



Stock Selection Guide[®]

The most widely used aid to good investment judgment

Company CAPITAL ONE FINANCIAL Date 11/26/04

Prepared by MG Data taken from NAIC Data

Where traded NYSE Major product/service Consumer Fi

CAPITALIZATION --- Outstanding Amounts Reference

Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	242.7	8.0	52.7
Debt (\$M)	15,458.8	% to Tot.Cap.	71.2 % Potential Dil. None

1 VISUAL ANALYSIS of Sales, Earnings and Price

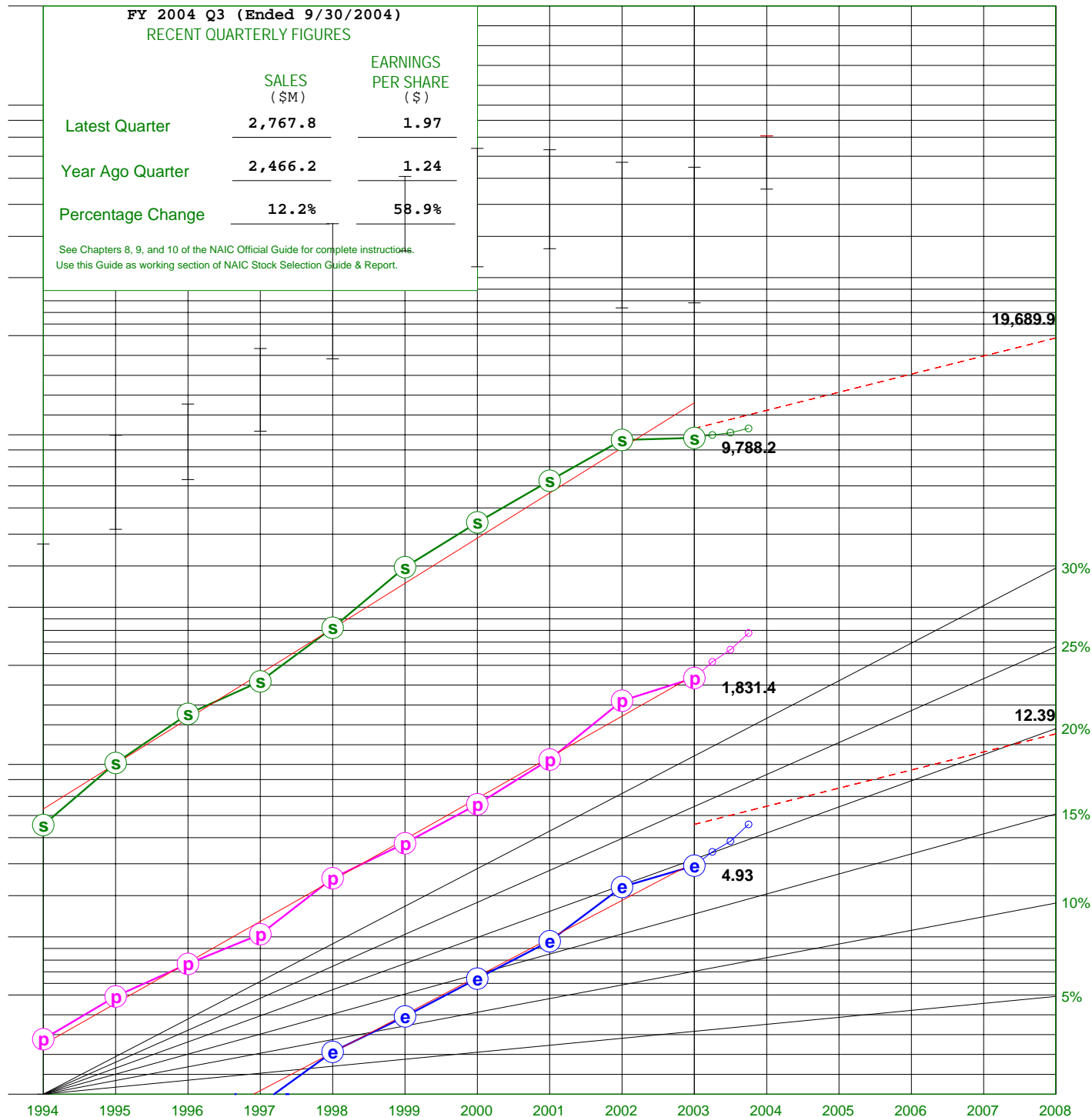
COF

FY 2004 Q3 (Ended 9/30/2004)

RECENT QUARTERLY FIGURES

	SALES (\$M)	EARNINGS PER SHARE (\$)
Latest Quarter	2,767.8	1.97
Year Ago Quarter	2,466.2	1.24
Percentage Change	12.2%	58.9%

See Chapters 8, 9, and 10 of the NAIC Official Guide for complete instructions. Use this Guide as working section of NAIC Stock Selection Guide & Report.



