

Capital One Financial Corporation
Financial Supplement
First Quarter 2016⁽¹⁾
Table of Contents

| Capital One Financial Corporation Consolidated Results | Page |
|--|-------------|
| Table 1: Financial Summary—Consolidated | 1 |
| Table 2: Selected Metrics—Consolidated | 3 |
| Table 3: Consolidated Statements of Income | 4 |
| Table 4: Consolidated Balance Sheets | 6 |
| Table 5: Notes to Financial Summary, Selected Metrics and Consolidated Financial Statements (Tables 1—4) | 8 |
| Table 6: Average Balances, Net Interest Income and Net Interest Margin | 10 |
| Table 7: Loan Information and Performance Statistics | 11 |
| Business Segment Results | |
| Table 8: Financial Summary—Business Segment Results | 13 |
| Table 9: Financial & Statistical Summary—Credit Card Business | 14 |
| Table 10: Financial & Statistical Summary—Consumer Banking Business | 16 |
| Table 11: Financial & Statistical Summary—Commercial Banking Business | 17 |
| Table 12: Financial & Statistical Summary—Other and Total | 18 |
| Table 13: Notes to Loan and Business Segments Disclosures (Tables 7—12) | 19 |
| Other | |
| Table 14: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures | 20 |

⁽¹⁾ The information contained in this Financial Supplement is preliminary and based on data available at the time of the earnings presentation. Investors should refer to our Quarterly Report on Form 10-Q for the period ended March 31, 2016 once it is filed with the Securities and Exchange Commission.

CAPITAL ONE FINANCIAL CORPORATION (COF)

Table 1: Financial Summary—Consolidated

| | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2016 Q1 vs. | |
|---|------------|------------|------------|------------|------------|-------------|------------|
| | | | | | | 2015 Q4 | 2015 Q1 |
| <i>(Dollars in millions, except per share data and as noted) (unaudited)</i> | | | | | | | |
| Income Statement | | | | | | | |
| Net interest income | \$ 5,056 | \$ 4,961 | \$ 4,760 | \$ 4,537 | \$ 4,576 | 2% | 10% |
| Non-interest income | 1,164 | 1,233 | 1,140 | 1,135 | 1,071 | (6) | 9 |
| Total net revenue ⁽¹⁾ | 6,220 | 6,194 | 5,900 | 5,672 | 5,647 | — | 10 |
| Provision for credit losses | 1,527 | 1,380 | 1,092 | 1,129 | 935 | 11 | 63 |
| Non-interest expense: | | | | | | | |
| Marketing | 428 | 564 | 418 | 387 | 375 | (24) | 14 |
| Amortization of intangibles | 101 | 103 | 106 | 111 | 110 | (2) | (8) |
| Operating expenses | 2,694 | 2,813 | 2,636 | 2,809 | 2,564 | (4) | 5 |
| Total non-interest expense | 3,223 | 3,480 | 3,160 | 3,307 | 3,049 | (7) | 6 |
| Income from continuing operations before income taxes | 1,470 | 1,334 | 1,648 | 1,236 | 1,663 | 10 | (12) |
| Income tax provision | 452 | 426 | 530 | 384 | 529 | 6 | (15) |
| Income from continuing operations, net of tax | 1,018 | 908 | 1,118 | 852 | 1,134 | 12 | (10) |
| Income (loss) from discontinued operations, net of tax ⁽²⁾ | (5) | 12 | (4) | 11 | 19 | ** | ** |
| Net income | 1,013 | 920 | 1,114 | 863 | 1,153 | 10 | (12) |
| Dividends and undistributed earnings allocated to participating securities ⁽³⁾ | (6) | (4) | (6) | (4) | (6) | 50 | — |
| Preferred stock dividends ⁽³⁾ | (37) | (68) | (29) | (29) | (32) | (46) | 16 |
| Net income available to common stockholders | \$ 970 | \$ 848 | \$ 1,079 | \$ 830 | \$ 1,115 | 14 | (13) |
| Common Share Statistics | | | | | | | |
| Basic earnings per common share:⁽³⁾ | | | | | | | |
| Net income from continuing operations | \$ 1.86 | \$ 1.58 | \$ 2.01 | \$ 1.50 | \$ 2.00 | 18% | (7)% |
| Income (loss) from discontinued operations | (0.01) | 0.02 | (0.01) | 0.02 | 0.03 | ** | ** |
| Net income per basic common share | \$ 1.85 | \$ 1.60 | \$ 2.00 | \$ 1.52 | \$ 2.03 | 16 | (9) |
| Diluted earnings per common share:⁽³⁾ | | | | | | | |
| Net income from continuing operations | \$ 1.85 | \$ 1.56 | \$ 1.99 | \$ 1.48 | \$ 1.97 | 19 | (6) |
| Income (loss) from discontinued operations | (0.01) | 0.02 | (0.01) | 0.02 | 0.03 | ** | ** |
| Net income per diluted common share ⁽⁴⁾ | \$ 1.84 | \$ 1.58 | \$ 1.98 | \$ 1.50 | \$ 2.00 | 16 | (8) |
| Weighted-average common shares outstanding (in millions): | | | | | | | |
| Basic | 523.5 | 530.8 | 540.6 | 545.6 | 550.2 | (1) | (5) |
| Diluted | 528.0 | 536.3 | 546.3 | 552.0 | 557.2 | (2) | (5) |
| Common shares outstanding (period end, in millions) | 514.5 | 527.3 | 534.9 | 542.5 | 548.0 | (2) | (6) |
| Dividends paid per common share | \$ 0.40 | \$ 0.40 | \$ 0.40 | \$ 0.40 | \$ 0.30 | — | 33 |
| Tangible book value per common share (period end) ⁽⁵⁾ | 55.94 | 53.65 | 54.66 | 52.74 | 52.19 | 4 | 7 |

| <i>(Dollars in millions) (unaudited)</i> | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2016 Q1 vs. | |
|--|------------|------------|------------|------------|------------|-------------|------------|
| | | | | | | 2015 Q4 | 2015 Q1 |
| Balance Sheet (Period End) | | | | | | | |
| Loans held for investment ⁽⁶⁾ | \$ 227,613 | \$ 229,851 | \$ 213,329 | \$ 209,705 | \$ 203,978 | (1)% | 12% |
| Interest-earning assets | 298,348 | 302,007 | 283,073 | 280,137 | 275,837 | (1) | 8 |
| Total assets | 330,346 | 334,048 | 313,700 | 310,510 | 306,224 | (1) | 8 |
| Interest-bearing deposits | 196,597 | 191,874 | 187,848 | 183,657 | 185,208 | 2 | 6 |
| Total deposits | 221,779 | 217,721 | 212,903 | 208,780 | 210,440 | 2 | 5 |
| Borrowings | 50,497 | 59,115 | 42,778 | 45,766 | 41,029 | (15) | 23 |
| Common equity | 44,411 | 43,990 | 44,391 | 43,849 | 43,908 | 1 | 1 |
| Total stockholders' equity | 47,707 | 47,284 | 47,685 | 46,659 | 45,730 | 1 | 4 |
| Balance Sheet (Average Balances) | | | | | | | |
| Loans held for investment ⁽⁶⁾ | \$ 226,736 | \$ 220,052 | \$ 211,227 | \$ 206,337 | \$ 205,194 | 3% | 10% |
| Interest-earning assets | 299,456 | 292,054 | 283,082 | 276,585 | 278,427 | 3 | 8 |
| Total assets | 331,919 | 323,354 | 313,822 | 307,206 | 309,401 | 3 | 7 |
| Interest-bearing deposits | 194,125 | 189,885 | 185,800 | 183,946 | 182,998 | 2 | 6 |
| Total deposits | 219,180 | 215,899 | 210,974 | 209,143 | 207,851 | 2 | 5 |
| Borrowings | 53,761 | 48,850 | 45,070 | 41,650 | 46,082 | 10 | 17 |
| Common equity | 45,782 | 45,418 | 45,407 | 44,878 | 44,575 | 1 | 3 |
| Total stockholders' equity | 49,078 | 48,712 | 48,456 | 47,255 | 46,397 | 1 | 6 |

CAPITAL ONE FINANCIAL CORPORATION (COF)

