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News Release

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Capital One Reports Earnings per Share Growth of 13 Percent for 2006

Company provides earnings guidance for 2007

McLean, Va. (January 18, 2007) –Capital One Financial Corporation (NYSE: COF) today announced earnings per share (diluted) for 2006 of $7.62. Additionally, the company provided earnings guidance for 2007 of between $7.40 and $7.80 per share (diluted).

Earnings for the fourth quarter of 2006 were $390.7 million, or $1.14 per share (diluted), compared with $280.3 million, or $.97 per share (diluted), for the fourth quarter of 2005, and $587.8 million, or $1.89 per share (diluted), for the third quarter of 2006.

Full year results include a $0.32 per share (diluted) negative impact from the acquisition of North Fork Bancorporation, which was completed on December 1, 2006. Full year results also include a $.07 per share (diluted) negative impact from losses on the sale of securities in the fourth quarter of 2006 as part of the rebalancing of a portion of the company's investment portfolio.

The company's 2007 earnings estimates include expectations for a continued challenging interest rate environment and cyclical pressures in the mortgage industry, a return to more normal charge-off levels in its US unsecured national lending businesses, and the repurchase of $2.25 billion of the company's shares beginning in the second quarter of 2007. Additionally, the 2007 earnings estimates include $430.0 million (after-tax) of financing costs, restructuring charges, and purchase accounting impacts resulting from the acquisition of North Fork. While the company still expects to achieve the target level of $275.0 million (pre-tax) of synergies in connection with the North Fork integration, it expects these synergies will be realized partially in 2007 and more significantly late in 2008 as a result of the challenging interest rate environment and the timeline for conversion to a single deposit platform and brand.

"Despite cyclical pressures in banking and the mortgage industry, the acquisitions of North Fork and Hibernia position us to drive growth, generate capital, and deliver sustainable and attractive shareholder returns well into the future," said Richard D. Fairbank, Capital One's Chairman and

Chief Executive Officer. "Our focus now is on sure-footed execution as we integrate these proven banking franchises and build the infrastructure to win long-term."

Managed loans held for investment at December 31, 2006 were $146.2 billion, up $40.6 billion, or 38 percent, from December 31, 2005. Excluding the impact of $31.7 billion of loans acquired through North Fork, managed loans grew 8.4 percent in 2006, in line with expectations. Growth in the fourth quarter of 2006, excluding the impact of North Fork, was $2.2 billion, spread broadly across all of its North American businesses.

The managed charge-off rate for the company decreased to 2.99 percent in the fourth quarter of 2006 from 4.53 percent in the fourth quarter of 2005, but rose from 2.92 percent in the previous quarter. The company increased its allowance for loan losses by $114.1 million in the fourth quarter of 2006, excluding the addition of allowance from the acquisition of North Fork. This increase was driven primarily by the expectation of continued normalization of charge-offs in the company's US unsecured national lending businesses. The managed delinquency rate (30+ days) decreased to 3.02 percent as of December 31, 2006 driven largely by the addition of North Fork loans to the portfolio. The delinquency rate decreased from 3.24 percent as of the end of December 31, 2005 and decreased from 3.29 percent as of September 30, 2006. Without the addition of the North Fork loans, the charge-off and delinquency rates would have increased in the fourth quarter of 2006 to 3.25 percent and 3.68 percent, respectively.

Fourth quarter marketing expenses decreased $51.7 million to $395.7 million from $447.4 million in the fourth quarter of 2005, but increased $27.2 million from the third quarter of 2006 expense of $368.5 million. Marketing expenses for 2006 were $1.4 billion, up $64.7 million, or five percent, over 2005.

Annualized operating expenses as a percentage of average managed loans decreased to 5.13 percent in the fourth quarter of 2006 from 5.27 percent in the fourth quarter of 2005, but increased from 4.92 percent in the previous quarter driven by the inclusion of North Fork, infrastructure investments, and branch expansion. This quarter's results also include resolution of certain federal and state tax issues resulting in a $28.8 million reduction of tax expense.

Capital One's managed revenue margin decreased to 9.69 percent in the fourth quarter of 2006 from 12.04 percent in the fourth quarter of 2005 and decreased from 10.95 percent in the previous quarter driven largely by in the inclusion of North Fork, seasonality, and one time impacts due to the company's system conversion in the fourth quarter of 2006. Return on managed assets for 2006 was 1.69 percent. Excluding the impact of the North Fork acquisition, return on managed assets was 1.77 percent for 2006 as compared to 1.72 percent in 2005.

"Strong underlying business performance enabled Capital One to deliver 13 percent earnings per share growth in 2006 while achieving a number of significant milestones including the successful integration of Hibernia, the acquisition of North Fork, and a significant upgrade of our systems infrastructure," said Gary L. Perlin, Capital One's Chief Financial Officer. "We enter 2007 with a more diversified and resilient balance sheet."

Segment results

The US Card segment's net income for 2006 was $1.8 billion, up $214.0 million, or 13.3 percent, from $1.6 billion in 2005. US Card reported net income for the fourth quarter of 2006 of $337.2 million, compared with $237.0 million in the fourth quarter of 2005, and $461.6 million in the third quarter of 2006. The business continues to deliver strong profits driven by solid credit and growth in managed loans. Managed loans at December 31, 2006 were $53.6 billion, up $4.2 billion or 8.4 percent, from December 31, 2005, and up $2.5 billion, or 4.9 percent from the prior quarter. The managed charge-off rate decreased to 3.82 percent in the fourth quarter of 2006 from 5.70 percent in the fourth quarter of 2005 but increased from 3.39 percent in the previous quarter due to expected seasonality and normalization of credit.