(1) Historical Sales Growth	37.1 %	(3) Historical Earnings Per Share Growth	30.4 %
(2) Estimated Future Sales Growth	13.5 %	(4) Estimated Future Earnings Per Share Growth	13.5 %

2 EVALUATING MANAGEMENT

Company **CAPITAL ONE FINANCIAL (COF)**

11/26/04

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	22.4	19.6	17.5	17.1	17.4	14.5	14.0	14.3	16.2	18.7	15.5	UP	
B % Earned on Equity (E/S ÷ Book Value)	20.1	21.0	20.6	20.5	20.8	22.4	22.5	19.0	20.8	19.1	20.8		DOWN

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE		79.980	HIGH THIS YEAR		80.000	LOW THIS YEAR		55.150			
Year	A	PRICE B		C Earnings Per Share	D Price Earnings Ratio E		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100				
		HIGH	LOW		HIGH A ÷ C	LOW B ÷ C							
1	1999	60.3	35.8	1.72	35.0	20.8	0.107	6.2	0.3				
2	2000	73.3	32.1	2.24	32.7	14.3	0.107	4.8	0.3				
3	2001	72.6	36.4	2.91	24.9	12.5	0.106	3.6	0.3				
4	2002	66.5	24.1	4.25	15.6	5.7	0.107	2.5	0.4				
5	2003	64.3	24.9	4.93	13.0	5.1	0.107	2.2	0.4				
6	TOTAL		153.2		28.6	10.8		19.3					
7	AVERAGE		30.6		14.3	5.4		3.9					
8	AVERAGE PRICE EARNINGS RATIO				9.9	9	CURRENT PRICE EARNINGS RATIO				12.2		

Proj. P/E [10.71] Based on Next 4 qtr. EPS [7.47]

Current P/E Based on Last 4 qtr. EPS [6.58]

4 EVALUATING RISK AND REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E 14.3 X Estimate High Earnings/Share 12.39 = Forecast High Price \$ 177.2 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 5.4 X Estimated Low Earnings/Share 4.93 = \$ 35.5 (3E7 as adj.)

(b) Avg. Low Price of Last 5 Years = 30.6 (3B7)

(c) Recent Severe Market Low Price = 24.1

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}}$ = $\frac{0.107}{0.004}$ = 24.0

Selected Estimate Low Price = \$ 35.5 (4B1)

C ZONING

177.2 (4A1) High Forecast Price Minus 35.5 (4B1) Low Forecast Price Equals 141.7 (C) Range. 1/3 of Range = 35.4 (4CD)

(4C2) Lower 1/3 = 35.5 (4B1) to 70.9 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 70.9 to 141.8 (Maybe)

(4C4) Upper 1/3 = 141.8 to 177.2 (4A1) (Sell)

Present Market Price of 79.980 is in the Hold (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 177.2 Minus Present Price 79.980 = 97.2
Present Price 79.980 Minus Low Price (4B1) 35.5 = 44.5 = 2.2 To 1 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 177.2
Present Market Price 79.980 = (2.216) X 100 = (221.6) - 100 = 121.6 % Appreciation (4E)

Relative Value: 123.2% Proj. Relative Value: 108.2%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 0.107
Present Price of Stock \$ 79.980 = 0.001 X 100 = 0.1 Present Yield or % Returned on Purchase Price (5A)

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 9.62 X Avg. % Payout (3G7) 3.9 = 37.5 = 0.5 % (5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

	5 Year Appreciation Potential (4E)	Average Yield (5B)	Average Total Annual Return Over the Next 5 Years (5C)	P.A.R.	Tot. Ret.
	<u>121.6</u>	<u>0.5</u>	<u>24.3</u>	<u>0.4%</u>	<u>0.3%</u>
			<u>0.5</u>	<u>8.8%</u>	<u>17.2%</u>
			<u>24.8</u>	<u>9.2%</u>	<u>17.5%</u>

PERT Worksheet-A

Company CAPITAL ONE FINANCIAL (COF)

