

CAPITAL ONE FINANCIAL CORP
Form S-4/A
June 16, 2005
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As filed with the Securities and Exchange Commission on June 15, 2005

Registration No. 333-124428

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CAPITAL ONE FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

6141
(Primary Standard Industrial
Classification Code Number)

54-1719854
(I.R.S. Employer
Identification Number)

1680 Capital One Drive, McLean, Virginia 22102

(703) 720-1000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

John G. Finneran, Jr., Esq.

Executive Vice President, General Counsel and Corporate Secretary

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1680 Capital One Drive, McLean, Virginia 22102

(703) 720-1000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable following the effectiveness of this Registration Statement, satisfaction or waiver of the other conditions to closing of the merger described herein, and consummation of the merger.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this document is not complete and may be changed. We may not sell the securities offered by this document until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED JUNE 15, 2005

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

We are pleased to report that the boards of directors of Capital One Financial Corporation and Hibernia Corporation have each approved a merger involving our two companies. Before we can complete the merger, we must obtain the approval of Hibernia shareholders. We are sending you this document to ask you to vote in favor of the merger transaction and related matters.

In the merger, Hibernia will merge into Capital One and Hibernia shareholders will be entitled to elect to receive their merger consideration in the form of Capital One common stock, cash or a combination of both. Subject to the election and adjustment procedures described in this document, Hibernia shareholders will receive, in exchange for each share of Hibernia common stock they hold, consideration with a value equal to the sum of (1) 0.2261 multiplied by the average of the closing prices on the NYSE for Capital One common stock during the five trading days ending the day before the completion of the merger and (2) \$15.35.

The value of the merger consideration will fluctuate with the market price of Capital One common stock. As explained in more detail in this document, whether you make a cash election or a stock election, the value of the consideration that you will receive as of the completion date will be substantially the same.

As an example, based on the average of the closing prices of Capital One common stock on the NYSE for the five trading days ending on [], 2005, for each of your shares of Hibernia common stock you would receive either approximately \$[] in cash or approximately 0.[] shares of Capital One common stock, having a market value based on that average of closing prices of approximately \$[]. If the average of the closing prices of Capital One common stock on the NYSE for the five trading days ending the day before the completion of the merger is \$78.08, which was the closing price for Capital One common stock on March 4, 2005, the last trading day prior to the day the merger agreement was executed, each share of Hibernia common stock would be converted into approximately \$33.00 in cash or approximately 0.4226 of a share of Capital One common stock. A chart showing the cash and stock merger consideration at various closing prices of Capital One common stock is provided on page 4 of this document.

The market prices of both Capital One common stock and Hibernia common stock will fluctuate before the merger. You should obtain current stock price quotations for Capital One common stock and Hibernia common stock. Capital One common stock trades on the NYSE under the symbol COF and Hibernia common stock trades on the NYSE under the symbol HIB.

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Your vote is important. We cannot complete the merger of Capital One and Hibernia unless the Hibernia shareholders approve the merger agreement. Hibernia has scheduled a special meeting of its shareholders to vote on the merger proposal. The special meeting will be held at the Pan-American Life Center Auditorium, 11th Floor, 601 Poydras Street, New Orleans, Louisiana, on August 3, 2005 at 9:00 a.m., local time.

This document gives you detailed information about the special meeting and the proposed merger. We urge you to read this document carefully, including Risk Factors beginning on page 17 for a discussion of the risks relating to the merger. You also can obtain information about Capital One and Hibernia from documents that we have filed or will file with the Securities and Exchange Commission prior to the Hibernia special meeting. Whether or not you plan to attend the special meeting, to ensure your shares are represented at the meeting, please vote as soon as possible by either completing and submitting the enclosed proxy card or by using the telephone or Internet voting procedures described on your proxy card.

Hibernia's board of directors has unanimously determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Hibernia and its shareholders and unanimously recommends that you vote FOR approval of the merger agreement.

J. Herbert Boydston

President and Chief Executive Officer

Hibernia Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the common shares to be issued by Capital One under this document or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

This document is dated June [], 2005, and is being first mailed to Hibernia shareholders on or about June [], 2005.

