1680 Capital One Drive McLean, VA 22102-3491

News Release

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Contacts: **Investor Relations** Mike Rowen (703) 720-3203

Media Relations Tatiana Stead (703) 720-2352; Julie Rakes (804) 284-5800

Capital One Reports First Quarter Earnings

Company reaffirms EPS Guidance for 2005 of $6.60 to $7.00

McLean, Va. (April 20, 2005) – Capital One Financial Corporation (NYSE: COF) today announced that its earnings for the first quarter of 2005 were $506.6 million, or $1.99 per share (diluted), compared with $450.8 million, or $1.84 per share, for the first quarter of 2004, and $195.1 million, or $.77 per share, in the fourth quarter of 2004.

"The company's first quarter results reflect strong performance in our US Card business as well as continued success in our Auto Finance and Global Financial Services businesses," said Richard D. Fairbank, Capital One's Chairman and Chief Executive Officer. "Additionally, the acquisition of Hibernia Corporation, which we announced in March, will enhance our diversification efforts and growth prospects, while lowering our funding costs and overall risk profile."

Managed loans grew to $81.6 billion as of March 31, 2005, up $1.7 billion, or 9 percent annualized, from the previous quarter, and up $9.8 billion, or 14 percent, from the first quarter of 2004. The company continues to expect that managed loans will grow at a rate of between 12 and 15 percent during 2005, excluding the impact of the Hibernia transaction.

The managed charge-off rate decreased to 4.13 percent in the first quarter of 2005 from 4.37 percent in the previous quarter, and from 4.83 percent in the first quarter of 2004. The company now expects its quarterly managed charge-off rate to stay below 4.25 percent in 2005, with seasonal variations and excluding the impact of the Hibernia transaction.
The company decreased its allowance for loan losses in the first quarter of 2005 by $65.0 million. The reduction was driven largely by seasonality of loan growth and credit metrics. The company continues to expect a net increase in its allowance for loan losses in the full year 2005, inclusive of the first quarter reduction and excluding the impact of the Hibernia transaction. The managed delinquency rate (30+ days) decreased to 3.45 percent as of March 31, 2005 from 3.82 percent as of the end of the previous quarter. The managed delinquency rate as of March 31, 2004 was 3.80 percent.

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"Solid revenue growth, improvements in operating efficiency, and strong credit performance across our business keeps us on track to deliver diluted earnings of between $6.60 and $7.00 per share in 2005," said Gary L. Perlin, Capital One's Chief Financial Officer. This earnings guidance incorporates the expected impact of completing the acquisition of Hibernia Corporation in the third quarter of 2005, and includes pro rata 2005 earnings for Hibernia Corporation as estimated by I/B/E/S as of March 4, 2005.

Capital One's managed revenue margin decreased to 12.50 percent in the first quarter of 2005 from 12.66 percent in the previous quarter, in line with our bias towards lower loss assets. The company's managed revenue margin was 13.38 percent in the first quarter of 2004.

Marketing expenses for the first quarter of 2005 were $311.8 million, down $199.3 million from the $511.1 million spent in the fourth quarter of 2004. Marketing expenses were $255.1 million in the comparable quarter of the prior year. The company continues to expect annual marketing spend for 2005 to be similar to 2004, excluding the impact of the Hibernia transaction.

Annualized operating expenses as a percentage of average managed loans decreased to 4.98 percent in the first quarter of 2005, down from 5.44 percent in the previous quarter and 5.45 percent in the first quarter of 2004. Included in first quarter 2005 operating expenses were charges totaling $23.7 million for a combination of employee termination benefits and continued facility consolidations, as well as an $18.8 million reversal of a previously recognized impairment related to the sale of the Tampa, FL facility. The company expects about $40 million in additional restructuring charges in 2005 related to programs initiated in 2004.

The company continues to expect a return on managed assets of between 1.7 and 1.8 percent in 2005, with some quarterly variability, excluding the impact of the Hibernia transaction. The company expects that modest declines in its managed revenue margin will be more than offset by improvements in expenses as a percentage of managed loans.

During the first quarter of 2005, Capital One completed the acquisitions of Hfs Group, Onyx, InsLogic, and eSmartloan. Capital One also announced a definitive agreement to acquire Hibernia Corporation (NYSE: HIB) in a stock and cash transaction valued at approximately $5.3 billion. The transaction is subject to regulatory and Hibernia shareholder approvals and is expected to be completed in the third quarter of 2005.

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 April 20, 2005 for 2005 earnings, charge-off rates, revenue margins, return on assets, allowance for loan losses, loan growth rates, marketing, the composition of loan growth, restructuring charges, the benefits of the business combination transaction involving Capital One and Hibernia, including future financial and operating results, and the new 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 effective tax planning strategies; the company's ability to execute on its strategic and operating plans; and general economic conditions affecting consumer income and spending, which may affect consumer bankruptcies, defaults, and charge-offs; the ability to obtain regulatory approvals of the proposed Capital One – Hibernia transaction on the proposed terms and schedule; the failure of Hibernia stockholders to approve the transaction; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; and disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers.

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, 2004.

Additional Information About the Capital One - Hibernia Transaction

In connection with the proposed merger between Capital One and Hibernia, Capital One and Hibernia will file with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4 that will include a proxy statement of Hibernia that also constitutes a prospectus of Capital One. Hibernia will mail the proxy statement/prospectus to its stockholders. Investors and security holders are urged to read the proxy statement/prospectus regarding the proposed merger when it becomes available because it will contain important information. A free copy of the proxy statement/prospectus (when available) and other related documents filed by Capital One and Hibernia with the SEC may be obtained at the SEC's website at www.sec.gov. The proxy statement/prospectus (when it is available) and the other documents may also be obtained for free by accessing Capital One's website at www.capitalone.com under the tab "Investors" and then under the heading "SEC & Regulatory Filings" or by accessing Hibernia's website at www.hibernia.com under the tab "About Hibernia" and then under the heading "Investor Relations—SEC Filings."

Capital One, Hibernia and their respective directors, executive officers and certain other members of management and employees may be soliciting proxies from Hibernia stockholders in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the Hibernia stockholders in connection with the proposed merger will be set forth in the proxy statement/prospectus when it is filed with the SEC. You can find information about Capital One's executive officers and directors in its definitive proxy statement filed with the SEC on March 21, 2005. You can find information about Hibernia's executive officers and directors in its definitive proxy statement filed with the SEC on March 15, 2005. You can obtain free copies of these documents from Capital One and Hibernia using the contact information above.

About Capital One

Headquartered in McLean, Virginia, Capital One Financial Corporation (www.capitalone.com) is a bank holding company whose principal subsidiaries, Capital One Bank, Capital One, F.S.B. and Capital One Auto Finance, Inc. offer a variety of consumer lending products. Capital One's subsidiaries collectively had 49.1 million accounts and $81.6 billion in managed loans outstanding as of March 31, 2005. Capital One is a Fortune 500 company and, through its subsidiaries, is one of the largest providers of MasterCard and Visa credit cards in the world. Capital One 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: First quarter 2005 financial results, SEC Filings, and first 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 (EST) earnings conference call is accessible through the same link.