QUARTERLY DATA									LAST 12 MONTHS DATA								
PERIOD	EPS		PRE-TAX PROFIT			SALES		INCOME TAX RATE	EPS \$	PRE-TAX PROFIT		SALES MIL	INCOME TAX		% CHANGE		
	\$	% CHANGE	\$ MIL	% SALES	% CHANGE	\$ MIL	% CHANGE			\$ MIL	% SALES		\$ MIL	% RATE	EPS	PRE-TAX PROFIT	SALES
03/96	0.19		60.30	27.8		216.80		37.0						36.3			
06/96						159.30		37.5			748.9			36.6			
09/96						196.80	10.6	37.5			767.8			37.0			
12/96						200.60	2.9	37.5			773.5			37.4			
03/97						213.50	-1.5	38.0			770.2			37.6			
06/97						202.10	26.9	38.0			813.0			37.8			8.6
09/97						226.00	14.8	38.0			842.2			37.9			9.7
12/97	0.29		93.90	27.9		336.30	67.6	38.0			977.9			38.0			26.4
03/98	0.32		105.97	26.8		394.90	85.0	38.0			1,159.3			38.0			50.5
06/98	0.32		107.83	24.5		439.60	117.5	38.0			1,396.8			38.0			71.8
09/98	0.33		112.91	22.7		496.40	119.6	38.0	1.26	420.61	25.2	1,667.2	159.8	38.0			98.0
12/98	0.34	19.9	117.21	20.0	24.8	585.10	74.0	38.0	1.32	443.92	23.2	1,916.0	168.7	38.0			95.9
03/99	0.39	22.8	132.87	15.1	25.4	877.70	122.3	37.8	1.39	470.82	19.6	2,398.8	178.7	38.0			106.9
06/99	0.41	27.7	141.09	14.9	30.8	949.82	116.1	38.5	1.48	504.08	17.3	2,909.0	192.0	38.1			108.3
09/99	0.45	35.1	153.81	14.9	36.2	1,033.10	108.1	38.5	1.60	544.98	15.8	3,445.7	208.3	38.2	26.6	29.6	106.7
12/99	0.47	36.6	149.24	13.5	27.3	1,105.23	88.9	33.8	1.72	577.02	14.5	3,965.8	214.5	37.2	30.7	30.0	107.0
03/00	0.51	29.8	172.11	14.7	29.5	1,170.51	33.4	38.2	1.84	616.26	14.5	4,258.7	229.6	37.3	32.3	30.9	77.5
06/00	0.54	31.7	181.49	14.6	28.6	1,247.31	31.3	37.9	1.97	656.66	14.4	4,556.1	243.7	37.1	33.1	30.3	56.6
09/00	0.58	28.9	196.97	13.8	28.1	1,428.18	38.2	38.1	2.10	699.82	14.1	4,951.2	259.0	37.0	31.5	28.4	43.7
12/00	0.61	29.8	206.90	13.1	38.6	1,578.32	42.8	38.0	2.24	757.47	14.0	5,424.3	288.2	38.0	30.0	31.3	36.8
03/01	0.66	29.4	231.63	13.8	34.6	1,674.65	43.1	37.9	2.39	817.00	13.8	5,928.5	310.4	38.0	29.9	32.6	39.2
06/01	0.70	29.6	250.53	14.0	38.0	1,795.29	43.9	38.2	2.55	886.04	13.7	6,476.4	337.3	38.1	29.4	34.9	42.1
09/01	0.75	29.3	266.68	14.0	35.4	1,899.35	33.0	38.2	2.72	955.74	13.8	6,947.6	363.8	38.1	29.5	36.6	40.3
12/01	0.80	31.1	286.58	14.2	38.5	2,015.62	27.7	37.7	2.91	1,035.42	14.0	7,384.9	393.3	38.0	29.9	36.7	36.1
03/02	0.83	25.8	303.25	13.9	30.9	2,175.89	29.9	38.0	3.08	1,107.04	14.0	7,886.1	420.6	38.0	28.9	35.5	33.0
06/02	0.92	31.4	343.74	14.3	37.2	2,409.47	34.2	38.0	3.30	1,200.24	14.1	8,500.3	455.4	37.9	29.4	35.5	31.3
09/02	1.13	50.7	417.48	15.9	56.5	2,628.26	38.4	38.2	3.68	1,351.04	14.6	9,229.2	512.7	37.9	35.3	41.4	32.8
12/02	1.36	70.0	496.58	20.4	73.3	2,433.99	20.8	37.5	4.24	1,561.04	16.2	9,647.6	591.8	37.9	45.7	50.8	30.6
03/03	1.35	62.7	489.62	20.3	61.5	2,411.17	10.8	37.0	4.76	1,747.41	17.7	9,882.9	658.3	37.7	54.5	57.8	25.3
06/03	1.23	33.7	454.23	19.1	32.1	2,380.90	-1.2	37.0	5.07	1,857.91	18.9	9,854.3	695.4	37.4	53.6	54.8	15.9
09/03	1.24	9.7	461.22	18.7	10.5	2,466.23	-6.2	36.3	5.18	1,901.65	19.6	9,692.3	703.0	37.0	40.8	40.8	5.0
12/03	1.12	-17.6	426.32	16.9	-14.1	2,529.87	3.9	37.2	4.94	1,831.39	18.7	9,788.2	675.5	36.9	16.5	17.3	1.5
03/04	1.84	36.3	706.59	27.1	44.3	2,607.87	8.2	36.1	5.43	2,048.36	20.5	9,984.9	750.8	36.7	14.1	17.2	1.0
06/04	1.65	34.1	636.01	25.0	40.0	2,548.01	7.0	35.8	5.85	2,230.14	22.0	10,152.0	810.4	36.3	15.4	20.0	3.0
09/04	1.97	58.9	734.98	26.6	59.4	2,767.80	12.2	33.3	6.58	2,503.90	24.0	10,453.6	890.6	35.6	27.0	31.7	7.9
12/04								37.1						35.6			

A B C D E F G H I J K L M N O P Q R S T

Trailing 4 quarters

PERT Worksheet-A Graph

Company CAPITAL ONE FINANCIAL (COF)

