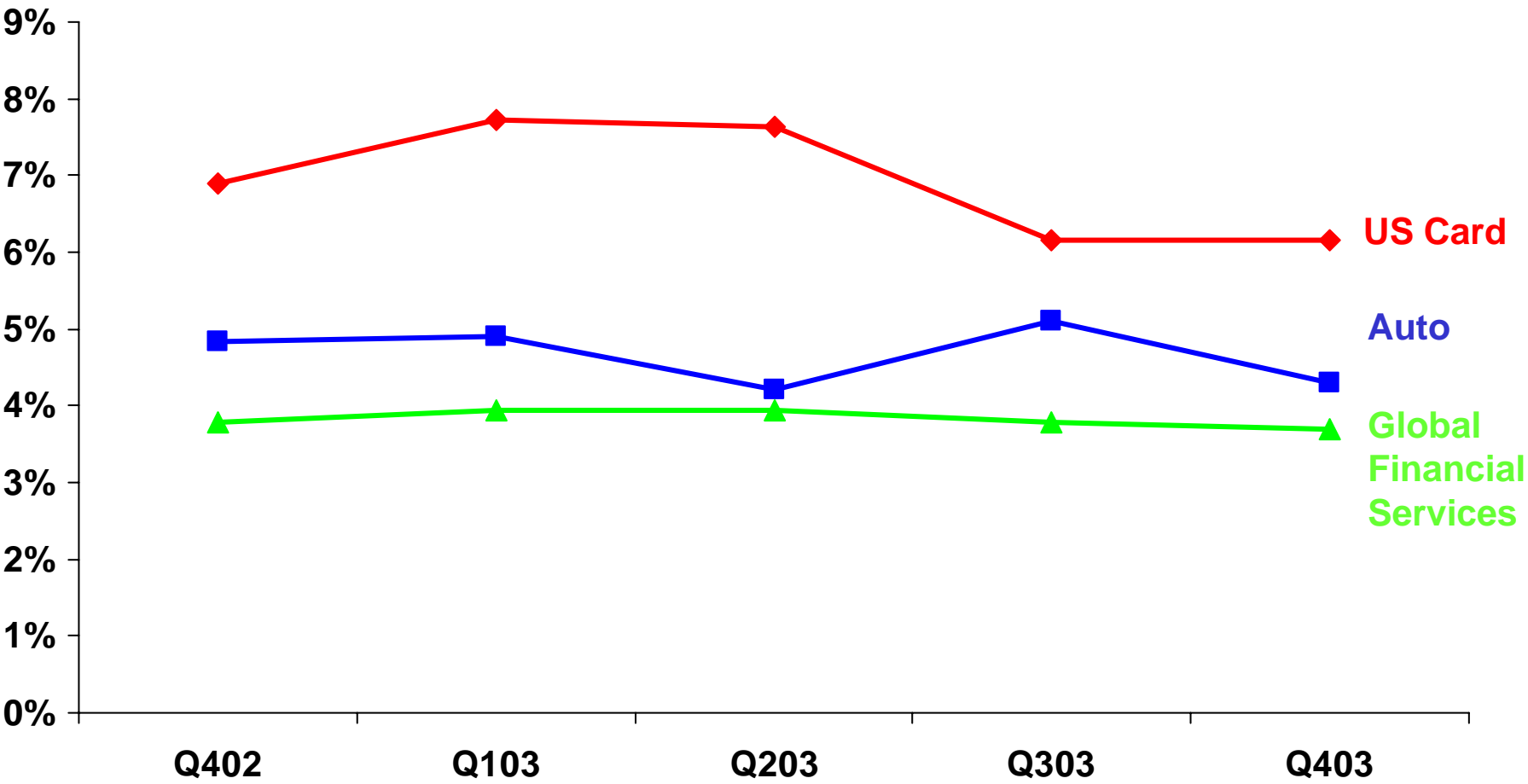
Monthly 9-Month Lagged Managed Net Charge-Off Rate



9 month Lagged Quarterly C/O Rate: **6.63%** (Jul-02 to Sep-02) **7.67%** (Oct-02 to Dec-02) **7.46%** (Jan-03 to Mar-03) **6.84%** (Apr-03 to Jun-03) **6.01%** (Jul-03 to Sep-03) **6.17%** (Oct-03 to Dec-03)

