NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

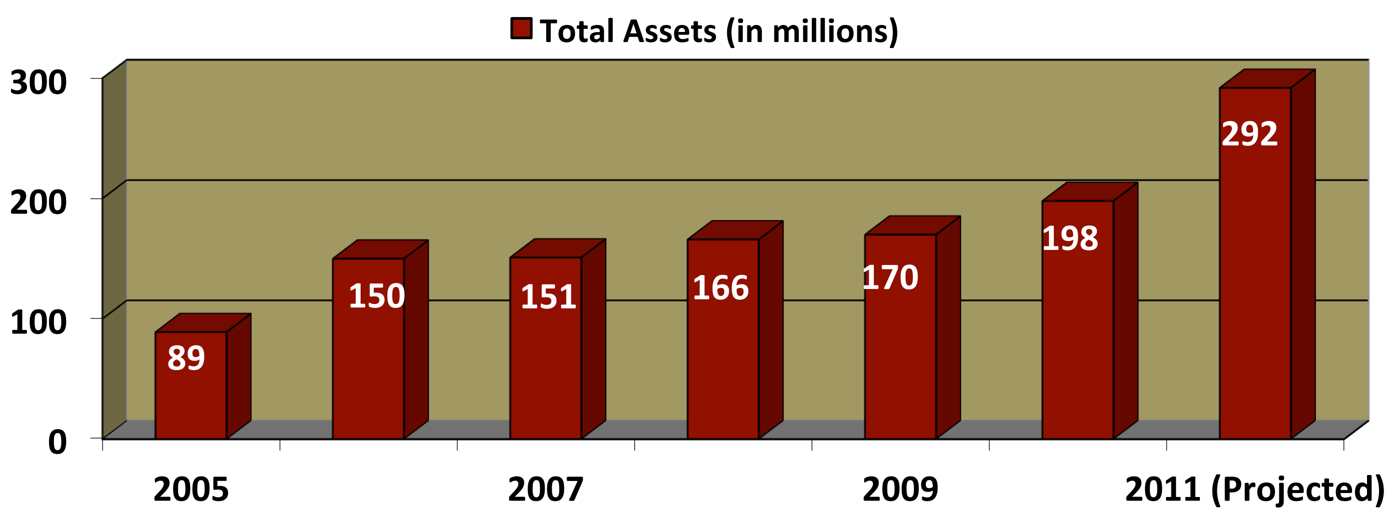
Get the Facts!

Capital One's Business Practices Raise Concerns about its Corporate Governance

Decision-makers and advocates need to know the critical facts about Capital One and its corporate practices.

Empire Building at its Best?

In less than 5 years, Capital One is poised to triple its asset base.

