

Moderator: Steve Everett, SVP/Director, Northern Trust

Panelists:

- Albert Ciafre, VP, Corporate Funding & Investment, Capital One
- Craig Calle, VP/Treasurer, Gateway, Inc
- Jim Colby, Asst. Treasurer, Honeywell Int'l Inc.

Global Liquidity

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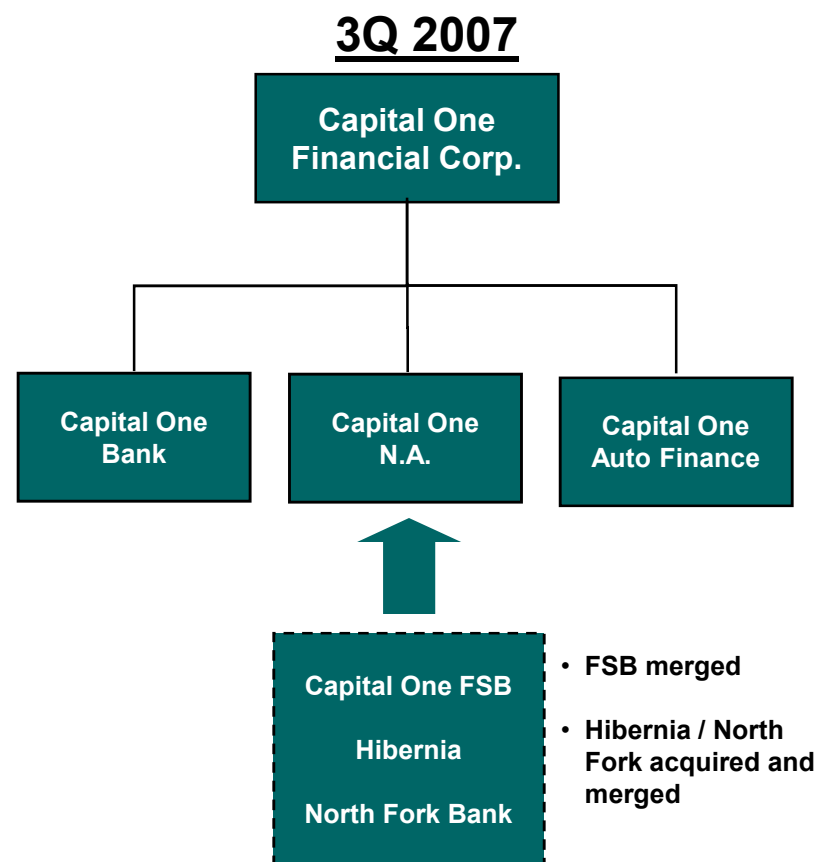
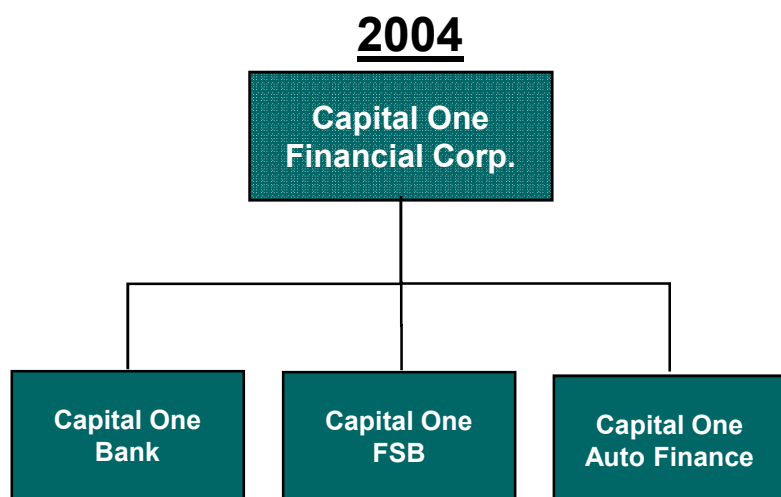


Leveraging Infrastructure to Enhance Liquidity Management

Al Ciafre
Vice President, Financial Risk Management

November 7, 2007

Capital One has fundamentally transformed itself from a monoline credit card company into a diversified bank



