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Capital One Reports Third Quarter Earnings

EPS increased four percent over third quarter 2005

McLean, Va. (October 18, 2006) – Capital One Financial Corporation (NYSE: COF) today announced that its earnings for the third quarter of 2006 were $587.8 million, or $1.89 per share (diluted), compared with $491.1 million, or $1.81 per share (diluted), for the third quarter of 2005, and $552.6 million, or $1.78 per share (diluted), for the second quarter of 2006.

"Capital One delivered solid profit and loan growth in the third quarter, reflecting strong performance across our business segments, a continuing favorable credit environment, and expected seasonal patterns," said Richard D. Fairbank, Capital One's Chairman and Chief Executive Officer. "We continue to execute on our strategy of bringing together national scale lending and local banking businesses, and we look forward to continuing to drive our strategy with the acquisition of North Fork."

As previously announced, Capital One and North Fork expect the acquisition of North Fork by Capital One will close in the fourth quarter of 2006, pending the receipt of approval of the merger by the Federal Reserve Board, and the expiration of all regulatory waiting periods. Capital One and North Fork have not yet set a definitive election deadline by which North Fork stockholders can elect whether they would prefer to receive cash or Capital One common stock in the merger. The election deadline, which is expected to be approximately five business days prior to the expected closing date, will be announced at least five business days in advance of the deadline.

"We expect full year earnings per share (diluted) for 2006 to be at the higher end of the $7.40 to $7.80 range," said Gary L. Perlin, Capital One's Chief Financial Officer. "This includes an estimated 30 cent per share dilutive impact resulting from the expected fourth quarter close of the North Fork acquisition."

Managed loans at September 30, 2006 were $112.2 billion, up $27.5 billion, or 32 percent, from September 30, 2005, including $16.3 billion of loans acquired with the acquisition of Hibernia in November 2005. Managed loans increased $3.8 billion, or four percent, from the previous quarter. The company experienced growth across all of its North American businesses,

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most notably in its US Card segment. The company expects that managed loans will grow at a rate of between seven and nine percent during 2006, excluding the impacts of the North Fork acquisition.

The managed charge-off rate for the company decreased to 2.92 percent in the third quarter of 2006 from 4.14 percent in the third quarter of 2005 but rose from 2.75 percent in the previous quarter. The company increased its allowance for loan losses by $75 million in the third quarter of 2006, driven primarily by higher loan balances in the quarter. The managed delinquency rate (30+ days) decreased to 3.29 percent as of September 30, 2006 from 3.73 percent as of the end of September 30, 2005 but increased from 3.05 percent as of June 30, 2006.

Third quarter marketing expenses increased $24.8 million to $368.5 million from $343.7 million in the third quarter of 2005, and increased $11.8 million from the second quarter of 2006 expense of $356.7 million. Annualized operating expenses as a percentage of average managed loans increased to 4.92 percent in the third quarter of 2006 from 4.88 percent in the third quarter of 2005 but decreased from 4.99 percent in the previous quarter. This quarter's results also include resolution of certain IRS tax issues resulting in an $18.7 million reduction of tax expense.

Capital One's managed revenue margin decreased to 10.95 percent in the third quarter of 2006 from 12.54 percent in the third quarter of 2005, primarily due to the addition of Hibernia's loan portfolio. The company's managed revenue margin rose 18 basis points from 10.77 percent in the second quarter of 2006. The company continues to expect stability in its annual return on managed assets, as lower revenue margins on higher credit quality loans are offset by reductions in provision and also by reductions in operating and marketing expenses as a percent of assets.

Segment results

The US Card segment's net income in the third quarter of 2006 was $461.6 million, compared with $481.8 million in the third quarter of 2005, and $421.8 million in the second quarter of 2006. Overall performance in the segment continues to be driven by strong credit and solid loan growth. Managed loans at September 30, 2006 were $51.1 billion, up $4.8 billion or 10.4 percent, from September 30, 2005, and up $2.4 billion, or 4.9 percent from the prior quarter. The managed charge-off rate decreased to 3.39 percent in the third quarter of 2006 from 4.69 percent in the third quarter of 2005 but increased from 3.29 percent in the previous quarter. The company now expects credit card charge-offs to return to more normal levels in 2007 following the impacts of last year's bankruptcy legislation.