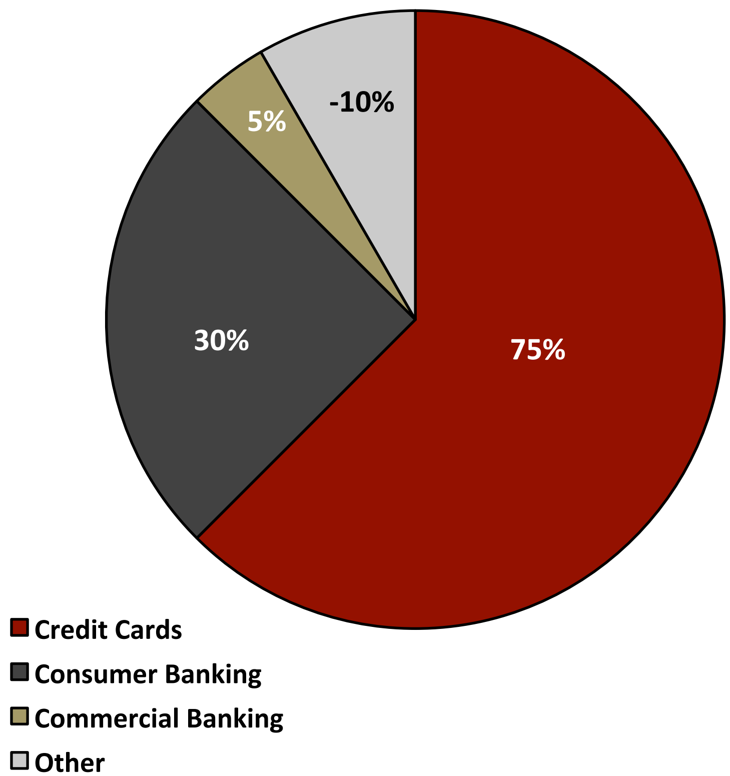


- Since Capital One became a banking institution in 2005, it has pursued an aggressive growth strategy that has been described by analysts as "empire building at its best."

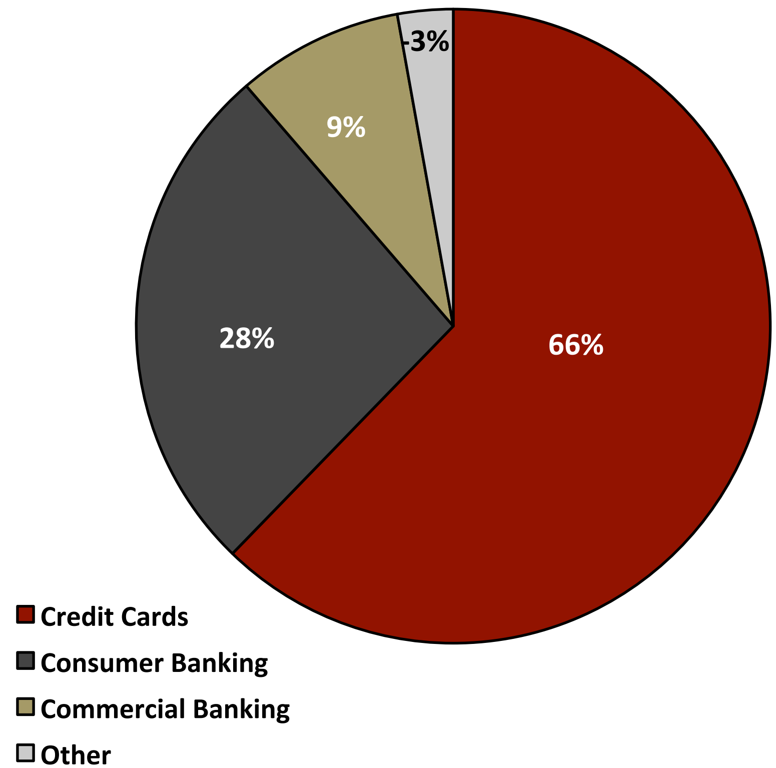
The Rejection of Diversification in Favor of a High-Risk, Monoline Strategy:

75 percent of Capital One's income, and 66 percent of its revenue, comes from a single source: credit cards.

2010 Income Analysis:



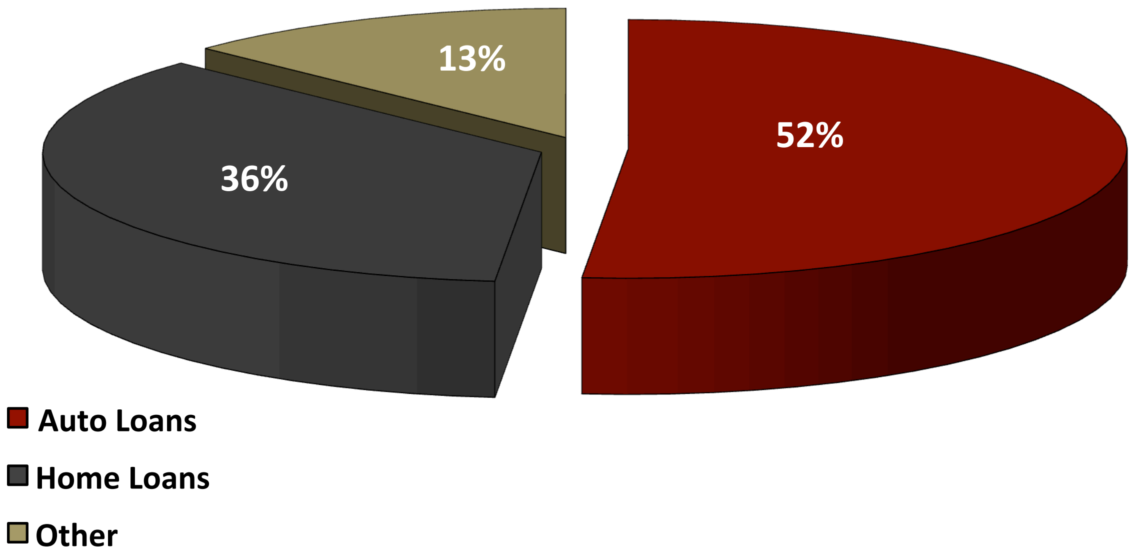
2010 Revenue Analysis:



- Diversification allows a bank to reduce risk by relying on varied products for income and revenue, shielding it from downturns. Capital One, however, rejects diversification in favor of a monoline strategy. This high-risk approach—and the institutions that embraced it—were at the heart of America's last financial crisis.

Capital One's Idea of Consumer Banking?

Give the Public Subprime Auto-Loans.



- Capital One's consumer banking business segment consists of its branch-based lending and deposit gathering activities for consumers and small businesses, national deposit gathering, automobile lending, home loan lending and home loan servicing activities.

- Capital One is the largest subprime auto loan lender in the United States. Analysis of Capital One's 2010 data shows that the majority of its consumer banking activity focuses on issuing auto loans.

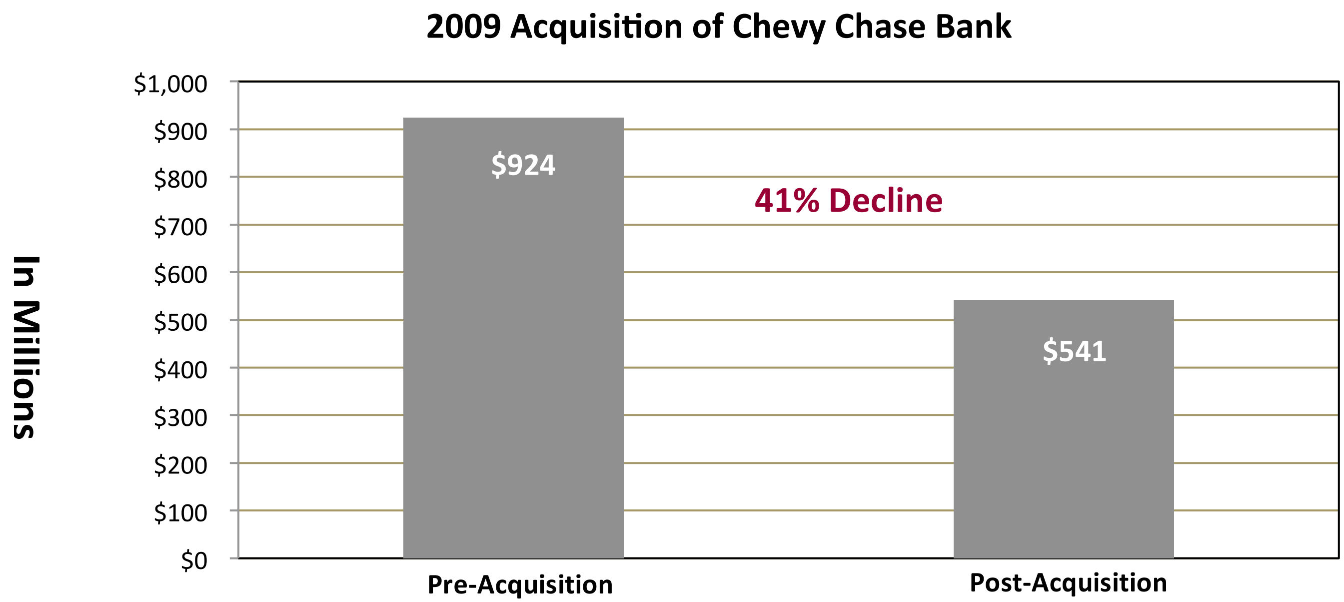
Capital One's Executive Compensation Structure

A playbook for encouraging short-term gains over long-term stability.