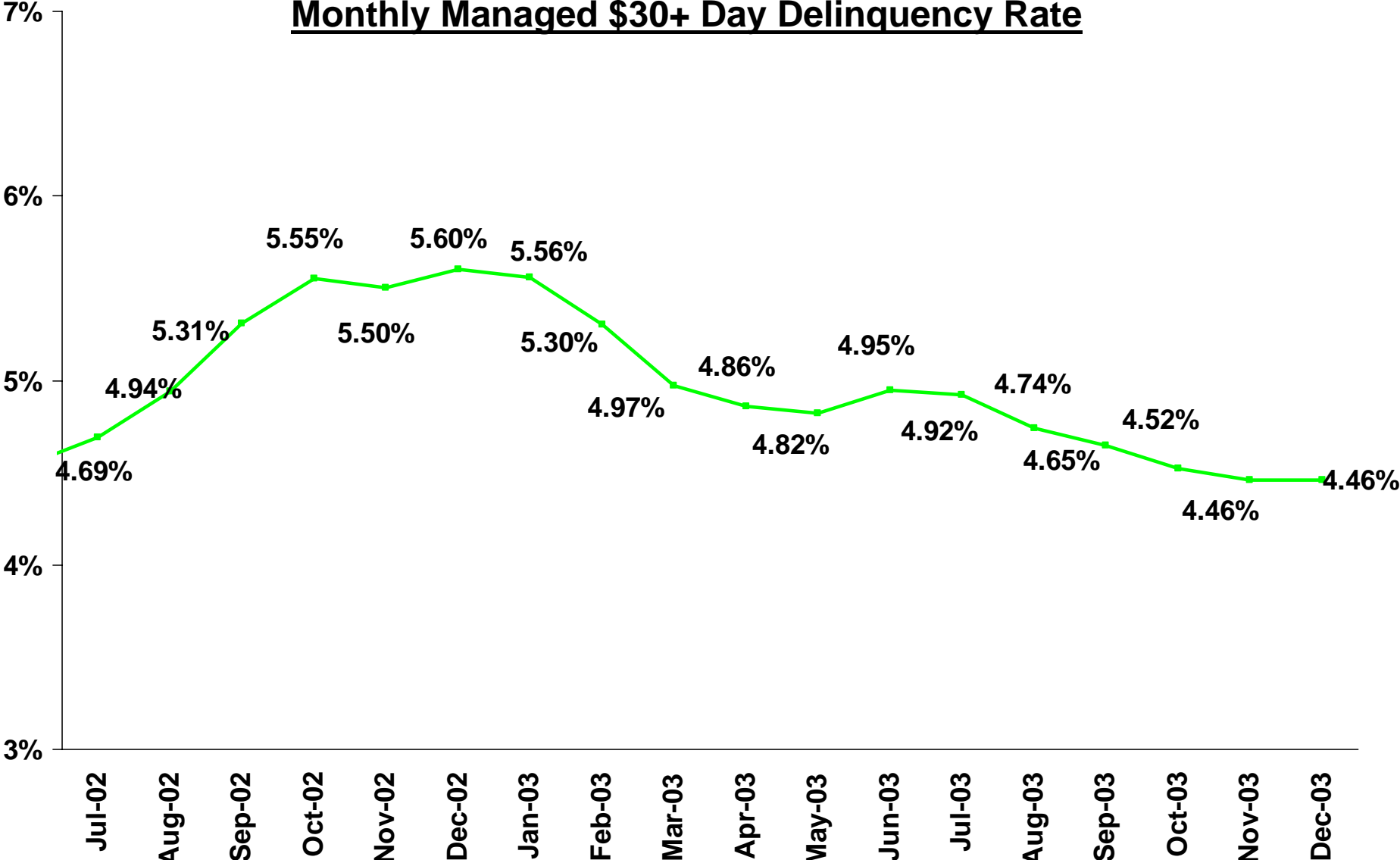
Segment charge-offs are stable to improving