Table 2: Selected Metrics—Consolidated

| | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2016 Q1 vs. | |
|---|------------|------------|------------|------------|------------|-------------|------------|
| | | | | | | 2015 Q4 | 2015 Q1 |
| <i>(Dollars in millions except as noted) (unaudited)</i> | | | | | | | |
| Performance Metrics | | | | | | | |
| Net interest income growth (period over period) | 2% | 4% | 5% | (1)% | (2)% | ** | ** |
| Non-interest income growth (period over period) | (6) | 8 | — | 6 | (7) | ** | ** |
| Total net revenue growth (period over period) | — | 5 | 4 | — | (3) | ** | ** |
| Total net revenue margin ⁽⁷⁾ | 8.31 | 8.48 | 8.34 | 8.20 | 8.11 | (17)bps | 20bps |
| Net interest margin ⁽⁸⁾ | 6.75 | 6.79 | 6.73 | 6.56 | 6.57 | (4) | 18 |
| Return on average assets | 1.23 | 1.12 | 1.43 | 1.11 | 1.47 | 11 | (24) |
| Return on average tangible assets ⁽⁹⁾ | 1.29 | 1.18 | 1.50 | 1.17 | 1.54 | 11 | (25) |
| Return on average common equity ⁽¹⁰⁾ | 8.52 | 7.36 | 9.54 | 7.30 | 9.84 | 116 | (132) |
| Return on average tangible common equity ⁽¹¹⁾ | 12.94 | 11.11 | 14.33 | 11.06 | 15.00 | 183 | (206) |
| Non-interest expense as a percentage of average loans held for investment | 5.69 | 6.33 | 5.98 | 6.41 | 5.94 | (64) | (25) |
| Efficiency ratio ⁽¹²⁾ | 51.82 | 56.18 | 53.56 | 58.30 | 53.99 | (436) | (217) |
| Effective income tax rate for continuing operations | 30.7 | 31.9 | 32.2 | 31.1 | 31.8 | (120) | (110) |
| Employees (in thousands), period end | 45.8 | 45.4 | 46.9 | 47.5 | 47.0 | 1% | (3)% |
| Credit Quality Metrics⁽⁶⁾ | | | | | | | |
| Allowance for loan and lease losses | \$ 5,416 | \$ 5,130 | \$ 4,847 | \$ 4,676 | \$ 4,405 | 6% | 23% |
| Allowance as a percentage of loans held for investment | 2.38% | 2.23% | 2.27% | 2.23% | 2.16% | 15bps | 22bps |
| Net charge-offs | \$ 1,178 | \$ 1,078 | \$ 890 | \$ 846 | \$ 881 | 9% | 34% |
| Net charge-off rate ⁽¹³⁾ | 2.08% | 1.96% | 1.69% | 1.64% | 1.72% | 12bps | 36bps |
| 30+ day performing delinquency rate | 2.33 | 2.69 | 2.63 | 2.33 | 2.32 | (36) | 1 |
| 30+ day delinquency rate | 2.64 | 3.00 | 2.95 | 2.65 | 2.58 | (36) | 6 |
| Capital Ratios⁽¹⁴⁾ | | | | | | | |
| Common equity Tier 1 capital ratio | 11.1% | 11.1% | 12.1% | 12.1% | 12.5% | — | (140)bps |
| Tier 1 capital ratio | 12.4 | 12.4 | 13.4 | 13.3 | 13.2 | — | (80) |
| Total capital ratio | 14.6 | 14.6 | 15.1 | 15.1 | 15.1 | — | (50) |
| Tier 1 leverage ratio | 10.2 | 10.6 | 11.1 | 11.1 | 10.7 | (40)bps | (50) |
| Tangible common equity (“TCE”) ratio ⁽¹⁵⁾ | 9.1 | 8.9 | 9.8 | 9.7 | 9.8 | 20 | (70) |

CAPITAL ONE FINANCIAL CORPORATION (COF)
Table 3: Consolidated Statements of Income

| | Three Months Ended | | | 2016 Q1 vs. | |
|---|--------------------|---------------|-----------------|-------------|-------------|
| | 2016 Q1 | 2015 Q4 | 2015 Q1 | 2015 Q4 | 2015 Q1 |
| <i>(Dollars in millions, except per share data and as noted) (unaudited)</i> | | | | | |
| Interest income: | | | | | |
| Loans, including loans held for sale | \$ 5,085 | \$ 4,961 | \$ 4,540 | 2% | 12% |
| Investment securities | 415 | 401 | 406 | 3 | 2 |
| Other | 17 | 22 | 28 | (23) | (39) |
| Total interest income | 5,517 | 5,384 | 4,974 | 2 | 11 |
| Interest expense: | | | | | |
| Deposits | 283 | 277 | 271 | 2 | 4 |
| Securitized debt obligations | 48 | 43 | 33 | 12 | 45 |
| Senior and subordinated notes | 106 | 89 | 79 | 19 | 34 |
| Other borrowings | 24 | 14 | 15 | 71 | 60 |
| Total interest expense | 461 | 423 | 398 | 9 | 16 |
| Net interest income | 5,056 | 4,961 | 4,576 | 2 | 10 |
| Provision for credit losses | 1,527 | 1,380 | 935 | 11 | 63 |
| Net interest income after provision for credit losses | 3,529 | 3,581 | 3,641 | (1) | (3) |
| Non-interest income: | | | | | |
| Service charges and other customer-related fees | 404 | 426 | 437 | (5) | (8) |
| Interchange fees, net | 596 | 617 | 496 | (3) | 20 |
| Net other-than-temporary impairment recognized in earnings | (8) | (3) | (15) | 167 | (47) |
| Other | 172 | 193 | 153 | (11) | 12 |
| Total non-interest income | 1,164 | 1,233 | 1,071 | (6) | 9 |
| Non-interest expense: | | | | | |
| Salaries and associate benefits | 1,270 | 1,215 | 1,211 | 5 | 5 |
| Occupancy and equipment | 458 | 511 | 435 | (10) | 5 |
| Marketing | 428 | 564 | 375 | (24) | 14 |
| Professional services | 278 | 349 | 296 | (20) | (6) |
| Communications and data processing | 243 | 247 | 202 | (2) | 20 |
| Amortization of intangibles | 101 | 103 | 110 | (2) | (8) |
| Other | 445 | 491 | 420 | (9) | 6 |
| Total non-interest expense | 3,223 | 3,480 | 3,049 | (7) | 6 |
| Income from continuing operations before income taxes | 1,470 | 1,334 | 1,663 | 10 | (12) |
| Income tax provision | 452 | 426 | 529 | 6 | (15) |
| Income from continuing operations, net of tax | 1,018 | 908 | 1,134 | 12 | (10) |
| Income (loss) from discontinued operations, net of tax ⁽²⁾ | (5) | 12 | 19 | ** | ** |
| Net income | 1,013 | 920 | 1,153 | 10 | (12) |
| Dividends and undistributed earnings allocated to participating securities ⁽³⁾ | (6) | (4) | (6) | 50 | — |
| Preferred stock dividends ⁽³⁾ | (37) | (68) | (32) | (46) | 16 |
| Net income available to common stockholders | \$ 970 | \$ 848 | \$ 1,115 | 14 | (13) |

| | Three Months Ended | | | 2016 Q1 vs. | |
|--|--------------------|------------|------------|-------------|------------|
| | 2016 Q1 | 2015 Q4 | 2015 Q1 | 2015 Q4 | 2015 Q1 |
| <i>(Dollars in millions, except per share data and as noted) (unaudited)</i> | | | | | |
| Basic earnings per common share:⁽³⁾ | | | | | |
| Net income from continuing operations | \$ 1.86 | \$ 1.58 | \$ 2.00 | 18% | (7)% |
| Income (loss) from discontinued operations | (0.01) | 0.02 | 0.03 | ** | ** |
| Net income per basic common share | \$ 1.85 | \$ 1.60 | \$ 2.03 | 16 | (9) |
| Diluted earnings per common share:⁽³⁾ | | | | | |
| Net income from continuing operations | \$ 1.85 | \$ 1.56 | \$ 1.97 | 19 | (6) |
| Income (loss) from discontinued operations | (0.01) | 0.02 | 0.03 | ** | ** |
| Net income per diluted common share ⁽⁴⁾ | \$ 1.84 | \$ 1.58 | \$ 2.00 | 16 | (8) |
| Weighted-average common shares outstanding (in millions): | | | | | |
| Basic common shares | 523.5 | 530.8 | 550.2 | (1) | (5) |
| Diluted common shares | 528.0 | 536.3 | 557.2 | (2) | (5) |
| Dividends paid per common share | \$ 0.40 | \$ 0.40 | \$ 0.30 | — | 33 |

