



First Quarter 2004 Results

April 21, 2004

Forward looking statements

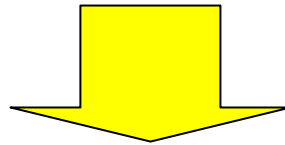
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All information in these slides is based on the consolidated results of Capital One Financial Corporation. Further information about Capital One can be obtained from the Corporation's public filings with the SEC. A reconciliation of any non-GAAP financial 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."

Capital One is off to a great start in 2004

- **Generated \$1.84 EPS in Q104**
- **Credit metrics continuing to improve**
- **Diversification generating meaningful profits**
- **Successful upmarket mix shift**
- **Well hedged against a rising rate environment**
- **Strong liquidity and capital position**



**Capital One is well on its way to becoming a diversified
consumer financial services company**

Three trends are continuing to drive our metrics

Mix Shift


- Continuing to shift mix upmarket and beyond US Card

Improving Economy

- Recent improvement in consumer payment patterns

Seasonality

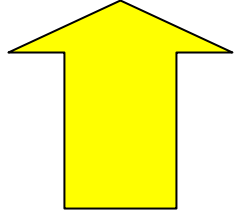
- First quarter typically strongest credit and earnings

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- EPS momentum from allowance reduction unsustainable
 - Quarterly variability of EPS, but stable annual ROA
 - 2004 EPS guidance unchanged at \$5.30 - \$5.60

First quarter 2004

**Financial
Update**

**Business
Update**



Solid business fundamentals are reflected in our Q104 results

\$ Millions (except per share data)

	<u>Q104</u>	<u>Q403</u>	<u>Q103</u>
Managed Income Statement Highlights			
Total Revenue	\$ 2,691.6	\$ 2,649.2	\$ 2,535.9
Net Charge-offs	858.8	913.6	957.9
Allowance (Release) Build	(100.0)	25.0	(85.0)
Other	1.3	(0.6)	(0.6)
Provision for Loan Losses	760.1	938.0	872.3
Marketing Expenses	255.1	290.1	241.7
Operating Expenses	969.7	999.3	932.2
Net Income	\$ 450.8	\$ 265.7	\$ 308.5
EPS	\$ 1.84	\$ 1.11	\$ 1.35
ROA	2.11 %	1.30 %	1.77 %

On-balance sheet credit improvement results in reduced Q104 allowance

**On-Balance
Sheet Loan
Growth**

Reported loans increased 1%

**Improved
Credit
Quality**

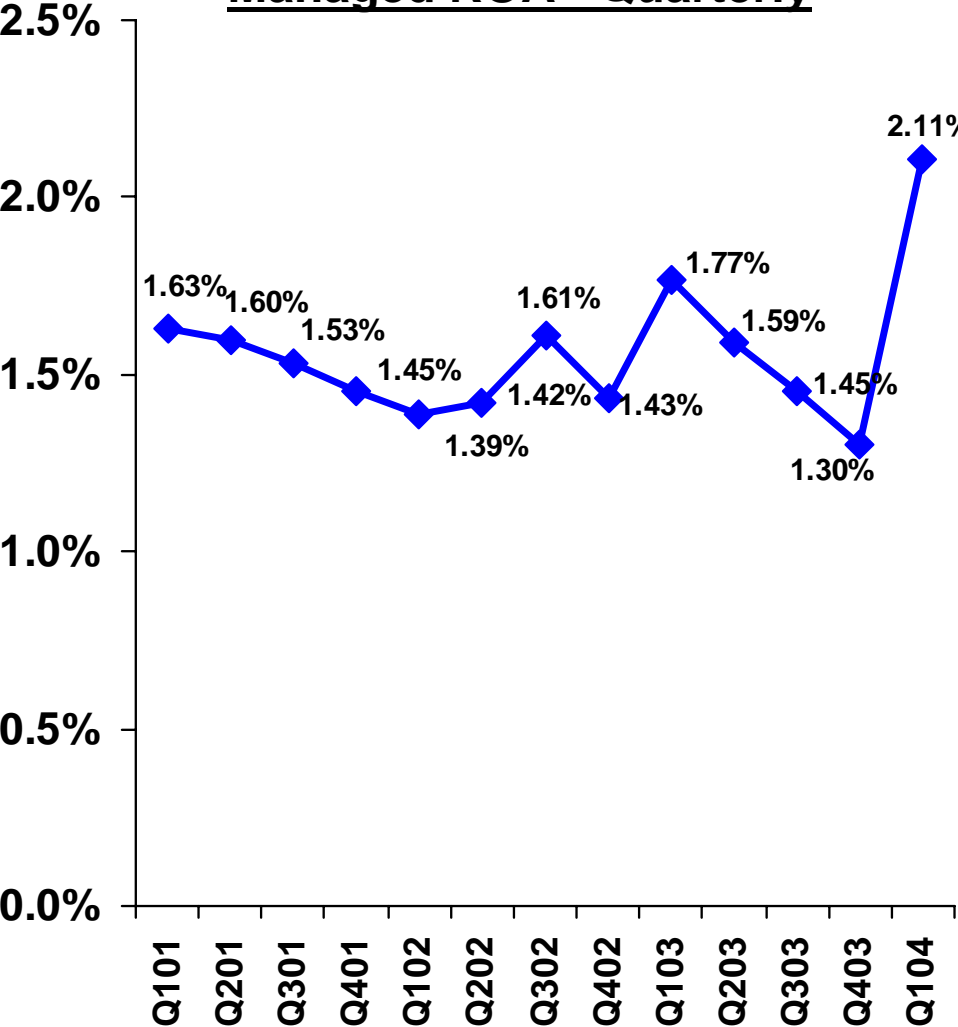
**Reported \$30+ delinquencies
decreased 20%**



