

## We proved that our approach is a winner far and wide.

We've been extending the reach of Capital One in two directions—broadening our product portfolio and expanding beyond the United States.

In auto finance and other areas, we've diversified by acquisition, but in installment loans and other sectors closely resembling credit cards, we've built our businesses from the ground up. Our typical installment loan customer has a high income and an excellent credit history, factors that allow us to offer low fixed rates and still produce superior returns.

Our Capital One Business MilesOne® card serves the needs of small-business owners, offering credit lines tailored to the enterprise, discounts on purchases from Visa® Business Platinum partners and the country's best airline miles plan. Our recently introduced Small Business Administration (SBA) loans feature low rates and are designed to minimize the paperwork of obtaining these government-backed loans. Capital One's managed loans now include \$3.3 billion to small-business owners.

By marketing certificates of deposit and other savings instruments, Capital One is attracting new customers, deepening its relationship with existing customers and providing the Company with another source of stable, low-cost funding. During 2003, deposits in Capital One Bank and Capital One F.S.B. rose from \$17.3 billion to \$22.4 billion.

Outside the United States, the credit card market is entering an era of tremendous opportunity. The international consumer credit market is three times the size of the U.S. market, and credit card lending abroad is growing three times faster than in the United States.

During 2003, our 2,200 international associates delivered their first profits, increasing the Company's net income by \$58.6 million. International loans outstanding reached \$7.6 billion, up 43% for the year. In the UK, Capital One is the sixth-largest card issuer, with 3 million accounts. We're also one of the top 10 credit card companies in Canada, where we have nearly 1 million accounts.