- FSB merged
- Hibernia / North Fork acquired and merged

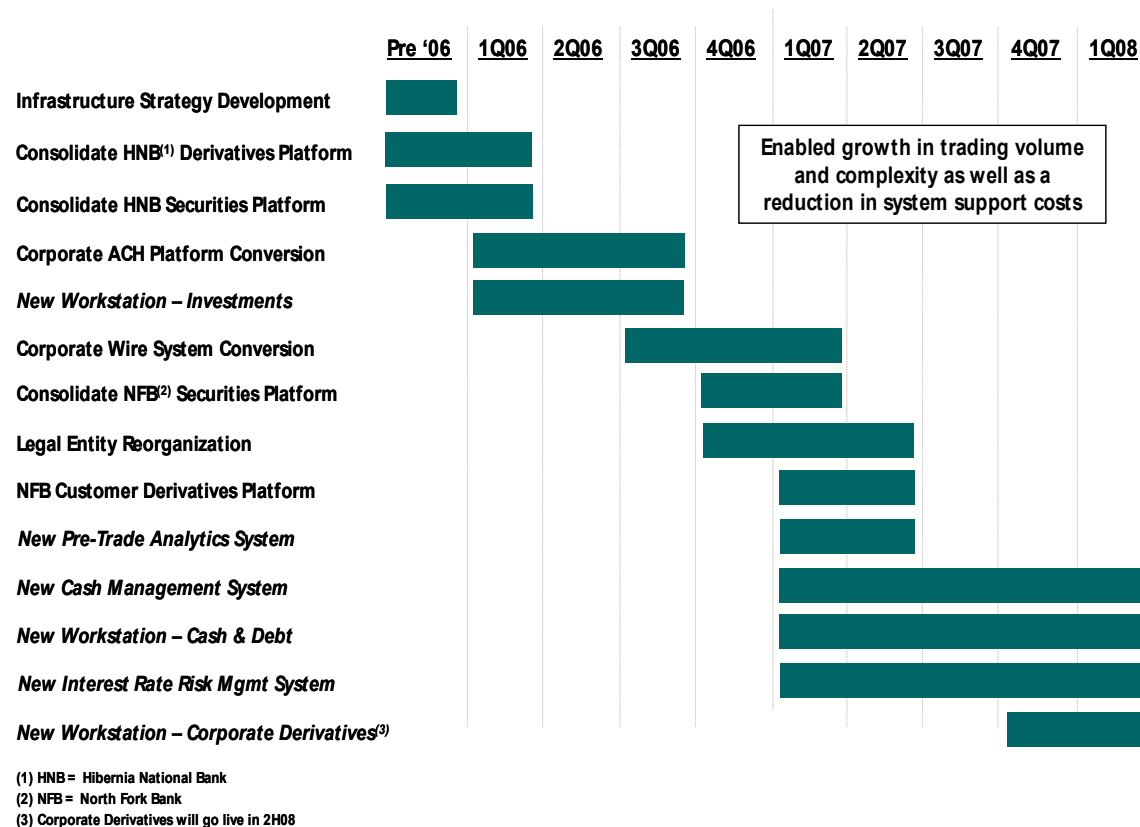
\$79B Managed Loans
\$25B Deposits
\$9B Investment Portfolio
61% Credit Cards / Managed Loans

\$144B Managed Loans
\$83B Deposits
\$20B Investment Portfolio
34% Credit Cards / Managed Loans

As part of our banking transformation, we embarked upon a massive infrastructure build in Treasury

Highlights

- Integration of two relatively large bank acquisitions
- Major legal entity reorganization
- Wire system consolidation
- Consolidation of securities platforms from five separate banking entities
- Replaced treasury workstation
- New cash management system to replace spreadsheets and manually intense processes



Our new infrastructure for the securities portfolio enables us to invest more efficiently

Then

- **Securities were located on several trading platforms**
 - Made tracking and reporting cumbersome and labor intensive
- **Systems stability far less reliable with significant downtime and infrequent backup**
- **Not scalable**
- **Monthly portfolio analytics slow and cumbersome to produce**
 - Limited cash flow modeling capability
 - Pricing / factors updated monthly
- **Time to market for certain new types of instruments was prohibitively long**

Now

- **Single trading system much easier to track securities and report performance**
 - Enabled a completely revamped reporting package
- **Current system has limited downtime and real-time back up**
- **Much more scalable**
- **Analytic production time cut in half**
 - High automated through batch processing
 - More consistency between trading and risk management analytics (i.e., prepayment modeling, cash flow engines, etc.)
 - More routine updating capability
- **New securities could be configured and tested quickly, enabling us to take advantage of market opportunities**

Our infrastructure investment has enabled an investment portfolio strategy shift and a stronger liquidity profile

- Banking transformation lowered our funding costs
- Infrastructure investment enabled an investment portfolio strategy geared toward higher returns
- Investment portfolio became a more cost effective way of achieving liquidity targets