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HIBERNIA CORPORATION
313 CARONDELET STREET
NEW ORLEANS, LOUISIANA 70130

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON AUGUST 3, 2005

To the Shareholders of Hibernia Corporation:

We will hold a special meeting of Hibernia shareholders on August 3, 2005, at 9:00 a.m., local time, at the Pan-American Life Center Auditorium, 11th Floor, 601 Poydras Street, New Orleans, Louisiana, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of March 6, 2005, between Capital One Financial Corporation and Hibernia Corporation, as it may be amended from time to time, pursuant to which Hibernia will merge with and into Capital One;
2. To vote upon an adjournment or postponement of the special meeting, if necessary, to solicit additional proxies; and
3. To transact such other business as may properly be brought before the special meeting and any adjournments or postponements of the special meeting.

Only holders of record of Hibernia common shares at the close of business on June 6, 2005 are entitled to notice of, and to vote at, the special meeting or any adjournments or postponements of the special meeting. **To ensure your representation at the special meeting, please complete and promptly mail your proxy card in the return envelope enclosed, or authorize the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction card.** This will not prevent you from voting in person, but will help to secure a quorum and avoid added solicitation costs. Your proxy may be revoked at any time before it is voted. Please review the proxy statement/prospectus accompanying this notice for more complete information regarding the merger and the special meeting.

Hibernia shareholders have a right to dissent from the merger and obtain payment of the fair value of their shares in cash by complying with the applicable provisions of applicable law, which are attached to the accompanying proxy statement/prospectus as Annex D. Dissenting shareholders who comply with the procedural requirements of the Business Corporation Law of Louisiana will be entitled to receive payment of the fair cash value of their shares if the merger is effected upon approval by less than 80% of the corporation's total voting power.

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The board of directors of Hibernia unanimously recommends that Hibernia shareholders vote FOR the proposal to approve the merger agreement.

By Order of the Board of Directors

Cathy E. Chessin

Corporate Secretary

Hibernia Corporation

New Orleans, Louisiana

[], 2005

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ADDITIONAL INFORMATION

This document incorporates important business and financial information about Capital One Financial Corporation and Hibernia Corporation from documents filed with the Securities and Exchange Commission, which in this document we refer to as the SEC, that are not included in or delivered with this document. Capital One Financial Corporation, which in this document we refer to as Capital One, will provide you with copies of this information relating to Capital One, without charge, upon written or oral request to:

Capital One Financial Corporation

1680 Capital One Drive

McLean, Virginia 22102

Attention: Investor Relations Department

Telephone Number: (703) 720-2455

Hibernia Corporation, which in this document we refer to as Hibernia, will provide you with copies of this information relating to Hibernia, without charge, upon written or oral request to:

Hibernia Corporation

313 Carondelet Street

New Orleans, Louisiana 70130

Attention: Investor Relations Department

Telephone Number: (504) 533-2180

In order to receive timely delivery of the documents in advance of the special meeting, you must request the information no later than July 27, 2005.

You may also obtain these documents at the SEC's website, www.sec.gov and you may obtain certain of these documents at Capital One's website, www.capitalone.com by selecting Investors and then selecting SEC & Regulatory Filings, and then selecting Capital One Financial Corporation, and at Hibernia's website, www.hibernia.com by selecting About Hibernia, and then selecting Investor Relations SEC Filings. Other information contained on the Capital One and Hibernia websites is expressly not incorporated by reference into this document.

Please note that each of Capital One and Hibernia expects to issue a press release announcing its second quarter financial results in July 2005, prior to the date of the Hibernia special meeting. On the day such results are announced, each of Capital One and Hibernia intends to file with

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the SEC, as an exhibit to a Current Report on Form 8-K, its respective press release, which would thereby be deemed incorporated by reference into this document. See [Where You Can Find More Information](#). You are encouraged to read those press releases, which will be available at the website maintained by the SEC as well as at Capital One's and Hibernia's respective websites, as described above.

You should rely only on the information contained or incorporated by reference into this document to vote on the merger. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated []. You should not assume that the information contained in, or incorporated by reference into this document is accurate as of any date other than that date. Neither our mailing of this document to Hibernia shareholders nor the issuance by Capital One of common shares in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this document regarding Capital One has been provided by Capital One and information contained in this document regarding Hibernia has been provided by Hibernia.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why is my vote important?