Results in the Global Financial Services segment continue to reflect strong performance in its North American businesses offset by ongoing challenges in the UK. The segment's net income for 2006 was $274.0 million, up $88.0 million, or 47.3 percent, from $186.0 million in 2005. Net income in the fourth quarter of 2006 was $2.1 million, compared with $7.1 million in the fourth quarter of 2005, and $107.2 million in the third quarter of 2006. Managed loans at December 31, 2006 were $27.0 billion, up $3.6 billion, or 15.4 percent, from the prior year's fourth quarter, and up $.4 billion, or 1.4 percent, from the third quarter of 2006. The managed charge-off rate decreased to 3.89 percent in the fourth quarter of 2006 from 4.33 percent in the fourth quarter of 2005 driven largely by strong credit in its North American businesses. The managed charge-off rate increased in the fourth quarter from 3.70 percent in the previous quarter reflecting seasonality.

The Auto Finance segment reported a solid quarter as it continues to gain scale and grow originations by taking advantage of its multi-channel, full credit spectrum strategy. The Auto Finance segment's net income for 2006 was $233.5 million, up $101.4 million, or 76.8 percent, from $132.1 million in 2005. Net income in the fourth quarter of 2006 was $33.7 million, compared with $8.1 million in the fourth quarter of 2005, and $35.3 million in the third quarter of 2006. Managed loans at December 31, 2006 were $21.8 billion, up $5.4 billion, or 32.9 percent, from December 31, 2005, and up $.6 billion, or 2.8 percent from the prior quarter. The managed charge-off rate decreased to 2.85 percent in the fourth quarter of 2006 from 3.32 percent in the fourth quarter of 2005 because of a mix shift towards lower risk borrowers from the acquisition of Hibernia in 2005. The managed charge-off rate increased from 2.34 percent in the previous quarter primarily driven by seasonality.

The Banking segment delivered $45.7 million of net income in the fourth quarter of 2006, down $0.5 million, or 1.1 percent, from the third quarter of 2006. Decreases in revenue and increases in operating expenses where largely off-set by a $26.0 million reduction in provision expense due to favorable credit performance in loans impacted by 2005 Gulf Coast hurricanes. Total deposits at the end of the quarter were $35.3 billion, relatively flat as compared to $35.7 billion at the end of the third quarter of 2006. The company has opened a total of 39 de novo branches since the beginning of 2006. The integration of Hibernia is largely complete, and the company is on track to achieve the expected run-rate synergies of $135.0 million in 2007.

The company generates earnings from its managed loan portfolio, which includes both on-balance sheet loans and securitized (off-balance sheet) loans. For this reason, the company believes managed financial measures to be useful to stakeholders. In compliance with Regulation G of the Securities and Exchange Commission, the company is providing a numerical reconciliation of managed financial measures to comparable measures calculated on a reported basis using generally accepted accounting principles (GAAP). Please see the schedule titled “Reconciliation to GAAP Financial Measures” attached to this release for more information.

Forward looking statements

The company cautions that its current expectations in this release, in the presentation slides available on the company’s website and in its Form 8-K dated January 18, 2007 for 2007 earnings, the interest rate environment, charge-off rates, mortgage market trends, branch growth, integration costs and synergies, and the benefits of the business combination transaction involving Capital One and North Fork, including future financial and operating results, and the company’s plans, objectives, expectations and intentions are forward-looking statements and actual results could differ materially from current expectations due to a number of factors, including: the risk that the company’s acquired businesses will not be integrated successfully and that the cost savings and other synergies from such acquisitions may not be fully realized; continued intense competition from numerous providers of products and services which compete with Capital One’s businesses; changes in our aggregate accounts and balances, and the growth rate and composition thereof; the success of the company’s marketing efforts; general economic conditions affecting interest rates and consumer income, spending, and savings which may affect consumer bankruptcies, defaults, charge-offs and deposit activity; and the company’s ability to execute on its strategic and operational plans. A discussion of these and other factors can be found in Capital

One's annual report and other reports filed with the Securities and Exchange Commission, including, but not limited to, Capital One's report on Form 10-K for the fiscal year ended December 31, 2005.

About Capital One

Headquartered in McLean, Virginia, Capital One Financial Corporation (www.capitalone.com) is a financial holding company, with more than 700 locations in New York, New Jersey, Connecticut, Texas and Louisiana that offer a broad spectrum of financial products and services to consumers, small businesses and commercial clients. Its principal subsidiaries, Capital One Bank, Capital One, F.S.B., Capital One Auto Finance, Inc., Capital One, N.A., and North Fork Bank offer a broad spectrum of financial products and services to consumers, small businesses and commercial clients. Capital One's subsidiaries collectively had $85.8 billion in deposits and $146.2 billion in managed loans outstanding as of December 31, 2006. Capital One, a Fortune 500 company, trades on the New York Stock Exchange under the symbol "COF" and is included in the S&P 100 index.

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NOTE: Fourth quarter 2006 financial results, SEC Filings, and fourth quarter earnings conference call slides are accessible on Capital One's home page (www.capitalone.com). Choose "Investors" on the bottom of the home page to view and download the earnings press release, slides, and other financial information. Additionally, a webcast of today's 5:00 pm (ET) earnings conference call is accessible through the same link.