CAPITAL ONE FINANCIAL CORPORATION (COF)
Table 4: Consolidated Balance Sheets

| <i>(Dollars in millions) (unaudited)</i> | March 31, 2016 | December 31, 2015 | March 31, 2015 | March 31, 2016 vs. | |
|--|-------------------|----------------------|-------------------|----------------------|-------------------|
| | | | | December 31, 2015 | March 31, 2015 |
| Assets: | | | | | |
| Cash and cash equivalents: | | | | | |
| Cash and due from banks | \$ 3,241 | \$ 3,407 | \$ 2,853 | (5)% | 14% |
| Interest-bearing deposits with banks | 1,909 | 4,577 | 6,038 | (58) | (68) |
| Federal funds sold and securities purchased under agreements to resell | 85 | 39 | 0 | 118 | ** |
| Total cash and cash equivalents | 5,235 | 8,023 | 8,891 | (35) | (41) |
| Restricted cash for securitization investors | 960 | 1,017 | 234 | (6) | ** |
| Securities available for sale, at fair value | 40,092 | 39,061 | 39,321 | 3 | 2 |
| Securities held to maturity, at carrying value | 25,080 | 24,619 | 23,241 | 2 | 8 |
| Loans held for investment: ⁽⁶⁾ | | | | | |
| Unsecuritized loans held for investment | 195,705 | 196,068 | 170,040 | — | 15 |
| Loans held in consolidated trusts | 31,908 | 33,783 | 33,938 | (6) | (6) |
| Total loans held for investment | 227,613 | 229,851 | 203,978 | (1) | 12 |
| Allowance for loan and lease losses | (5,416) | (5,130) | (4,405) | 6 | 23 |
| Net loans held for investment | 222,197 | 224,721 | 199,573 | (1) | 11 |
| Loans held for sale, at lower of cost or fair value | 1,251 | 904 | 1,331 | 38 | (6) |
| Premises and equipment, net | 3,542 | 3,584 | 3,684 | (1) | (4) |
| Interest receivable | 1,221 | 1,189 | 1,078 | 3 | 13 |
| Goodwill | 14,492 | 14,480 | 13,978 | — | 4 |
| Other assets | 16,276 | 16,450 | 14,893 | (1) | 9 |
| Total assets | \$ 330,346 | \$ 334,048 | \$ 306,224 | (1) | 8 |

| <i>(Dollars in millions) (unaudited)</i> | March 31, 2016 | December 31, 2015 | March 31, 2015 | March 31, 2016 vs. | |
|--|-------------------|----------------------|-------------------|----------------------|-------------------|
| | | | | December 31, 2015 | March 31, 2015 |
| Liabilities: | | | | | |
| Interest payable | \$ 217 | \$ 299 | \$ 195 | (27)% | 11% |
| Deposits: | | | | | |
| Non-interest bearing deposits | 25,182 | 25,847 | 25,232 | (3) | — |
| Interest-bearing deposits | 196,597 | 191,874 | 185,208 | 2 | 6 |
| Total deposits | 221,779 | 217,721 | 210,440 | 2 | 5 |
| Securitized debt obligations | 14,913 | 16,166 | 12,717 | (8) | 17 |
| Other debt: | | | | | |
| Federal funds purchased and securities loaned or sold under agreements to repurchase | 917 | 981 | 933 | (7) | (2) |
| Senior and subordinated notes | 21,736 | 21,837 | 20,559 | — | 6 |
| Other borrowings | 12,931 | 20,131 | 6,820 | (36) | 90 |
| Total other debt | 35,584 | 42,949 | 28,312 | (17) | 26 |
| Other liabilities | 10,146 | 9,629 | 8,830 | 5 | 15 |
| Total liabilities | 282,639 | 286,764 | 260,494 | (1) | 9 |
| Stockholders' equity: | | | | | |
| Preferred stock | 0 | 0 | 0 | — | — |
| Common stock | 7 | 6 | 6 | 17 | 17 |
| Additional paid-in capital, net | 29,709 | 29,655 | 27,939 | — | 6 |
| Retained earnings | 27,808 | 27,045 | 24,925 | 3 | 12 |
| Accumulated other comprehensive loss | (41) | (616) | (212) | (93) | (81) |
| Treasury stock, at cost | (9,776) | (8,806) | (6,928) | 11 | 41 |
| Total stockholders' equity | 47,707 | 47,284 | 45,730 | 1 | 4 |
| Total liabilities and stockholders' equity | \$ 330,346 | \$ 334,048 | \$ 306,224 | (1) | 8 |

CAPITAL ONE FINANCIAL CORPORATION (COF)

Table 5: Notes to Financial Summary, Selected Metrics and Consolidated Financial Statements (Tables 1—4)

** Not meaningful.

- (1) Total net revenue was reduced by \$228 million in Q1 2016, \$222 million in Q4 2015, \$195 million in Q3 2015, \$168 million in Q2 2015 and \$147 million in Q1 2015 for the estimated uncollectible amount of billed finance charges and fees.
- (2) Historically, the majority of the provision (benefit) for representation and warranty losses is included net of tax in discontinued operations. The provision (benefit) for mortgage representation and warranty losses included the following activity:

| <i>(Dollars in millions) (unaudited)</i> | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Provision (benefit) for mortgage representation and warranty losses before income taxes: | | | | | |
| Recorded in continuing operations | \$ (1) | \$ (1) | \$ (7) | \$ (9) | \$ 1 |
| Recorded in discontinued operations | 3 | (21) | 3 | (27) | (19) |
| Total provision (benefit) for mortgage representation and warranty losses before income taxes | <u>\$ 2</u> | <u>\$ (22)</u> | <u>\$ (4)</u> | <u>\$ (36)</u> | <u>\$ (18)</u> |

The mortgage representation and warranty reserve was \$613 million as of March 31, 2016, \$610 million as of December 31, 2015 and \$673 million as of March 31, 2015.

- (3) Dividends and undistributed earnings allocated to participating securities, earnings per share and preferred stock dividends are computed independently for each period. Accordingly, the sum of each quarter may not agree to the year-to-date total.
- (4) In Q4 2015, we recorded charges totaling \$72 million associated with (i) completing the acquisition of the Healthcare Financial Services business of General Electric Capital Corporation (“HFS acquisition”) and establishing an initial allowance and reserve related to the loans acquired; (ii) certain planned site closures; and (iii) revisions to the restructuring charges recorded in Q2 2015 to reflect updated information. We recorded a build in the U.K. Payment Protection Insurance customer refund reserve (“U.K. PPI Reserve”) of \$69 million in Q3 2015 and \$78 million in Q2 2015. In Q2 2015, we also recorded restructuring charges of \$147 million for severance and related benefits pursuant to our ongoing benefit programs, as a result of the realignment of our workforce. We report the following non-GAAP financial measures that we believe are helpful for investors to understand the effect of these items on our reported results. The table below presents a reconciliation of our reported results to these non-GAAP financial measures. Periods not presented did not have any adjustments.

| <i>(Dollars in millions, except per share data) (unaudited)</i> | 2015 Q4 | | | 2015 Q3 | | | 2015 Q2 | | |
|---|---------------------------|-----------------------|------------------------|---------------------------|-----------------------|------------------------|---------------------------|-----------------------|------------------------|
| | Pre-Tax Income | Net Income | Diluted EPS | Pre-Tax Income | Net Income | Diluted EPS | Pre-Tax Income | Net Income | Diluted EPS |
| Reported results | \$ 1,334 | \$ 920 | \$ 1.58 | \$ 1,648 | \$ 1,114 | \$ 1.98 | \$ 1,236 | \$ 863 | \$ 1.50 |
| Adjustments | 72 | 46 | 0.09 | 69 | 69 | 0.12 | 225 | 155 | 0.28 |
| Results excluding adjustments | <u>\$ 1,406</u> | <u>\$ 966</u> | <u>\$ 1.67</u> | <u>\$ 1,717</u> | <u>\$ 1,183</u> | <u>\$ 2.10</u> | <u>\$ 1,461</u> | <u>\$ 1,018</u> | <u>\$ 1.78</u> |

- (5) Tangible book value per common share is a non-GAAP measure calculated based on tangible common equity divided by common shares outstanding. See “Table 14: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures” for additional information on tangible common equity.
- (6) Included in loans held for investment are purchased credit-impaired loans (“PCI loans”) recorded at fair value at acquisition and subsequently accounted for based on estimated cash flows expected to be collected over the life of the loans (under the accounting standard formerly known as “SOP 03-3,” or Accounting Standards Codification 310-30). These include certain of our consumer and commercial loans that were acquired through business combinations. The table below presents amounts related to PCI loans:

| <i>(Dollars in millions) (unaudited)</i> | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| PCI loans: | | | | | |
| Period-end unpaid principal balance | \$ 19,492 | \$ 20,434 | \$ 20,585 | \$ 21,841 | \$ 23,248 |
| Period-end loans held for investment | 18,568 | 19,518 | 19,743 | 20,970 | 22,334 |
| Average loans held for investment | 18,894 | 19,319 | 20,116 | 21,440 | 22,773 |

(7) Calculated based on annualized total net revenue for the period divided by average interest-earning assets for the period.