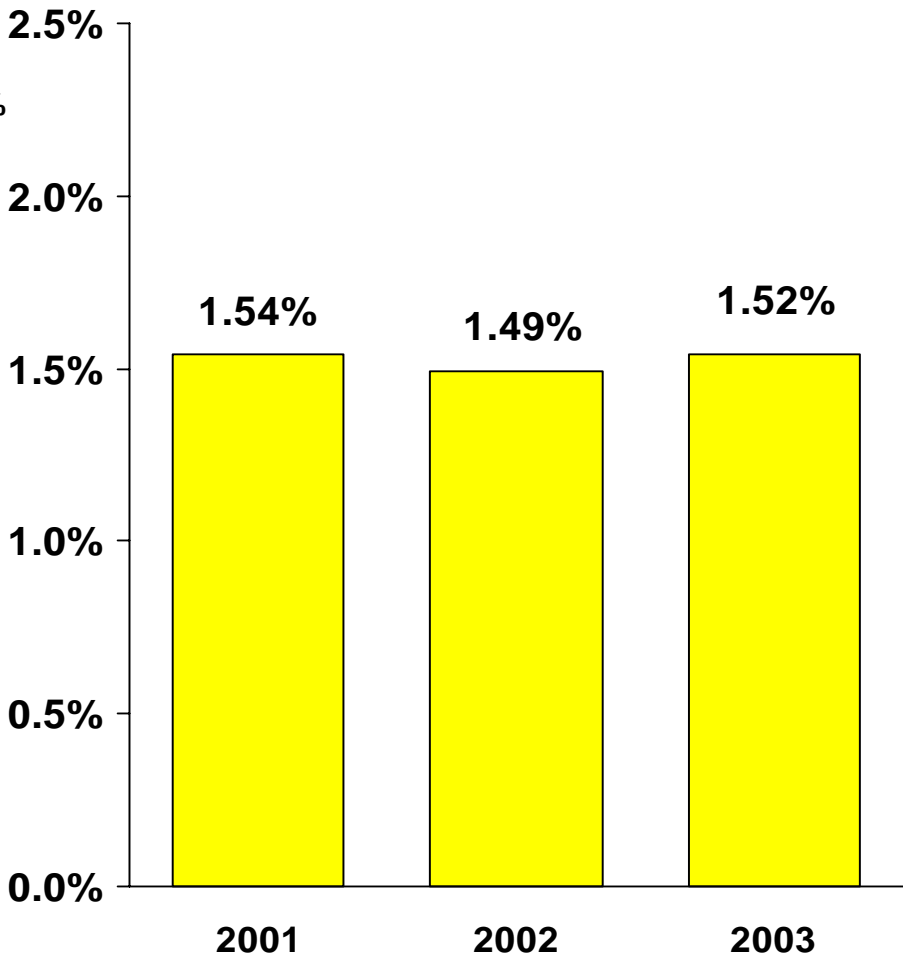
Q104 Allowance Release of \$100M

As in recent years, 2004 return on assets should be relatively stable despite quarterly variability

