

**CAPITAL ONE**  
**Received \$3.6 billion in TARP funds**

*Before the CPP program was announced, Capital One raised \$750 million of equity capital from private investors without government assistance of any kind. Our capital levels were well above both what our regulators required and our own higher, long-term targets. However, after careful consideration, we agreed to participate in the CPP in order to support the government's goal of restoring liquidity and stability to the financial system of the United States.*

*Once Capital One issued new shares of preferred stock and warrants to the U. S. Treasury, we put the investment to work. We have used the capital to support origination of consumer and business loans and investment in securities backed by home, auto and other loans to consumers. While maintaining appropriate underwriting prudence, we continue to generate billion of dollars of new loans. CPP funds are being used in a manner consistent with promoting economic growth while protecting the U.S. Treasury's investment in us.*

*We take our responsibilities to safeguard the investment Treasury has made in Capital One very seriously. Treasury purchased \$3.5 billion of preferred stock on which we pay interest to the U.S. government each and every quarter. We will develop plans to redeem that stock and repay the Treasury its \$3.5 billion in full as soon as the financial system stabilizes.*

*With respect to home loans, mortgage lending has never been a significant element of Capital One's portfolio. In August 2007, Capital One exited the mortgage origination business that it acquired with the purchase of North Fork Bank in December 2006. The vast majority of the mortgage loans originated by the business have been sold to third party investors. As a result, we have a relatively small portfolio of mortgages loans. For the loans in our portfolio, we are committed to finding affordable solutions for customers who are having trouble paying their home loans.*