(8) Calculated based on annualized net interest income for the period divided by average interest-earning assets for the period.

- (9) Calculated based on annualized income from continuing operations, net of tax, for the period divided by average tangible assets for the period. Return on average tangible assets is a non-GAAP measure. See “Table 14: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures” for additional information.
- (10) Calculated based on the annualized sum of (i) income from continuing operations, net of tax; (ii) less dividends and undistributed earnings allocated to participating securities; (iii) less preferred stock dividends, for the period, divided by average common equity for the period. Our calculation of return on average common equity may not be comparable to similarly titled measures reported by other companies.
- (11) Calculated based on the annualized sum of (i) income from continuing operations, net of tax; (ii) less dividends and undistributed earnings allocated to participating securities; (iii) less preferred stock dividends, for the period, divided by average tangible common equity for the period. Return on average tangible common equity is a non-GAAP measure and our calculation may not be comparable to similarly titled measures reported by other companies. See “Table 14: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures” for additional information.
- (12) Calculated based on total non-interest expense for the period divided by total net revenue for the period. The efficiency ratio, excluding the adjustments discussed above in Footnote 4, was 55.82% for Q4 2015, 52.78% for Q3 2015 and 54.63% for Q2 2015.
- (13) Calculated based on annualized net charge-offs for the period divided by average loans held for investment for the period.
- (14) Ratios as of the end of Q1 2016 are preliminary and therefore subject to change. See “Table 14: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures” for information on the calculation of each of these ratios.
- (15) TCE ratio is a non-GAAP measure calculated based on TCE divided by tangible assets. See “Table 14: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures” for additional information.

CAPITAL ONE FINANCIAL CORPORATION (COF)

Table 6: Average Balances, Net Interest Income and Net Interest Margin

| <i>(Dollars in millions) (unaudited)</i> | 2016 Q1 | | | 2015 Q4 | | | 2015 Q1 | | |
|--|-------------------|--|---------------------------|-------------------|--|---------------------------|-------------------|--|---------------------------|
| | Average Balance | Interest Income/Expense ⁽¹⁾ | Yield/Rate ⁽¹⁾ | Average Balance | Interest Income/Expense ⁽¹⁾ | Yield/Rate ⁽¹⁾ | Average Balance | Interest Income/Expense ⁽¹⁾ | Yield/Rate ⁽¹⁾ |
| Interest-earning assets: | | | | | | | | | |
| Loans, including loans held for sale | \$ 227,573 | \$ 5,085 | 8.94% | \$ 220,760 | \$ 4,961 | 8.99% | \$ 205,854 | \$ 4,540 | 8.82% |
| Investment securities | 65,156 | 415 | 2.55 | 64,444 | 401 | 2.49 | 63,181 | 406 | 2.57 |
| Cash equivalents and other | 6,727 | 17 | 1.01 | 6,850 | 22 | 1.28 | 9,392 | 28 | 1.19 |
| Total interest-earning assets | <u>\$ 299,456</u> | <u>\$ 5,517</u> | <u>7.37</u> | <u>\$ 292,054</u> | <u>\$ 5,384</u> | <u>7.37</u> | <u>\$ 278,427</u> | <u>\$ 4,974</u> | <u>7.15</u> |
| Interest-bearing liabilities: | | | | | | | | | |
| Interest-bearing deposits | \$ 194,125 | \$ 283 | 0.58% | \$ 189,885 | \$ 277 | 0.58% | \$ 182,998 | \$ 271 | 0.59% |
| Securitized debt obligations | 15,361 | 48 | 1.25 | 15,993 | 43 | 1.08 | 11,563 | 33 | 1.14 |
| Senior and subordinated notes | 21,993 | 106 | 1.93 | 21,987 | 89 | 1.62 | 20,595 | 79 | 1.53 |
| Other borrowings and liabilities | 17,176 | 24 | 0.56 | 11,542 | 14 | 0.49 | 14,721 | 15 | 0.41 |
| Total interest-bearing liabilities | <u>\$ 248,655</u> | <u>\$ 461</u> | <u>0.74</u> | <u>\$ 239,407</u> | <u>\$ 423</u> | <u>0.71</u> | <u>\$ 229,877</u> | <u>\$ 398</u> | <u>0.69</u> |
| Net interest income/spread | | <u>\$ 5,056</u> | <u>6.63</u> | | <u>\$ 4,961</u> | <u>6.66</u> | | <u>\$ 4,576</u> | <u>6.46</u> |
| Impact of non-interest bearing funding | | | 0.12 | | | 0.13 | | | 0.11 |
| Net interest margin | | | <u>6.75%</u> | | | <u>6.79%</u> | | | <u>6.57%</u> |

⁽¹⁾ Interest income and interest expense and the calculation of average yields on interest-earning assets and average rates on interest-bearing liabilities include the impact of hedge accounting.

CAPITAL ONE FINANCIAL CORPORATION (COF)

Table 7: Loan Information and Performance Statistics

| | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2016 Q1 vs. | |
|---|------------|------------|------------|------------|------------|-------------|------------|
| | | | | | | 2015 Q4 | 2015 Q1 |
| <i>(Dollars in millions) (unaudited)</i> | | | | | | | |
| Loans Held For Investment (Period End) | | | | | | | |
| Credit card: | | | | | | | |
| Domestic credit card | \$ 84,561 | \$ 87,939 | \$ 82,178 | \$ 78,984 | \$ 74,131 | (4)% | 14% |
| International credit card | 8,138 | 8,186 | 7,957 | 8,219 | 7,623 | (1) | 7 |
| Total credit card | 92,699 | 96,125 | 90,135 | 87,203 | 81,754 | (4) | 13 |
| Consumer banking: | | | | | | | |
| Auto | 42,714 | 41,549 | 41,052 | 39,991 | 38,937 | 3 | 10 |
| Home loan | 24,343 | 25,227 | 26,340 | 27,595 | 28,905 | (4) | (16) |
| Retail banking | 3,534 | 3,596 | 3,598 | 3,590 | 3,537 | (2) | — |
| Total consumer banking | 70,591 | 70,372 | 70,990 | 71,176 | 71,379 | — | (1) |
| Commercial banking: | | | | | | | |
| Commercial and multifamily real estate | 25,559 | 25,518 | 23,585 | 22,886 | 22,831 | — | 12 |
| Commercial and industrial | 38,102 | 37,135 | 27,873 | 27,660 | 27,172 | 3 | 40 |
| Total commercial lending | 63,661 | 62,653 | 51,458 | 50,546 | 50,003 | 2 | 27 |
| Small-ticket commercial real estate | 580 | 613 | 654 | 685 | 738 | (5) | (21) |
| Total commercial banking | 64,241 | 63,266 | 52,112 | 51,231 | 50,741 | 2 | 27 |
| Other loans | 82 | 88 | 92 | 95 | 104 | (7) | (21) |
| Total loans held for investment | \$ 227,613 | \$ 229,851 | \$ 213,329 | \$ 209,705 | \$ 203,978 | (1) | 12 |
| Loans Held For Investment (Average) | | | | | | | |
| Credit card: | | | | | | | |
| Domestic credit card | \$ 85,148 | \$ 83,760 | \$ 80,402 | \$ 75,924 | \$ 74,770 | 2% | 14% |
| International credit card | 7,839 | 8,127 | 8,048 | 7,977 | 7,811 | (4) | — |
| Total credit card | 92,987 | 91,887 | 88,450 | 83,901 | 82,581 | 1 | 13 |
| Consumer banking: | | | | | | | |
| Auto | 41,962 | 41,333 | 40,560 | 39,546 | 38,387 | 2 | 9 |
| Home loan | 24,781 | 25,776 | 26,934 | 28,251 | 29,493 | (4) | (16) |
| Retail banking | 3,553 | 3,595 | 3,603 | 3,570 | 3,561 | (1) | — |
| Total consumer banking | 70,296 | 70,704 | 71,097 | 71,367 | 71,441 | (1) | (2) |
| Commercial banking: | | | | | | | |
| Commercial and multifamily real estate | 25,015 | 25,613 | 23,305 | 22,853 | 23,120 | (2) | 8 |
| Commercial and industrial | 37,762 | 31,132 | 27,620 | 27,414 | 27,190 | 21 | 39 |
| Total commercial lending | 62,777 | 56,745 | 50,925 | 50,267 | 50,310 | 11 | 25 |
| Small-ticket commercial real estate | 598 | 634 | 667 | 709 | 760 | (6) | (21) |
| Total commercial banking | 63,375 | 57,379 | 51,592 | 50,976 | 51,070 | 10 | 24 |
| Other loans | 78 | 82 | 88 | 93 | 102 | (5) | (24) |
| Total average loans held for investment | \$ 226,736 | \$ 220,052 | \$ 211,227 | \$ 206,337 | \$ 205,194 | 3 | 10 |
| Net Charge-Off (Recovery) Rates | | | | | | | |
| Credit card: | | | | | | | |
| Domestic credit card | 4.16% | 3.75% | 3.08% | 3.42% | 3.55% | 41bps | 61bps |
| International credit card | 3.24 | 2.76 | 1.80 | 2.65 | 2.80 | 48 | 44 |
| Total credit card | 4.09 | 3.66 | 2.96 | 3.35 | 3.48 | 43 | 61 |