Results in the Auto Finance segment this quarter reflect continued growth in originations and seasonal impacts in credit. Net income in the third quarter of 2006 was $35.3 million, compared with a net loss of $7.7 million in the third quarter of 2005, and net income of $95.1 million in the second quarter of 2006. Managed loans at September 30, 2006 were $21.2 billion, up $5.4 billion, or 34.5 percent, from September 30, 2005, and up $.6 billion, or 2.9 percent from the prior quarter. The managed charge-off rate decreased to 2.34 percent in the third quarter of 2006 from 2.54 percent in the third quarter of 2005 but increased from 1.54 percent in the previous quarter.

Results in the Global Financial Services segment continue to reflect strong performance in its North American businesses offset by ongoing challenges in the UK. Net income in the third quarter of 2006 was $107.2 million, compared with $81.9 million in the third quarter of 2005, and $51.2 million in the second quarter of 2006. Managed loans at September 30, 2006 were $26.6 billion, up $3.9 billion, or 16.9 percent, from the prior year’s third quarter, and up $.7 billion, or 2.7 percent, from the second quarter of 2006. The managed charge-off rate decreased to 3.70 percent in the third quarter of 2006 from 4.09 percent in the third quarter of 2005 and from 3.90 percent in the previous quarter.

The Banking segment delivered stable performance, with net income in the third quarter of 2006 of $46.2 million, up $2.9 million, or 6.8 percent, from the second quarter of 2006. Total deposits at the end of the quarter were $35.7 billion, relatively flat with $35.3 billion at the end of the second quarter of 2006. The company opened nine new branches in the quarter, bringing the year-to-date total to 19 new branches. The company is in various stages of construction on 23 additional de novo branches targeted to open in 2006, although some of these openings might spill over into early 2007. Integration continued to progress smoothly during the quarter with the conversion of the Banking segment’s core processing platform, among other systems and processes. The company is on track to complete Hibernia-related integration projects in early 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 on its Form 8-K dated October 18, 2006 for third quarter earnings, return on assets, loan growth rates, operating costs, charge-off rates, 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 ability to obtain regulatory approvals of the proposed acquisition of North Fork on the proposed terms and schedule; the exact timing of the close of the North Fork transaction and the magnitude of market-driven purchase accounting adjustments related to the close; 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, and charge-offs and deposit activity; the long-term impact of the 2005 Gulf Coast hurricanes on the impacted regions; 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.

Additional Information About the Capital One – North Fork Transaction

In connection with the proposed merger of Capital One and North Fork Bancorporation, Inc., Capital One filed with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4 that included a joint proxy statement of Capital One and North Fork that also constitutes a prospectus of Capital One. Capital One and North Fork mailed the definitive joint proxy statement/prospectus to their respective stockholders on or about July 14, 2006. Investors and security holders are urged to read the definitive joint proxy statement/prospectus regarding the proposed merger because it contains important information. You may obtain a free copy of the definitive joint proxy statement/prospectus and other related documents filed by Capital One and North Fork with the SEC at the SEC's website at www.sec.gov. The definitive joint proxy statement/prospectus and the other documents may also be obtained for free by accessing Capital One's website at www.capitalone.com under the heading "Investors" and then under the heading "SEC & Regulatory Filings" or by accessing North Fork's website at www.northforkbank.com under the tab "Investor Relations" and then under the heading "SEC Filings."

About Capital One

Headquartered in McLean, Virginia, Capital One Financial Corporation (www.capitalone.com) is a financial holding company, with more than 342 locations in Texas and Louisiana. Its principal subsidiaries, Capital One Bank, Capital One, F.S.B., Capital One Auto Finance, Inc., and Capital One, N.A., offer a broad spectrum of financial products and services to consumers, small businesses and commercial clients. Capital One's subsidiaries collectively had $48.2 billion in deposits and $112.2 billion in managed loans outstanding as of September 30, 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 500 index.

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NOTE: Third quarter 2006 financial results, SEC Filings, and third 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.