Managed ROA - Quarterly

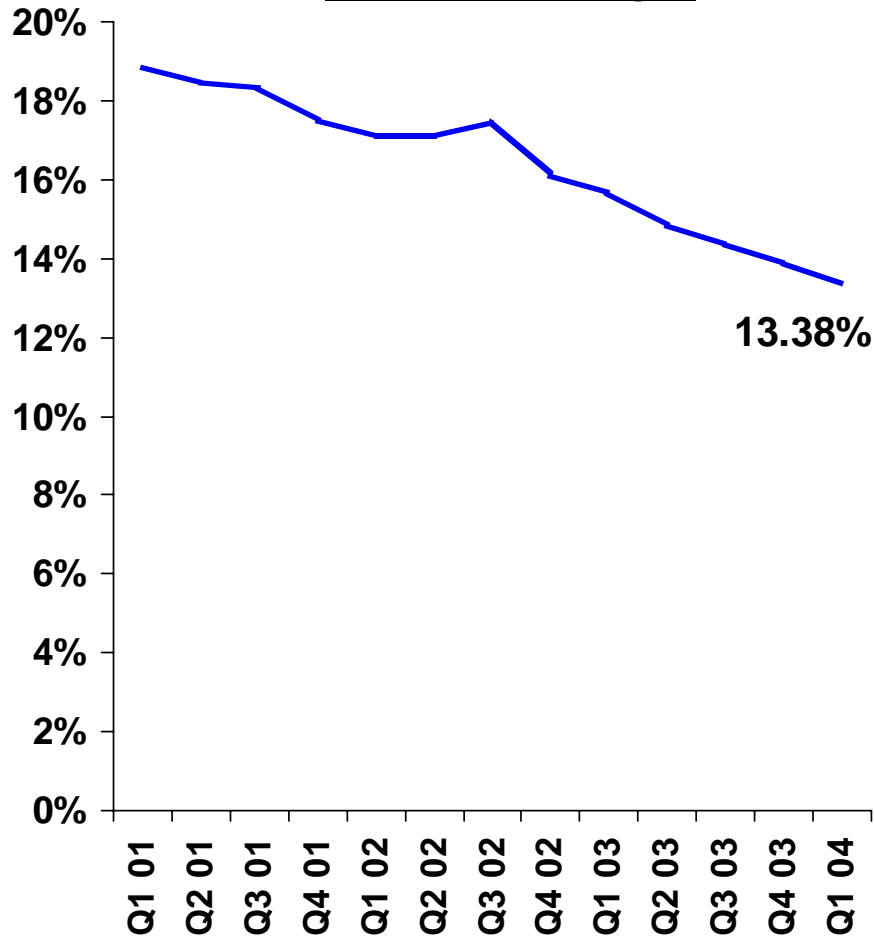


Managed ROA - Annually

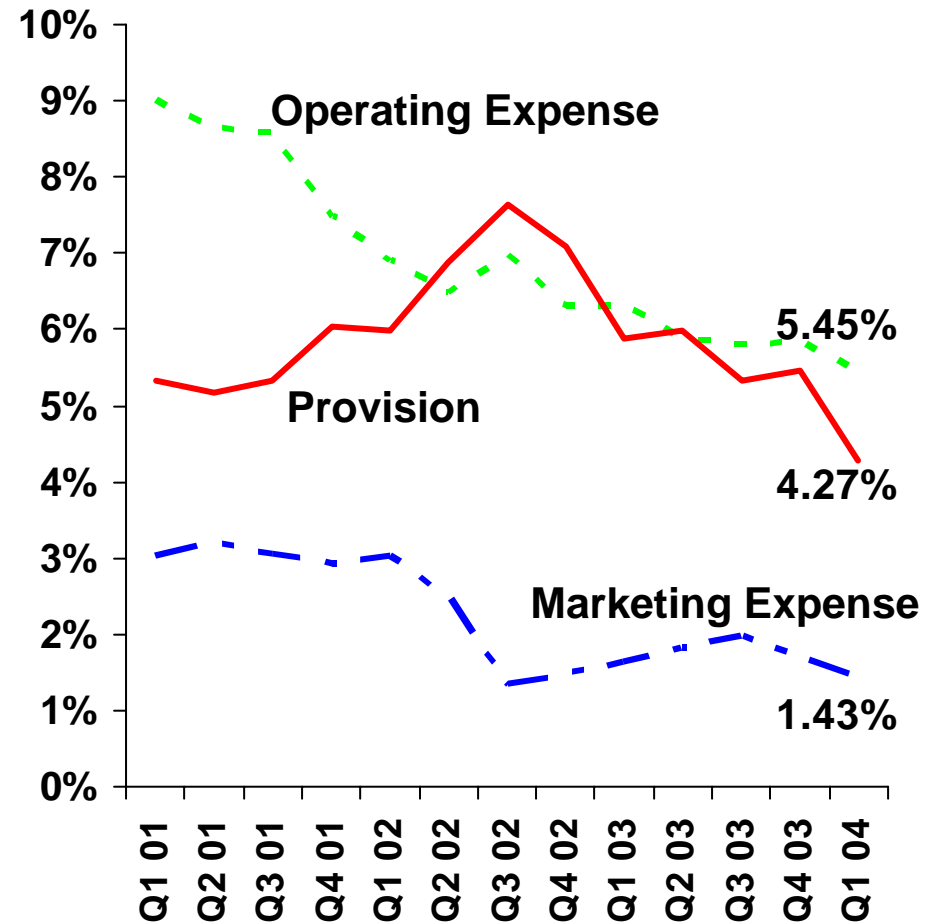


The mix shift drives down revenues and costs as a percentage of assets, enabling stable annual ROA