| (Dollars in millions) (unaudited) | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2016 Q1 vs. | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| | | | | | | 2015 Q4 | 2015 Q1 |
| Consumer banking: | | | | | | | |
| Auto | 1.60% | 2.10% | 1.85% | 1.22% | 1.55% | (50)bps | 5bps |
| Home loan | 0.05 | 0.05 | 0.01 | 0.04 | 0.03 | — | 2 |
| Retail banking | 1.36 | 1.43 | 1.53 | 1.39 | 0.96 | (7) | 40 |
| Total consumer banking | 1.04 | 1.32 | 1.14 | 0.76 | 0.89 | (28) | 15 |
| Commercial banking: | | | | | | | |
| Commercial and multifamily real estate | (0.01) | (0.03) | (0.15) | (0.04) | (0.03) | 2 | 2 |
| Commercial and industrial | 0.49 | 0.07 | 0.61 | 0.13 | 0.05 | 42 | 44 |
| Total commercial lending | 0.29 | 0.02 | 0.26 | 0.05 | 0.01 | 27 | 28 |
| Small-ticket commercial real estate | 0.13 | 0.34 | 0.50 | 0.15 | 0.47 | (21) | (34) |
| Total commercial banking | 0.29 | 0.03 | 0.26 | 0.05 | 0.02 | 26 | 27 |
| Total net charge-offs | 2.08 | 1.96 | 1.69 | 1.64 | 1.72 | 12 | 36 |
| 30+ Day Performing Delinquency Rates | | | | | | | |
| Credit card: | | | | | | | |
| Domestic credit card | 3.09% | 3.39% | 3.28% | 2.84% | 2.92% | (30)bps | 17bps |
| International credit card | 3.32 | 2.98 | 2.81 | 2.65 | 2.81 | 34 | 51 |
| Total credit card | 3.11 | 3.36 | 3.24 | 2.82 | 2.91 | (25) | 20 |
| Consumer banking: | | | | | | | |
| Auto | 5.14 | 6.69 | 6.10 | 5.58 | 5.21 | (155) | (7) |
| Home loan | 0.14 | 0.16 | 0.18 | 0.17 | 0.18 | (2) | (4) |
| Retail banking | 0.61 | 0.76 | 0.62 | 0.66 | 0.60 | (15) | 1 |
| Total consumer banking | 3.19 | 4.05 | 3.62 | 3.24 | 2.95 | (86) | 24 |
| Nonperforming Loans and Nonperforming Assets Rates⁽¹⁾⁽²⁾ | | | | | | | |
| Credit card: | | | | | | | |
| International credit card | 0.59% | 0.65% | 0.77% | 0.83% | 0.84% | (6)bps | (25)bps |
| Total credit card | 0.05 | 0.06 | 0.07 | 0.08 | 0.08 | (1) | (3) |
| Consumer banking: | | | | | | | |
| Auto | 0.31 | 0.53 | 0.49 | 0.40 | 0.31 | (22) | — |
| Home loan | 1.26 | 1.23 | 1.18 | 1.13 | 1.16 | 3 | 10 |
| Retail banking | 0.83 | 0.77 | 0.74 | 0.79 | 0.71 | 6 | 12 |
| Total consumer banking | 0.66 | 0.79 | 0.76 | 0.70 | 0.67 | (13) | (1) |
| Commercial banking: | | | | | | | |
| Commercial and multifamily real estate | 0.12 | 0.03 | 0.03 | 0.12 | 0.18 | 9 | (6) |
| Commercial and industrial | 2.66 | 1.45 | 1.58 | 1.56 | 0.39 | 121 | 227 |
| Total commercial lending | 1.64 | 0.87 | 0.87 | 0.91 | 0.29 | 77 | 135 |
| Small-ticket commercial real estate | 1.11 | 0.83 | 0.65 | 0.47 | 1.62 | 28 | (51) |
| Total commercial banking | 1.63 | 0.87 | 0.87 | 0.90 | 0.31 | 76 | 132 |
| Total nonperforming loans | 0.69 | 0.51 | 0.50 | 0.50 | 0.35 | 18 | 34 |
| Total nonperforming assets | 0.83 | 0.65 | 0.64 | 0.64 | 0.50 | 18 | 33 |

CAPITAL ONE FINANCIAL CORPORATION (COF)
Table 9: Financial & Statistical Summary—Credit Card Business

| <i>(Dollars in millions) (unaudited)</i> | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2016 Q1 vs. | |
|--|------------|------------|------------|------------|------------|-------------|------------|
| | | | | | | 2015 Q4 | 2015 Q1 |
| Credit Card⁽⁴⁾ | | | | | | | |
| Earnings: | | | | | | | |
| Net interest income | \$ 3,033 | \$ 2,996 | \$ 2,866 | \$ 2,633 | \$ 2,666 | 1% | 14% |
| Non-interest income | 847 | 902 | 858 | 845 | 816 | (6) | 4 |
| Total net revenue (loss) | 3,880 | 3,898 | 3,724 | 3,478 | 3,482 | — | 11 |
| Provision (benefit) for credit losses | 1,071 | 1,022 | 831 | 895 | 669 | 5 | 60 |
| Non-interest expense | 1,863 | 2,021 | 1,848 | 1,857 | 1,776 | (8) | 5 |
| Income (loss) from continuing operations before income taxes | 946 | 855 | 1,045 | 726 | 1,037 | 11 | (9) |
| Income tax provision (benefit) | 337 | 302 | 375 | 263 | 369 | 12 | (9) |
| Income (loss) from continuing operations, net of tax | \$ 609 | \$ 553 | \$ 670 | \$ 463 | \$ 668 | 10 | (9) |
| Selected performance metrics: | | | | | | | |
| Period-end loans held for investment | \$ 92,699 | \$ 96,125 | \$ 90,135 | \$ 87,203 | \$ 81,754 | (4)% | 13% |
| Average loans held for investment | 92,987 | 91,887 | 88,450 | 83,901 | 82,581 | 1 | 13 |
| Average yield on loans held for investment ⁽⁵⁾ | 14.60% | 14.45% | 14.39% | 13.98% | 14.30% | 15bps | 30bps |
| Total net revenue margin ⁽⁶⁾ | 16.69 | 16.97 | 16.84 | 16.58 | 16.87 | (28) | (18) |
| Net charge-off rate | 4.09 | 3.66 | 2.96 | 3.35 | 3.48 | 43 | 61 |
| 30+ day performing delinquency rate | 3.11 | 3.36 | 3.24 | 2.82 | 2.91 | (25) | 20 |
| 30+ day delinquency rate | 3.15 | 3.40 | 3.29 | 2.88 | 2.97 | (25) | 18 |
| Nonperforming loan rate ⁽¹⁾ | 0.05 | 0.06 | 0.07 | 0.08 | 0.08 | (1) | (3) |
| PCCR intangible amortization | \$ 70 | \$ 74 | \$ 78 | \$ 80 | \$ 84 | (5)% | (17)% |
| Purchase volume ⁽⁷⁾ | 68,189 | 75,350 | 69,875 | 68,559 | 57,383 | (10) | 19 |

