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Capital One Reports Second Quarter Earnings

Company reaffirms loan growth, return on assets, and EPS guidance for 2005

McLean, Va. (July 20, 2005) – Capital One Financial Corporation (NYSE: COF) today announced that its earnings for the second quarter of 2005 were $531.1 million, or $2.03 per share (diluted), compared with $407.4 million, or $1.65 per share (diluted), for the second quarter of 2004, and $506.6 million, or $1.99 per share (diluted), for the first quarter of 2005.

"Capital One's second quarter results demonstrate the continued strength of our diversified consumer financial services company," said Richard D. Fairbank, Capital One's Chairman and Chief Executive Officer. "The company delivered solid credit quality, loan growth, and profitability while planning for the acquisition of Hibernia and integrating our new auto and home loan businesses."

Capital One expects the acquisition of Hibernia Corporation to close on September 1, 2005, subject to approval by Hibernia's shareholders, the receipt of all necessary regulatory approvals and expiration of all regulatory waiting periods prior to that date.

Managed loans grew to $83.0 billion as of June 30, 2005, up $1.4 billion, or 7 percent annualized, from the previous quarter, and up $9.6 billion, or 13 percent, from the second 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. Additionally, the company expects its US Card loan growth rate to be in the low single digits, and its Auto Finance and Global Financial Services businesses to grow at a faster rate than US Card.

The managed charge-off rate decreased to 4.10 percent in the second quarter of 2005 from 4.13 percent in the previous quarter, and from 4.42 percent in the second quarter of 2004. The company continues to expect its quarterly managed net 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 second quarter of 2005 by $35.0 million. The reduction was driven largely by continued loan diversification in our reported balance sheet and credit

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performance in our auto business. The company continues to expect a net increase in its allowance for loan losses in the full year 2005, inclusive of reductions taken in the first half of 2005 and excluding the impact of the Hibernia transaction.

The managed delinquency rate (30+ days) increased to 3.49 percent as of June 30, 2005 from 3.45 percent as of the end of the previous quarter. The managed delinquency rate as of June 30, 2004 was 3.76 percent. Capital One's managed revenue margin increased to 12.65 percent in the second quarter of 2005 from 12.50 percent in the previous quarter, and 12.53 percent in the second quarter of 2004. The company continues to expect a modest decline in managed revenue margin over time due to its diversification and bias towards lower loss assets.

"The company remains on track to deliver diluted earnings of between $6.60 and $7.00 per share in 2005, including the expected impact of completing the acquisition of Hibernia," said Gary L. Perlin, Capital One's Chief Financial Officer. "This guidance reflects the normal seasonality in loan growth and credit performance, which causes earnings in the second half of the year to be lower than those reported in the first half."

Marketing expenses for the second quarter of 2005 were $277.0 million, down $34.8 million from the $311.8 million spent in the first quarter of 2005. Marketing expenses were $253.8 million in the comparable quarter of the prior year. The company expects annual marketing spend for 2005 to be approximately $1.4 billion, excluding the impact of the Hibernia transaction.

Annualized operating expenses as a percentage of average managed loans increased to 5.13 percent in the second quarter of 2005, up from 4.98 percent in the previous quarter and down from 5.39 percent in the second quarter of 2004. Included in operating expenses were charges for a combination of employee termination benefits and continued facility consolidations totaling $26.0 million for the second quarter of 2005, $4.9 million for the first quarter of 2005 and $56.0 million for the second quarter of 2004. The company expects about $20 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 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 July 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 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 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 Hibernia Transaction

Hibernia shareholders are urged to read the definitive proxy statement/prospectus regarding the proposed merger of Capital One Financial Corp. ("Capital One") and Hibernia Corporation ("Hibernia"), which was first mailed to Hibernia shareholders on or about June 20, 2005 because it contains important information.

You may obtain a free copy of the definitive proxy statement/prospectus and other related documents filed by Capital One and Hibernia with the Securities and Exchange Commission ("SEC") at the SEC's website at www.sec.gov. The definitive 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 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 is set forth in the definitive proxy statement/prospectus 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 48.9 million accounts and $83.0 billion in managed loans outstanding as of June 30, 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: Second quarter 2005 financial results, SEC Filings, and second 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 (EDT) earnings conference call is accessible through the same link.