Revenue Margin

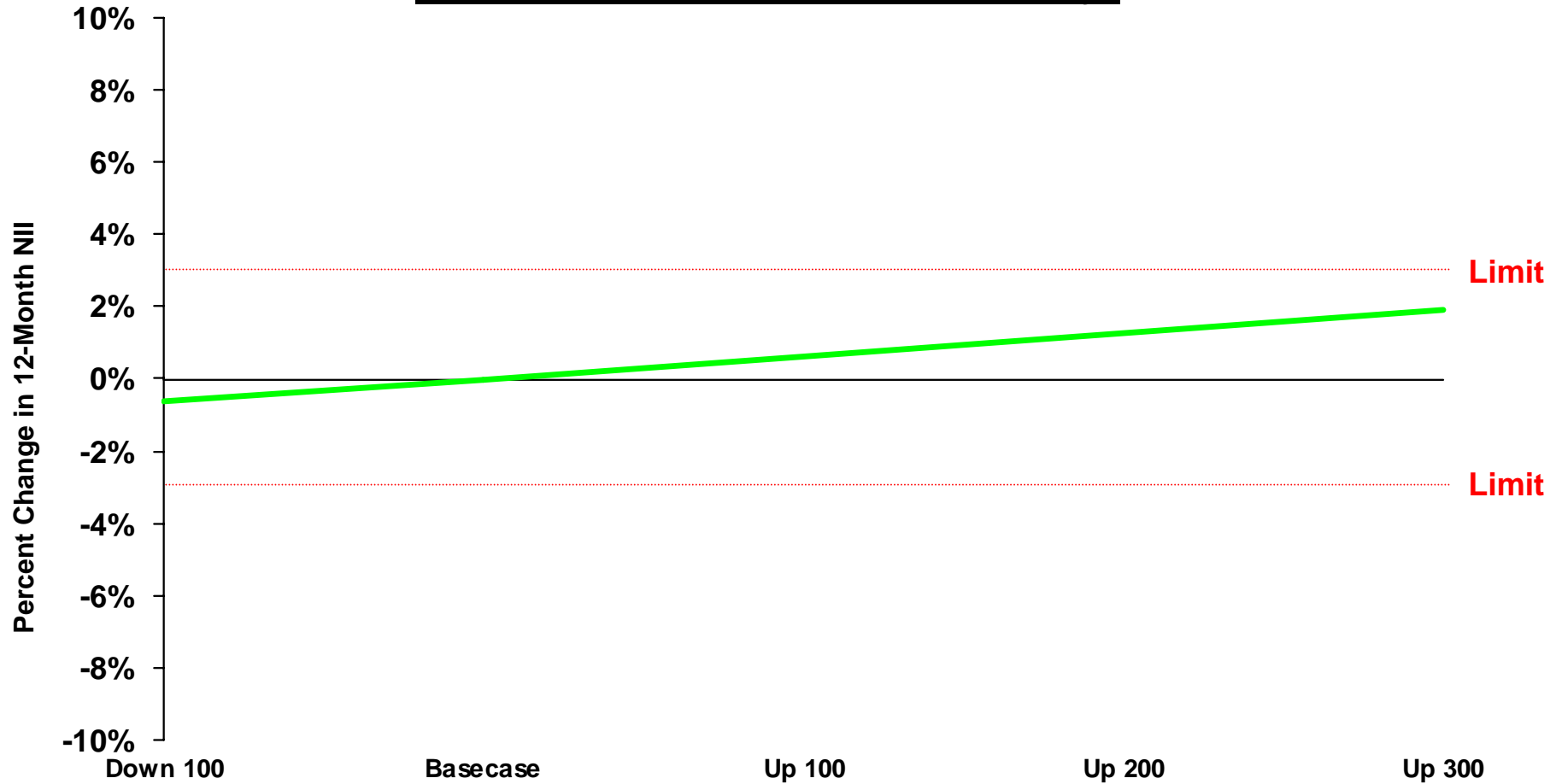


Expenses as % of Managed Loans



We are hedged against a rising interest rate environment

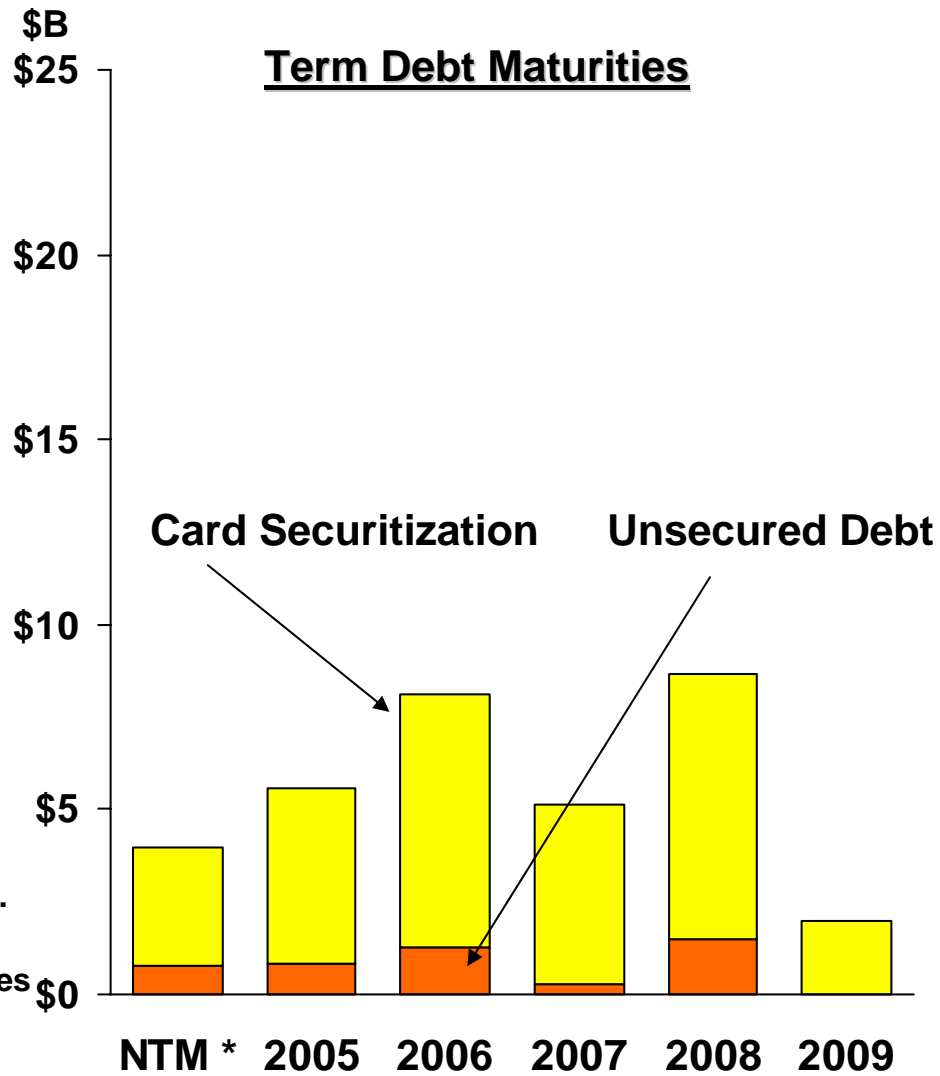
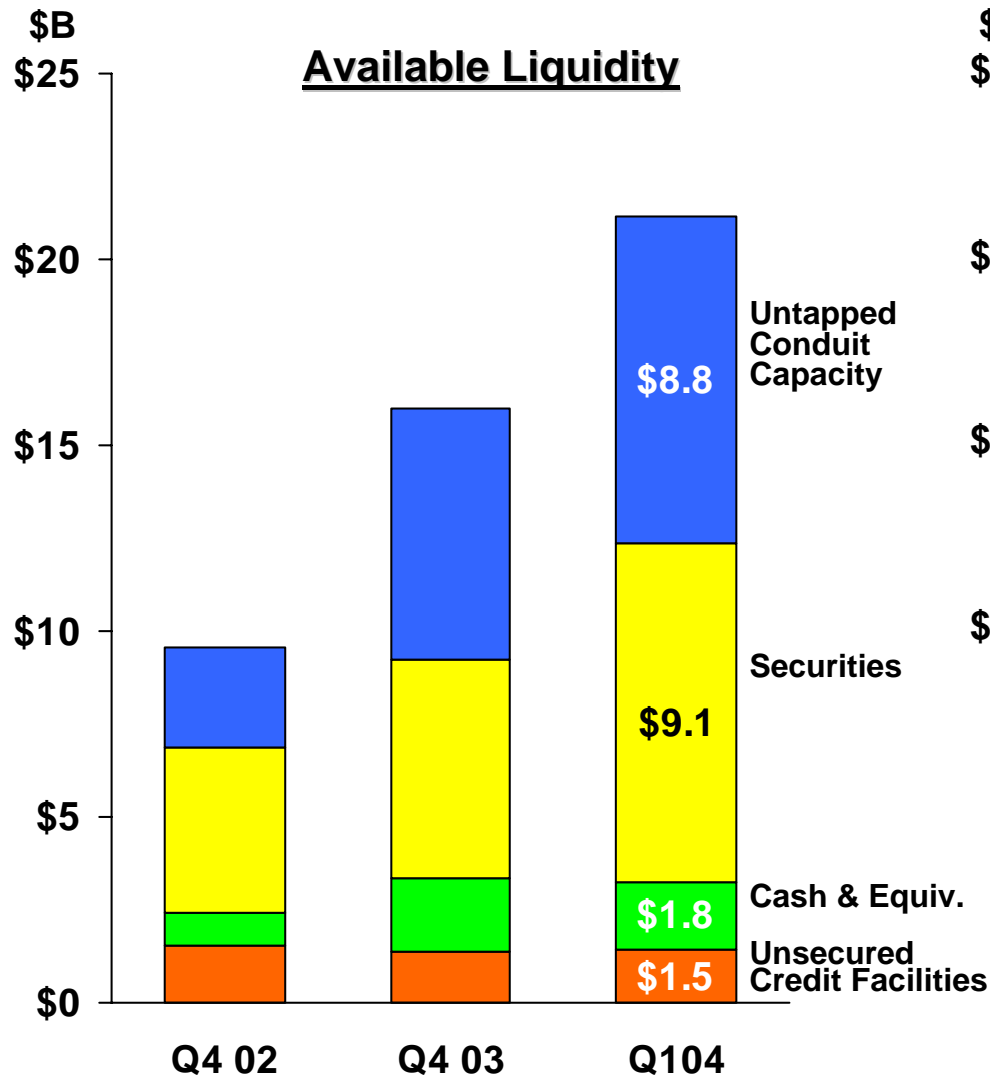
Net Interest Income (NII) Sensitivity*



* As of 2/29/04

Interest Rate Shock Across the Yield Curve

We continue to build liquidity under strong capital markets conditions

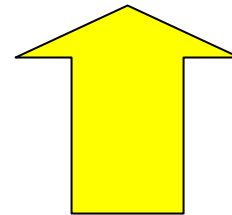


*Next Twelve Months, April 1, 2004 through March 31, 2005

First Quarter 2004

**Financial
Update**

**Business
Update**



Managed loans are on track for a mid-teens growth rate in 2004

\$ Billions	<u>3/31/04</u>	<u>12/31/03</u>	<u>3/31/03</u>	<u>Q104 Growth</u>	<u>Q104 Growth</u> ¹
US Card	\$ 45.3	\$ 46.3	\$ 38.7	\$ (1.0)	(8%)
Global Financial Services ²	17.6	16.5	12.7	1.1	27%
International	8.3	7.6	5.4	0.7	32%
Installment Loans	5.7	5.4	4.6	0.3	24%
Small Business	3.5	3.3	2.6	0.2	22%
Auto Finance	8.8	8.5	7.7	0.3	17%
Total Outstandings ³	\$ 71.8	\$ 71.2	\$ 59.2	\$ 0.6	3%

¹ Annualized

² Global Financial Services includes all International businesses, Installment Loans, Small Business Lending, and a variety of smaller ventures