| | 2016 | 2015 | 2015 | 2015 | 2015 | 2016 Q1 vs. | |
|--|-----------|-----------|-----------|-----------|-----------|-------------|--------|
| | | | | | | 2015 | 2015 |
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q1 |
| <i>(Dollars in millions) (unaudited)</i> | | | | | | | |
| Domestic Card | | | | | | | |
| Earnings: | | | | | | | |
| Net interest income | \$ 2,756 | \$ 2,718 | \$ 2,613 | \$ 2,395 | \$ 2,421 | 1% | 14% |
| Non-interest income | 774 | 830 | 814 | 796 | 743 | (7) | 4 |
| Total net revenue (loss) | 3,530 | 3,548 | 3,427 | 3,191 | 3,164 | (1) | 12 |
| Provision (benefit) for credit losses | 972 | 945 | 796 | 853 | 610 | 3 | 59 |
| Non-interest expense | 1,671 | 1,796 | 1,630 | 1,621 | 1,580 | (7) | 6 |
| Income (loss) from continuing operations before income taxes | 887 | 807 | 1,001 | 717 | 974 | 10 | (9) |
| Income tax provision (benefit) | 323 | 293 | 362 | 259 | 353 | 10 | (8) |
| Income (loss) from continuing operations, net of tax | \$ 564 | \$ 514 | \$ 639 | \$ 458 | \$ 621 | 10 | (9) |
| Selected performance metrics: | | | | | | | |
| Period-end loans held for investment | \$ 84,561 | \$ 87,939 | \$ 82,178 | \$ 78,984 | \$ 74,131 | (4)% | 14% |
| Average loans held for investment | 85,148 | 83,760 | 80,402 | 75,924 | 74,770 | 2 | 14 |
| Average yield on loans held for investment ⁽⁵⁾ | 14.43% | 14.31% | 14.35% | 13.95% | 14.23% | 12bps | 20bps |
| Total net revenue margin ⁽⁶⁾ | 16.58 | 16.95 | 17.05 | 16.81 | 16.93 | (37) | (35) |
| Net charge-off rate | 4.16 | 3.75 | 3.08 | 3.42 | 3.55 | 41 | 61 |
| 30+ day performing delinquency rate | 3.09 | 3.39 | 3.28 | 2.84 | 2.92 | (30) | 17 |
| 30+ day delinquency rate | 3.09 | 3.39 | 3.28 | 2.84 | 2.92 | (30) | 17 |
| Purchase volume ⁽⁷⁾ | \$ 62,617 | \$ 68,740 | \$ 63,777 | \$ 62,198 | \$ 52,025 | (9)% | 20% |
| International Card⁽⁴⁾ | | | | | | | |
| Earnings: | | | | | | | |
| Net interest income | \$ 277 | \$ 278 | \$ 253 | \$ 238 | \$ 245 | — | 13% |
| Non-interest income | 73 | 72 | 44 | 49 | 73 | 1% | — |
| Total net revenue (loss) | 350 | 350 | 297 | 287 | 318 | — | 10 |
| Provision (benefit) for credit losses | 99 | 77 | 35 | 42 | 59 | 29 | 68 |
| Non-interest expense | 192 | 225 | 218 | 236 | 196 | (15) | (2) |
| Income (loss) from continuing operations before income taxes | 59 | 48 | 44 | 9 | 63 | 23 | (6) |
| Income tax provision (benefit) | 14 | 9 | 13 | 4 | 16 | 56 | (13) |
| Income (loss) from continuing operations, net of tax | \$ 45 | \$ 39 | \$ 31 | \$ 5 | \$ 47 | 15 | (4) |
| Selected performance metrics: | | | | | | | |
| Period-end loans held for investment | \$ 8,138 | \$ 8,186 | \$ 7,957 | \$ 8,219 | \$ 7,623 | (1)% | 7% |
| Average loans held for investment | 7,839 | 8,127 | 8,048 | 7,977 | 7,811 | (4) | — |
| Average yield on loans held for investment ⁽⁵⁾ | 16.47% | 15.96% | 14.88% | 14.29% | 14.93% | 51bps | 154bps |
| Total net revenue margin ⁽⁶⁾ | 17.85 | 17.21 | 14.77 | 14.36 | 16.31 | 64 | 154 |
| Net charge-off rate | 3.24 | 2.76 | 1.80 | 2.65 | 2.80 | 48 | 44 |
| 30+ day performing delinquency rate | 3.32 | 2.98 | 2.81 | 2.65 | 2.81 | 34 | 51 |
| 30+ day delinquency rate | 3.76 | 3.46 | 3.39 | 3.29 | 3.44 | 30 | 32 |
| Nonperforming loan rate ⁽¹⁾ | 0.59 | 0.65 | 0.77 | 0.83 | 0.84 | (6) | (25) |
| Purchase volume ⁽⁷⁾ | \$ 5,572 | \$ 6,610 | \$ 6,098 | \$ 6,361 | \$ 5,358 | (16)% | 4% |

CAPITAL ONE FINANCIAL CORPORATION (COF)
Table 10: Financial & Statistical Summary—Consumer Banking Business

| | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2016 Q1 vs. | |
|--|------------|------------|------------|------------|------------|-------------|------------|
| | | | | | | 2015 Q4 | 2015 Q1 |
| <i>(Dollars in millions) (unaudited)</i> | | | | | | | |
| Consumer Banking | | | | | | | |
| Earnings: | | | | | | | |
| Net interest income | \$ 1,420 | \$ 1,434 | \$ 1,443 | \$ 1,444 | \$ 1,434 | (1)% | (1)% |
| Non-interest income | 191 | 182 | 174 | 196 | 158 | 5 | 21 |
| Total net revenue (loss) | 1,611 | 1,616 | 1,617 | 1,640 | 1,592 | — | 1 |
| Provision (benefit) for credit losses | 230 | 240 | 188 | 185 | 206 | (4) | 12 |
| Non-interest expense | 990 | 1,057 | 1,001 | 998 | 970 | (6) | 2 |
| Income (loss) from continuing operations before income taxes | 391 | 319 | 428 | 457 | 416 | 23 | (6) |
| Income tax provision (benefit) | 142 | 115 | 155 | 166 | 150 | 23 | (5) |
| Income (loss) from continuing operations, net of tax | \$ 249 | \$ 204 | \$ 273 | \$ 291 | \$ 266 | 22 | (6) |
| Selected performance metrics: | | | | | | | |
| Period-end loans held for investment | \$ 70,591 | \$ 70,372 | \$ 70,990 | \$ 71,176 | \$ 71,379 | — | (1)% |
| Average loans held for investment | 70,296 | 70,704 | 71,097 | 71,367 | 71,441 | (1)% | (2) |
| Average yield on loans held for investment ⁽⁵⁾ | 6.18% | 6.25% | 6.25% | 6.27% | 6.26% | (7)bps | (8)bps |
| Auto loan originations | \$ 5,844 | \$ 4,977 | \$ 5,590 | \$ 5,433 | \$ 5,185 | 17% | 13% |
| Period-end deposits | 177,803 | 172,702 | 170,866 | 170,321 | 172,502 | 3 | 3 |
| Average deposits | 174,254 | 171,521 | 170,816 | 171,076 | 169,593 | 2 | 3 |
| Average deposit interest rate | 0.54% | 0.54% | 0.56% | 0.57% | 0.57% | — | (3)bps |
| Core deposit intangible amortization | \$ 15 | \$ 17 | \$ 19 | \$ 21 | \$ 22 | (12)% | (32)% |
| Net charge-off rate | 1.04% | 1.32% | 1.14% | 0.76% | 0.89% | (28)bps | 15bps |
| 30+ day performing delinquency rate | 3.19 | 4.05 | 3.62 | 3.24 | 2.95 | (86) | 24 |
| 30+ day delinquency rate | 3.67 | 4.67 | 4.22 | 3.80 | 3.46 | (100) | 21 |
| Nonperforming loan rate ⁽¹⁾ | 0.66 | 0.79 | 0.76 | 0.70 | 0.67 | (13) | (1) |
| Nonperforming asset rate ⁽²⁾ | 0.95 | 1.10 | 1.05 | 0.98 | 0.95 | (15) | — |