Segment Managed Net Charge-off Rate



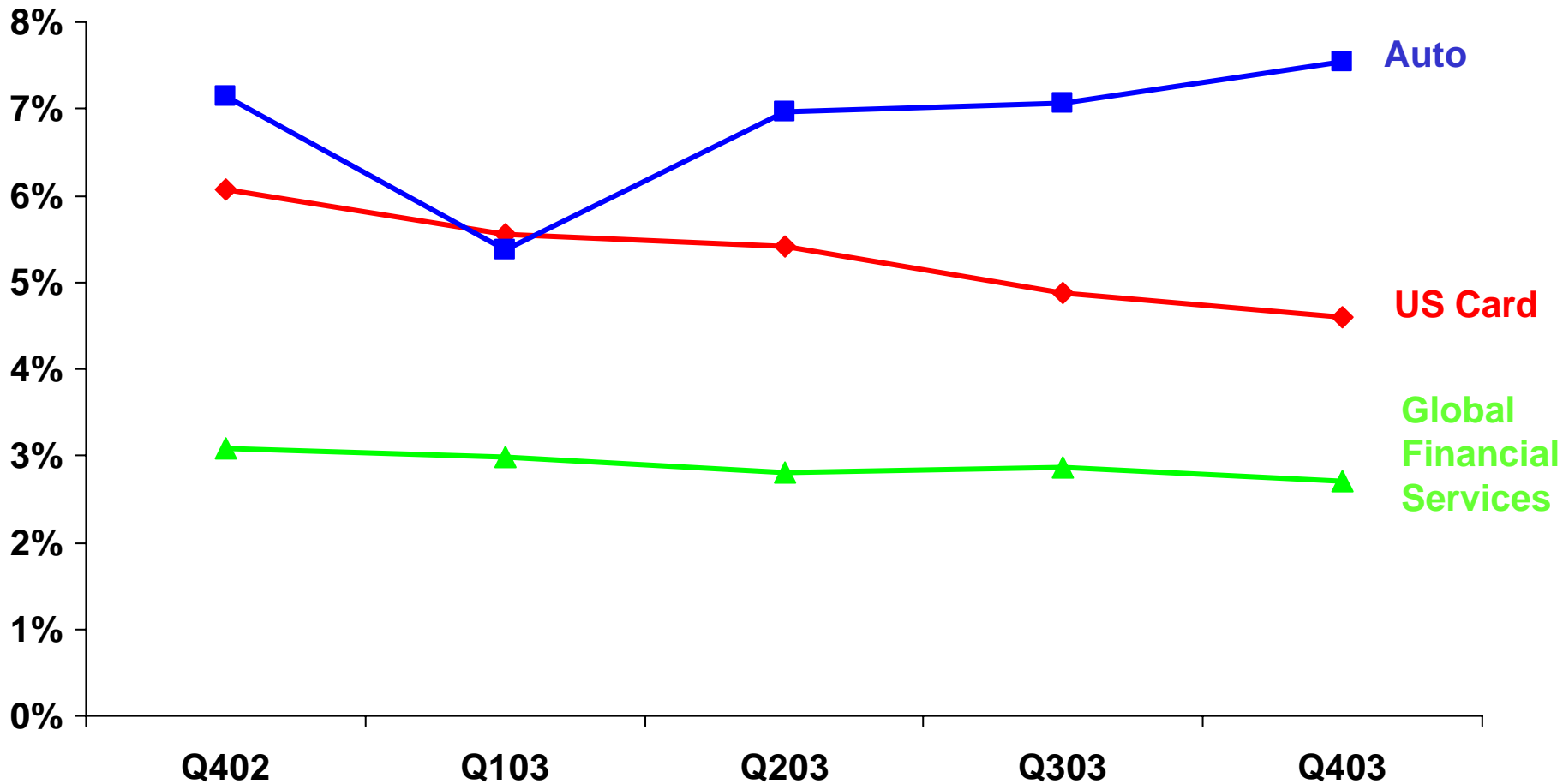
Delinquencies have steadily declined in 2003

Monthly Managed \$30+ Day Delinquency Rate



Auto Finance delinquencies show the effects of seasonality and slower growth in 2003

Segment Managed \$30+ Delinquency Rate



A strong 2003 positions Capital One for a solid 2004

- **Credit metrics improved throughout 2003**
- **Diversification generated meaningful profits**
- **Loan growth of 19%, largely upmarket**
- **Strong liquidity and capital**
- **Strengthened regulatory relationships**

2004 guidance

- **Loan growth rate in mid-teens**
- **Revenue margin and charge-off rates somewhat lower than in Q4 2003**
- **Continued downward allowance pressure from improving credit, move upmarket, and diversification**
- **Relatively stable ROA, with quarterly variability**
- **EPS \$5.30 to \$5.60**