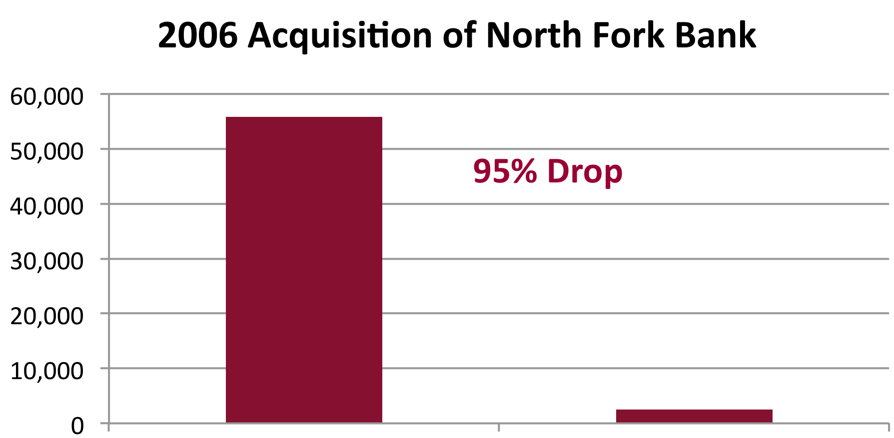
Executive's Name & Position	Cash Salary	Cash Bonus	Stock Awards	Option Awards	Total Equity Compensation
Richard Fairbank, Chief Executive Officer	$0	$0	$9,750,026	$6,500,009	$16,250,035
Gary L Perlin, Chief Financial Officer	$1,000,000	$0	$5,107,429	$1,101,600	$7,209,029
Lynn A. Carter, President, Banking	$1,000,000	$0	$3,712,506	$850,000	$5,562,506
Peter A. Schnall, Chief Risk Officer	$1,000,000	$0	$3,222,424	$761,600	$4,984,024
Ryan M. Schneider, President, Card	$1,000,000	$0	$3,364,826	$860,200	$5,225,026

- According to Capital One, an overall objective of their executive compensation program is to encourage risk-taking. 100% of CEO Richard Fairbank's compensation and 80% of all Named Executive Officer's compensation in 2010 was equity-based and, therefore, directly tied to the Company's stock performance.

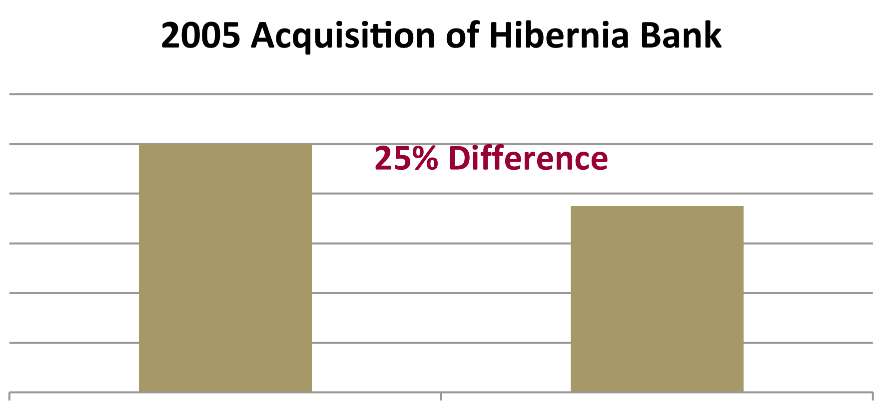
As Capital One's Assets Grow with Each Acquisition, the Corporation's Commitment to the Community Shrinks



After acquiring Chevy Chase in 2009, combined community development lending plummeted by 41%.



After acquiring North Fork in 2006, combined prime home loans collapsed by 95% over 3 years.



After acquiring Hibernia Bank in 2005, there was a 25% reduction in small business loans for low-income tracts.