CAPITAL ONE FINANCIAL CORPORATION (COF)
Table 11: Financial & Statistical Summary—Commercial Banking Business

| | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2016 Q1 vs. | |
|--|------------|------------|------------|------------|------------|-------------|------------|
| | | | | | | 2015 Q4 | 2015 Q1 |
| <i>(Dollars in millions) (unaudited)</i> | | | | | | | |
| Commercial Banking | | | | | | | |
| Earnings: | | | | | | | |
| Net interest income | \$ 537 | \$ 484 | \$ 454 | \$ 466 | \$ 461 | 11% | 16% |
| Non-interest income | 118 | 142 | 108 | 123 | 114 | (17) | 4 |
| Total net revenue (loss) ⁽³⁾ | 655 | 626 | 562 | 589 | 575 | 5 | 14 |
| Provision (benefit) for credit losses | 228 | 118 | 75 | 49 | 60 | 93 | 280 |
| Non-interest expense | 322 | 342 | 272 | 270 | 272 | (6) | 18 |
| Income (loss) from continuing operations before income taxes | 105 | 166 | 215 | 270 | 243 | (37) | (57) |
| Income tax provision (benefit) | 38 | 60 | 78 | 98 | 88 | (37) | (57) |
| Income (loss) from continuing operations, net of tax | \$ 67 | \$ 106 | \$ 137 | \$ 172 | \$ 155 | (37) | (57) |
| Selected performance metrics: | | | | | | | |
| Period-end loans held for investment | \$ 64,241 | \$ 63,266 | \$ 52,112 | \$ 51,231 | \$ 50,741 | 2% | 27% |
| Average loans held for investment | 63,375 | 57,379 | 51,592 | 50,976 | 51,070 | 10 | 24 |
| Average yield on loans held for investment ⁽³⁾⁽⁵⁾ | 3.38% | 3.18% | 3.21% | 3.26% | 3.22% | 20bps | 16bps |
| Period-end deposits | \$ 33,383 | \$ 34,257 | \$ 32,751 | \$ 32,909 | \$ 32,575 | (3)% | 2% |
| Average deposits | 34,076 | 33,797 | 32,806 | 32,778 | 32,845 | 1 | 4 |
| Average deposit interest rate | 0.27% | 0.26% | 0.25% | 0.25% | 0.24% | 1bps | 3bps |
| Core deposit intangible amortization | \$ 3 | \$ 4 | \$ 3 | \$ 4 | \$ 4 | (25)% | (25)% |
| Net charge-off rate | 0.29% | 0.03% | 0.26% | 0.05% | 0.02% | 26bps | 27bps |
| Nonperforming loan rate ⁽¹⁾⁽⁹⁾ | 1.63 | 0.87 | 0.87 | 0.90 | 0.31 | 76 | 132 |
| Nonperforming asset rate ⁽²⁾⁽⁹⁾ | 1.64 | 0.87 | 0.87 | 0.91 | 0.31 | 77 | 133 |
| Risk category:⁽⁸⁾ | | | | | | | |
| Noncriticized | \$ 59,663 | \$ 59,743 | \$ 49,803 | \$ 48,847 | \$ 48,778 | — | 22% |
| Criticized performing | 2,595 | 2,015 | 1,725 | 1,767 | 1,645 | 29% | 58 |
| Criticized nonperforming | 1,050 | 550 | 453 | 463 | 158 | 91 | ** |
| PCI loans ⁽⁹⁾ | 933 | 958 | 131 | 154 | 160 | (3) | ** |
| Total commercial loans | \$ 64,241 | \$ 63,266 | \$ 52,112 | \$ 51,231 | \$ 50,741 | 2 | 27 |
| Risk category as a percentage of period-end commercial loans held for investment:⁽⁹⁾ | | | | | | | |
| Noncriticized | 92.9% | 94.4% | 95.6% | 95.4% | 96.2% | (150)bps | (330)bps |
| Criticized performing | 4.0 | 3.2 | 3.3 | 3.4 | 3.2 | 80 | 80 |
| Criticized nonperforming | 1.6 | 0.9 | 0.9 | 0.9 | 0.3 | 70 | 130 |
| PCI loans | 1.5 | 1.5 | 0.2 | 0.3 | 0.3 | — | 120 |
| Total commercial loans | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | | |

CAPITAL ONE FINANCIAL CORPORATION (COF)

Table 12: Financial & Statistical Summary—Other and Total

| | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2016 Q1 vs. | |
|--|------------|------------|------------|------------|------------|-------------|------------|
| | | | | | | 2015 Q4 | 2015 Q1 |
| <i>(Dollars in millions) (unaudited)</i> | | | | | | | |
| Other | | | | | | | |
| Earnings: | | | | | | | |
| Net interest income (expense) | \$ 66 | \$ 47 | \$ (3) | \$ (6) | \$ 15 | 40% | ** |
| Non-interest income | 8 | 7 | — | (29) | (17) | 14 | ** |
| Total net revenue (loss) ⁽³⁾ | 74 | 54 | (3) | (35) | (2) | 37 | ** |
| Provision (benefit) for credit losses | (2) | — | (2) | — | — | ** | ** |
| Non-interest expense ⁽¹⁰⁾ | 48 | 60 | 39 | 182 | 31 | (20) | 55% |
| Income (loss) from continuing operations before income taxes | 28 | (6) | (40) | (217) | (33) | ** | ** |
| Income tax provision (benefit) | (65) | (51) | (78) | (143) | (78) | 27 | (17) |
| Income (loss) from continuing operations, net of tax | \$ 93 | \$ 45 | \$ 38 | \$ (74) | \$ 45 | 107 | 107 |
| Selected performance metrics: | | | | | | | |
| Period-end loans held for investment | \$ 82 | \$ 88 | \$ 92 | \$ 95 | \$ 104 | (7)% | (21)% |
| Average loans held for investment | 78 | 82 | 88 | 93 | 102 | (5) | (24) |
| Period-end deposits | 10,593 | 10,762 | 9,286 | 5,550 | 5,363 | (2) | 98 |
| Average deposits | 10,850 | 10,581 | 7,352 | 5,289 | 5,413 | 3 | 100 |
| Total | | | | | | | |
| Earnings: | | | | | | | |
| Net interest income | \$ 5,056 | \$ 4,961 | \$ 4,760 | \$ 4,537 | \$ 4,576 | 2% | 10% |
| Non-interest income | 1,164 | 1,233 | 1,140 | 1,135 | 1,071 | (6) | 9 |
| Total net revenue (loss) | 6,220 | 6,194 | 5,900 | 5,672 | 5,647 | — | 10 |
| Provision (benefit) for credit losses | 1,527 | 1,380 | 1,092 | 1,129 | 935 | 11 | 63 |
| Non-interest expense | 3,223 | 3,480 | 3,160 | 3,307 | 3,049 | (7) | 6 |
| Income (loss) from continuing operations before income taxes | 1,470 | 1,334 | 1,648 | 1,236 | 1,663 | 10 | (12) |
| Income tax provision (benefit) | 452 | 426 | 530 | 384 | 529 | 6 | (15) |
| Income (loss) from continuing operations, net of tax | \$ 1,018 | \$ 908 | \$ 1,118 | \$ 852 | \$ 1,134 | 12 | (10) |
| Selected performance metrics: | | | | | | | |
| Period-end loans held for investment | \$ 227,613 | \$ 229,851 | \$ 213,329 | \$ 209,705 | \$ 203,978 | (1)% | 12% |
| Average loans held for investment | 226,736 | 220,052 | 211,227 | 206,337 | 205,194 | 3 | 10 |
| Period-end deposits | 221,779 | 217,721 | 212,903 | 208,780 | 210,440 | 2 | 5 |
| Average deposits | 219,180 | 215,899 | 210,974 | 209,143 | 207,851 | 2 | 5 |

CAPITAL ONE FINANCIAL CORPORATION (COF)

Table 13: Notes to Loan and Business Segments Disclosures (Tables 7—12)