³ Segments do not sum due to loans held in the Other Category

All segments delivered solid profits, with the US Card segment leading the way

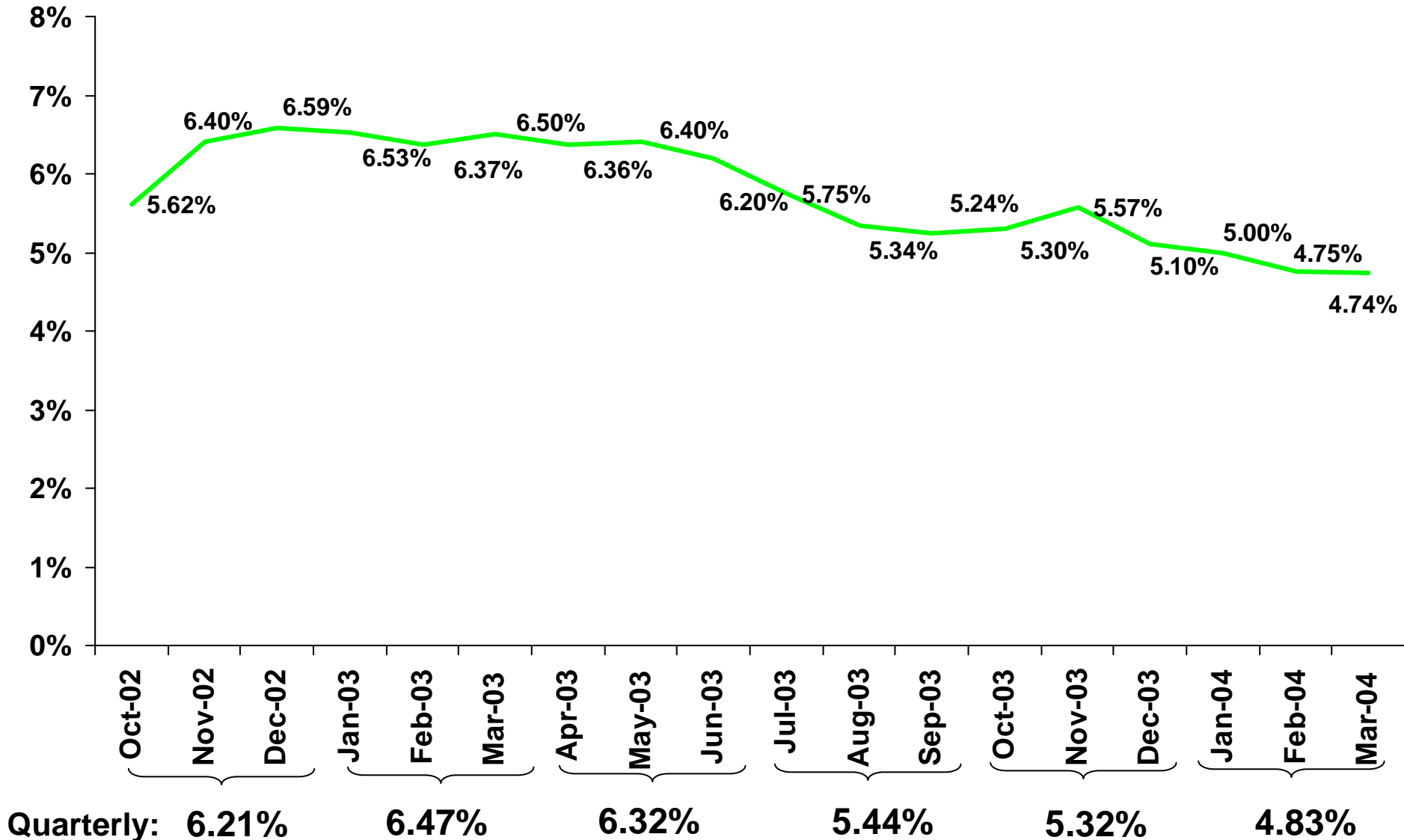
Net Income After Tax * (\$Millions)

	<u>Q104</u>	<u>Q403</u>	<u>Q103</u>
US Card	\$ 386.8	\$ 322.7	\$ 308.1
Auto Finance	\$ 30.7	\$ 34.4	\$ (6.5)
Global Financial Services	\$ 50.9	\$ 3.3	\$ 14.9

* Based on internal allocations of consolidated results.

