

CAPITAL ONE FINANCIAL CORP

Form 10-Q

November 07, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

September 30, 2011 For the quarterly period ended September 30, 2011

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 1-13300

CAPITAL ONE FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware
(State or Other Jurisdiction of
Incorporation or Organization)
1680 Capital One Drive,
McLean, Virginia
(Address of Principal Executive Offices)
54-1719854
(I.R.S. Employer
Identification No.)
22102
(Zip Code)
Registrant's telephone number, including area code:
(703) 720-1000
(Former name, former address and former fiscal year, if changed since last report)
(Not applicable)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

As of October 31, 2011, there were 459,677,105 shares of the registrant's Common Stock, par value \$.01 per share, outstanding.

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This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with our unaudited condensed consolidated financial statements and related notes in this Report and the more detailed information contained in our 2010 Annual Report on Form 10-K (2010 Form 10-K). This discussion contains forward-looking statements that are based upon management's current expectations and are subject to significant uncertainties and changes in circumstances. Please review

Forward-Looking Statements for more information on the forward-looking statements in this Report. Our actual results may differ materially from those included in these forward-looking statements due to a variety of factors including, but not limited to, those described in this Report in Part II Item 1A. Risk Factors, in our 2010 Form 10-K in Part I Item 1A. Risk Factors and in Exhibit 99.5 to our Current Report on Form 8-K filed on July 13, 2011.

SUMMARY OF SELECTED FINANCIAL DATA

Below we provide selected consolidated financial data from our results of operations for the three and nine months ended September 30, 2011 and 2010, and selected comparative consolidated balance sheet data as of September 30, 2011, and December 31, 2010. We also provide selected key metrics we use in evaluating our performance.

Table 1: Consolidated Financial Highlights (Unaudited)

(Dollars in millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2011	2010	Change	2011	2010	Change
Income statement						
Net interest income ⁽¹⁾	\$ 3,283	\$ 3,109	6%	\$ 9,559	\$ 9,434	1%
Non-interest income	871	907	(4)	2,670	2,775	(4)
Total revenue	4,154	4,016	3	12,229	12,209	**
Provision for loan and lease losses ⁽¹⁾	622	867	(28)	1,499	3,069	(51)
Non-interest expense	2,297	1,996	15	6,714	5,843	15
Income from continuing operations before income taxes	1,235	1,153	7	4,016	3,297	22
Income tax provision	370	335	10	1,174	948	24
Income from continuing operations, net of taxes	865	818	6	2,842	2,349	21
Loss from discontinued operations, net of taxes ⁽²⁾	(52)	(15)	247	(102)	(303)	(66)
Net income	\$ 813	\$ 803	1%	\$ 2,740	\$ 2,046	34%
Common share statistics						
Earnings per common share:						
Basic earnings per common share	\$ 1.78	\$ 1.78	**%	\$ 6.02	\$ 4.53	33%
Diluted earnings per common share	1.77	1.76	1	5.95	4.49	33
Weighted average common shares outstanding:						
Basic earnings per common share	456.0	452.5	1	455.2	451.9	1

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Diluted earnings per common share	460.4	456.6	1	461.0	456.0	1
Dividends per common share	0.05	0.05	**	0.15	0.15	**
Stock price per common share at period end						