

FOR IMMEDIATE RELEASE: January 19, 2006**Contacts: Investor Relations**Mike Rowen
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703-720-2352 804-284-5800**Capital One Reports Earnings for 2005**
Company provides earnings guidance for 2006

McLean, Va. (January 19, 2006) – Capital One Financial Corporation (NYSE: COF) today announced earnings per share (diluted) for 2005 of \$6.73. Additionally, the company provided earnings guidance for 2006 of between \$7.40 and \$7.80 per share (diluted).

Earnings were \$1.8 billion, or \$6.73 per share (diluted), for the year compared with \$1.5 billion or \$6.21 per share (diluted), in 2004. Earnings for the fourth quarter of 2005 were \$280.3 million, or \$.97 per share (diluted), compared with \$195.1 million, or \$.77 per share (diluted), for the fourth quarter of 2004, and \$491.1 million, or \$1.81 per share (diluted), in the previous quarter.

Current period results include a \$30.6 million contribution to net income from the acquisition of Hibernia Corporation, which was completed on November 16, 2005.

“Capital One delivered another year of solid results across our diversified consumer financial services businesses and is well-positioned for continued growth and profitability in 2006,” said Richard D. Fairbank, Capital One’s Chairman and Chief Executive Officer. “With the addition of Hibernia, we have further expanded our broad portfolio of lending and deposit products, as well as our distribution channels, to better serve our customers.”

Managed loans at December 31, 2005 were \$105.5 billion, up \$25.7 billion, or 32 percent, from December 31, 2004. This includes organic growth in the quarter of \$4.4 billion and \$16.3 billion of loans acquired through Hibernia. Excluding the impact of Hibernia, managed loans grew 12 percent in 2005, in line with expectations. The company expects that managed loans will grow at a rate of between 7 and 9 percent during 2006.

The managed charge-off rate increased to 4.53 percent in the fourth quarter of 2005 from 4.14 percent in the previous quarter, and 4.37 percent in the fourth quarter of 2004, principally driven by the unusually high volume of bankruptcy filings in October in advance of the effective date of the new bankruptcy legislation. The company built its allowance for loan losses by \$126.6 million in the fourth quarter of 2005, driven largely by the growth in reported loans.

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The managed delinquency rate (30+ days) decreased to 3.24 percent as of December 31, 2005, driven largely by the addition of Hibernia loans to the portfolio. The delinquency rate decreased from 3.73 percent as of the end of the previous quarter and from 3.82 percent as of December 31, 2004.

Capital One's managed revenue margin decreased to 12.06 percent in the fourth quarter of 2005 from 12.54 percent in the previous quarter, primarily due to the addition of Hibernia's loan portfolio. The company's managed revenue margin was 12.66 percent in the fourth quarter of 2004. Return on managed assets for 2005 of 1.72 percent remained consistent with 1.73 percent in 2004.

"Expectations for continued steady growth in 2006 allow us to provide earnings guidance of between \$7.40 and \$7.80 per share (diluted) for 2006," said Gary L. Perlin, Capital One's Chief Financial Officer. "We also expect continued stability in return on managed assets in 2006 as decreases in revenue margin are expected to be offset primarily by reductions in provision expense and also by reductions in operating costs as a percent of assets."

Fourth quarter marketing expenses increased \$103.7 million to \$447.4 million from \$343.7 million in the previous quarter and decreased \$63.7 million from the fourth quarter of 2004. Marketing expenses for 2005 were \$1.4 billion, up three percent over the \$1.3 billion in marketing expenses in 2004.

Annualized operating expenses as a percentage of average managed loans increased to 5.27 percent in the fourth quarter of 2005, from 4.88 percent in the previous quarter and decreased from 5.44 percent in the fourth quarter of 2004.

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.

The company cautions that its current expectations in this release, in the presentation slides available on the company's website and on its Form 8-K dated January 19, 2006 for 2006 earnings, return on assets, loan growth rates, operating costs, 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: continued intense competition from numerous

providers of products and services which compete with our businesses; changes in our aggregate accounts and balances, and the growth rate and composition thereof; the company's ability to continue to diversify its assets; the company's ability to access the capital markets at attractive rates and terms to fund its operations and future growth; changes in the reputation of the credit card industry and/or the company with respect to practices or products; the success of the company's marketing efforts; the company's ability to execute on its strategic and operating plans; and general economic conditions affecting interest rates and consumer income and spending, which may affect consumer bankruptcies, defaults, and charge-offs; the risks that the Hibernia businesses will not be integrated successfully and that the cost savings and other synergies from the Hibernia transaction may not be fully realized; the long-term impact of the Gulf Coast hurricanes on the impacted region, including the amount of property and credit losses, the amount of investment, including deposits, in the region, and the pace and magnitude of economic recovery in the region.

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-Q for the quarter ended September 30, 2005.

About Capital One

Headquartered in McLean, Virginia, Capital One Financial Corporation (www.capitalone.com) is a financial holding company whose principal subsidiaries, Capital One Bank, Capital One, F.S.B., Capital One Auto Finance, Inc., and Hibernia National Bank (www.hibernia.com), offer a broad spectrum of financial products and services to consumers, small businesses and commercial clients. Capital One's subsidiaries collectively had \$47.9 billion in deposits and \$105.5 billion in managed loans outstanding as of December 31, 2005. Capital One, a Fortune 500 company, trades on the New York Stock Exchange under the symbol "COF" and is included in the S&P 500 index.

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NOTE: Fourth quarter 2005 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 right corner 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.