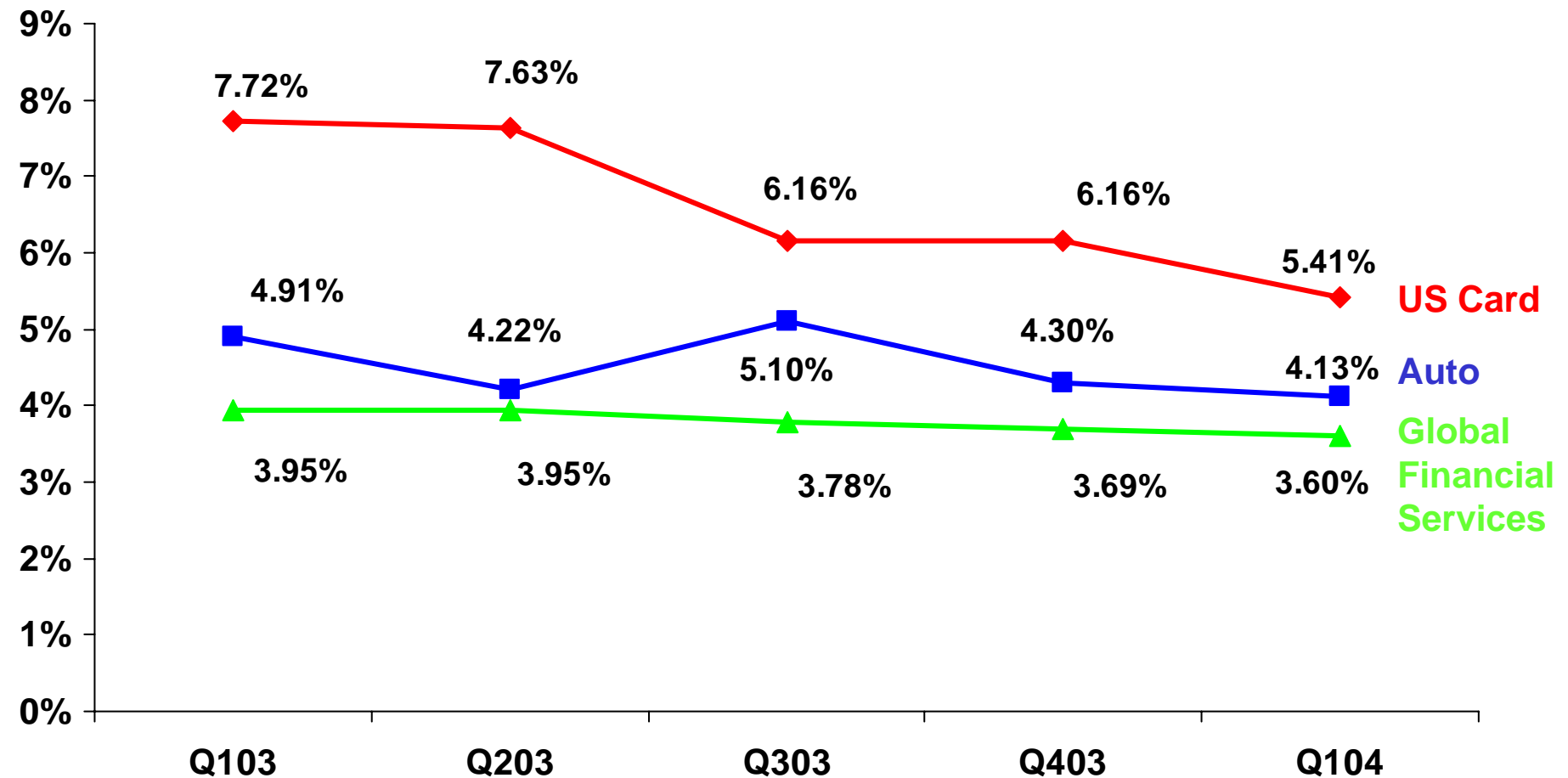
Charge-offs are expected to remain in the 4%'s for the remainder of 2004