** Not meaningful.

- (1) The nonperforming loan rates are calculated based on nonperforming loans for each category divided by period-end total loans held for investment.
- (2) Nonperforming assets consist of nonperforming loans, real estate owned (“REO”) and other foreclosed assets. The nonperforming asset rates are calculated based on nonperforming assets for each category divided by the combined period-end total of loans held for investment, REO and other foreclosed assets for each respective category. Calculation of nonperforming assets rates for our Consumer Banking and Commercial Banking businesses are adjusted to exclude the impact of acquired REOs.
- (3) Some of our tax-related commercial investments generate tax-exempt income or tax credits. Accordingly, we make certain reclassifications within our Commercial Banking business results to present revenues and yields on a taxable-equivalent basis, calculated assuming an effective tax rate approximately equal to our federal statutory tax rate of 35% with offsetting reclassifications to the Other category.
- (4) Includes a build in our U.K. PPI Reserve in Q3 2015 and Q2 2015, which impacted both revenue and non-interest expense within our International Card business.
- (5) Calculated based on annualized interest income for the period divided by average loans held for investment during the period for the specified loan category. Annualized interest income excludes various allocations including funds transfer pricing that assigns certain balance sheet assets, deposits and other liabilities and their related revenue and expenses attributable to each business segment.
- (6) Calculated based on annualized total net revenue for the period divided by average loans held for investment during the period for the specified loan category.
- (7) Includes credit card purchase transactions, net of returns, for loans classified as held for investment and held for sale. Excludes cash advance and balance transfer transactions.
- (8) Criticized exposures correspond to the “Special Mention,” “Substandard” and “Doubtful” asset categories defined by bank regulatory authorities.
- (9) As of March 31, 2016, the loans held for investment acquired in the HFS acquisition included \$825 million of PCI loans that are being accounted for under ASC 310-30 (formerly “SOP 03-3”) due to their deterioration in credit quality since origination. From a managed perspective, we evaluate loans based on their actual risk ratings, and accordingly we are also including our nonperforming and criticized ratios measured on that basis. Were these PCI loans to be classified based on their risk ratings, our nonperforming loan rate and nonperforming asset rate for Commercial Banking in Q1 2016 would be 1.69% and 1.70%, respectively; our Criticized performing balance and percentage would increase to \$3.3 billion and 5.17%, respectively; Criticized nonperforming balance and percentage would increase to \$1.1 billion and 1.69%, respectively, with corresponding decreases to the balance and percentage of our Noncriticized category.
- (10) Includes restructuring charges for employee severance and related benefits pursuant to our ongoing benefit programs.

CAPITAL ONE FINANCIAL CORPORATION (COF)

Table 14: Reconciliation of Non-GAAP Measures and Calculation of Regulatory Capital Measures⁽¹⁾

| | Basel III Standardized Approach | | | | |
|---|---------------------------------|----------------------|-----------------------|------------------|-------------------|
| | March 31, 2016 | December 31, 2015 | September 30, 2015 | June 30, 2015 | March 31, 2015 |
| <i>(Dollars in millions) (unaudited)</i> | | | | | |
| Regulatory Capital Metrics | | | | | |
| Common equity Tier 1 capital | \$ 29,237 | \$ 29,544 | \$ 30,109 | \$ 29,804 | \$ 29,671 |
| Tier 1 capital | 32,530 | 32,838 | 33,402 | 32,614 | 31,493 |
| Total capital ⁽²⁾ | 38,368 | 38,838 | 37,694 | 37,115 | 35,878 |
| Risk-weighted assets | 262,220 | 265,739 | 249,081 | 246,106 | 238,011 |
| Average assets for the leverage ratio | 317,403 | 309,037 | 300,010 | 293,291 | 295,556 |
| Capital Ratios | | | | | |
| Common equity Tier 1 capital ratio ⁽³⁾ | 11.1% | 11.1% | 12.1% | 12.1% | 12.5% |
| Tier 1 capital ratio ⁽⁴⁾ | 12.4 | 12.4 | 13.4 | 13.3 | 13.2 |
| Total capital ratio ⁽⁵⁾ | 14.6 | 14.6 | 15.1 | 15.1 | 15.1 |
| Tier 1 leverage ratio ⁽⁶⁾ | 10.2 | 10.6 | 11.1 | 11.1 | 10.7 |
| Tangible common equity (“TCE”) ratio ⁽⁷⁾ | 9.1 | 8.9 | 9.8 | 9.7 | 9.8 |

Reconciliation of Non-GAAP Measures

We report certain non-GAAP capital measures that management uses in assessing its capital adequacy. These non-GAAP measures include tangible common equity (“TCE”) and tangible assets. The tables below provide the details of the calculation of our non-GAAP capital measures and regulatory capital. While our non-GAAP capital measures are widely used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies, they may not be comparable to similarly titled measures reported by other companies.

| | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 |
|--|------------|------------|------------|------------|------------|
| <i>(Dollars in millions) (unaudited)</i> | | | | | |
| Tangible Common Equity (Period End) | | | | | |
| Stockholders’ equity | \$ 47,707 | \$ 47,284 | \$ 47,685 | \$ 46,659 | \$ 45,730 |
| Goodwill and intangible assets ⁽⁸⁾ | (15,629) | (15,701) | (15,153) | (15,240) | (15,307) |
| Noncumulative perpetual preferred stock ⁽⁹⁾ | (3,296) | (3,294) | (3,294) | (2,810) | (1,822) |
| Tangible common equity | \$ 28,782 | \$ 28,289 | \$ 29,238 | \$ 28,609 | \$ 28,601 |
| Tangible Common Equity (Average) | | | | | |
| Average stockholders’ equity | \$ 49,078 | \$ 48,712 | \$ 48,456 | \$ 47,255 | \$ 46,397 |
| Average goodwill and intangible assets ⁽⁸⁾ | (15,654) | (15,316) | (15,183) | (15,256) | (15,339) |
| Average noncumulative perpetual preferred stock ⁽⁹⁾ | (3,296) | (3,294) | (3,049) | (2,377) | (1,822) |
| Average tangible common equity | \$ 30,128 | \$ 30,102 | \$ 30,224 | \$ 29,622 | \$ 29,236 |

| <i>(Dollars in millions) (unaudited)</i> | 2016 Q1 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Tangible Assets (Period End) | | | | | |
| Total assets | \$ 330,346 | \$ 334,048 | \$ 313,700 | \$ 310,510 | \$ 306,224 |
| Goodwill and intangible assets ⁽⁸⁾ | (15,629) | (15,701) | (15,153) | (15,240) | (15,307) |
| Tangible assets | <u>\$ 314,717</u> | <u>\$ 318,347</u> | <u>\$ 298,547</u> | <u>\$ 295,270</u> | <u>\$ 290,917</u> |
| Tangible Assets (Average) | | | | | |
| Average total assets | \$ 331,919 | \$ 323,354 | \$ 313,822 | \$ 307,206 | \$ 309,401 |
| Average goodwill and intangible assets ⁽⁸⁾ | (15,654) | (15,316) | (15,183) | (15,256) | (15,339) |
| Average tangible assets | <u>\$ 316,265</u> | <u>\$ 308,038</u> | <u>\$ 298,639</u> | <u>\$ 291,950</u> | <u>\$ 294,062</u> |

Common Equity Tier 1 Capital Ratio Under Basel III Standardized Approach

| <i>(Dollars in millions) (unaudited)</i> | March 31, 2016 | December 31, 2015 | September 30, 2015 | June 30, 2015 | March 31, 2015 |
|---|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
| Common equity excluding AOCI | \$ 44,452 | \$ 44,606 | \$ 44,533 | \$ 44,246 | \$ 44,120 |
| Adjustments: | | | | | |
| AOCI ⁽¹⁰⁾⁽¹¹⁾ | 117 | (254) | 75 | (128) | (26) |
| Goodwill ⁽⁸⁾ | (14,301) | (14,296) | (13,805) | (13,809) | (13,801) |
| Intangible assets ⁽⁸⁾⁽¹¹⁾ | (532) | (393) | (374) | (413) | (450) |
| Other | (499) | (119) | (320) | (92) | (172) |
| Common equity Tier 1 capital | <u>\$ 29,237</u> | <u>\$ 29,544</u> | <u>\$ 30,109</u> | <u>\$ 29,804</u> | <u>\$ 29,671</u> |
| Risk-weighted assets | <u>\$ 262,220</u> | <u>\$ 265,739</u> | <u>\$ 249,081</u> | <u>\$ 246,106</u> | <u>\$ 238,011</u> |
| Common equity Tier 1 capital ratio ⁽³⁾ | 11.1% | 11.1% | 12.1% | 12.1% | 12.5% |

(1) Regulatory capital metrics and capital ratios as of March 31, 2016 are preliminary and therefore subject to change.

(2) Total capital equals the sum of Tier 1 capital and Tier 2 capital.

(3) Common equity Tier 1 capital ratio is a regulatory measure calculated based on Common equity Tier 1 capital divided by risk-weighted assets.

(4) Tier 1 capital ratio is a regulatory capital measure calculated based on Tier 1 capital divided by risk-weighted assets.

(5) Total capital ratio is a regulatory capital measure calculated based on Total capital divided by risk-weighted assets.

(6) Tier 1 leverage ratio is a regulatory capital measure calculated based on Tier 1 capital divided by average assets, after certain adjustments.

(7) TCE ratio is a non-GAAP measure calculated based on TCE divided by tangible assets.

(8) Includes impact of related deferred taxes.

(9) Includes related surplus.

(10) Amounts presented are net of tax.

(11) Amounts based on transition provisions for regulatory capital deductions and adjustments of 40% for 2015 and 60% for 2016.