Monthly Managed Net Charge-off Rate

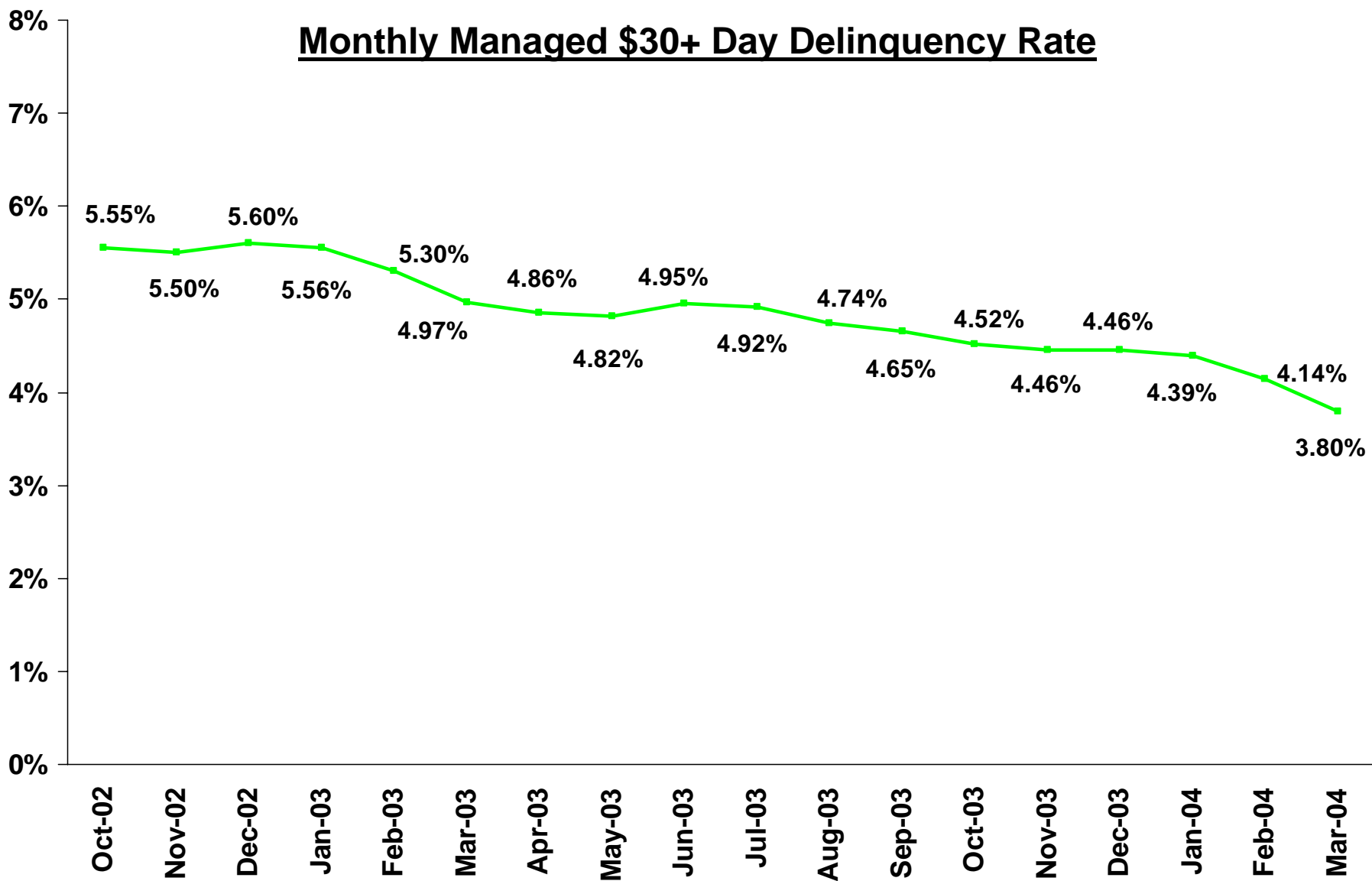


Charge-offs improved across all segments in Q104

Managed Net Charge-off Rate by Segment

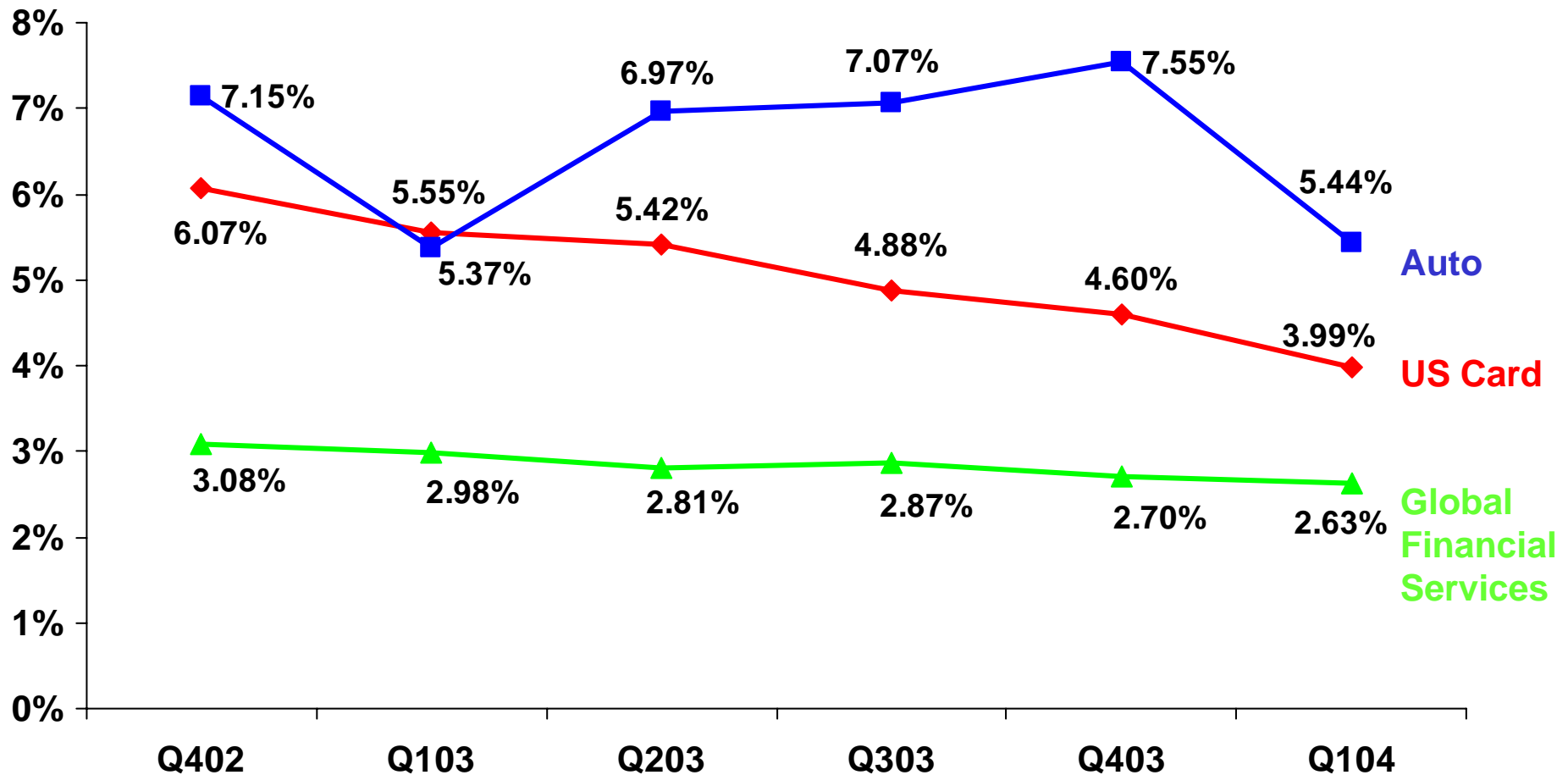


Delinquencies continued to decline in Q104



Our mix shift and a strong economy are driving delinquencies lower

Managed \$30+ Day Delinquency Rate by Segment



We're building Capital One for long-term success

Diversified Businesses

- Rigorous, conservative underwriting
- Multiple products
- Multiple geographies

Strong Balance Sheet

- Multiple funding sources
- Strong liquidity and capital
- Hedged against rising interest rates

**Stable, Profitable, Diversified
Consumer Financial Services Company**