A: Under the Articles of Incorporation of Hibernia, the merger agreement must be approved by the holders of a majority of the outstanding shares of Hibernia common stock. Accordingly, if a Hibernia shareholder fails to vote, or if a Hibernia shareholder abstains, that will have the same effect as a vote against approval of the merger agreement.

Q: What do I need to do now?

A: After you have carefully read this document, please respond by completing, signing and dating your proxy card and returning it in the postage-paid envelope or by submitting your proxy or voting instruction by telephone or through the Internet as soon as possible so that your shares will be represented and voted at the Hibernia special meeting.

The Hibernia board of directors unanimously recommends that you vote to approve the merger agreement.

Q: When and where is the special meeting?

A: The special meeting will take place at 9:00 a.m. on August 3, 2005. The location of the meeting is the Pan-American Life Center Auditorium, 11th Floor, 601 Poydras Street, New Orleans, Louisiana.

Q: Are there risks associated with the merger that I should consider in deciding how to vote?

A: Yes. There are a number of risks related to the merger, Capital One or Hibernia that are discussed in this document and in other documents incorporated by reference in this document. *Please read with particular care the detailed description of the risks associated with the merger on pages 17 through 19 and in the Capital One and Hibernia SEC filings referred to on page 97.*

Q: When do you expect to complete the merger?

A: We currently expect to complete the merger on September 1, 2005, subject to Hibernia shareholders' approval of the merger, the receipt of all necessary regulatory approvals and the expiration of all regulatory waiting periods prior to such date.

Q: When must I elect the type of merger consideration that I prefer to receive?

A: Hibernia shareholders who wish to elect the type of merger consideration they prefer to receive in the merger should carefully review and follow the instructions set forth in the form of election that will be provided to Hibernia shareholders at a later date. Since the actual election deadline is not currently known, Capital One and Hibernia will issue a press release announcing the date of the election deadline at least five business days before that deadline. If a Hibernia shareholder does not submit a properly completed and signed form of election to the exchange agent by the election deadline, such shareholder will have no control over the type of merger consideration such shareholder may receive, and, consequently, may receive only cash, only Capital One common stock or a combination of cash and Capital One common stock in the merger.

Q: Should I send in my Hibernia share certificates now?

A: No. Please DO NOT send your share certificates with your proxy card. You will be provided at a later date a form of election and instructions regarding the surrender of your share certificates. You should then, prior to the election deadline, send your Hibernia common stock certificates to the exchange agent, together with your completed, signed form of election.

Q: How do I vote my shares if my shares are held in street name ?

A: You should contact your broker or bank. Your broker or bank can give you directions on how to instruct the broker or bank to vote your shares. Your broker or bank will not vote your shares unless the broker or bank receives appropriate instructions from you. Such a failure to vote will have the same effect as a vote AGAINST approval of the merger agreement. You should therefore provide your broker or bank with instructions as to how to vote your shares. In addition, when you receive a form of election, you should follow your broker's or

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bank's instructions for making an election with respect to your shares.

Q: Will I be allowed to vote shares allocated to my account in Hibernia's benefit plans on the merger and elect the type of merger consideration I prefer to receive for such shares?

A: Yes. If shares of Hibernia common stock are allocated to your account in a Hibernia benefit plan, you will receive additional information explaining the procedure by which you can instruct the trustee of the plans how to vote the Hibernia common stock allocated to your account and how to elect the form of merger consideration you prefer to receive for such shares. You should follow the directions provided in these materials. You should also be aware that shares of Hibernia common stock in a Hibernia benefit plan may be subject to a deadline for submitting your voting or election instructions that is earlier than the deadline generally applicable to Hibernia shareholders.

Q: What do I do if I want to change my vote after I have delivered my proxy card?

A: You may change your vote at any time before your proxy is voted at the special meeting. If you are the record holder of your shares, you can do this in any of the three following ways:

by sending a written revocation to Cathy E. Chessin, Corporate Secretary of Hibernia, 225 Baronne Street, 11th Floor, New Orleans, LA 70112, in time to be received before the special meeting;

by completing another proxy card (whether by mail, telephone or Internet) that is dated later than the original proxy and returning it in time to be received before the special meeting; or

by voting in person at the special meeting if your shares of Hibernia common stock are registered in your name rather than in the name of a broker or bank.

If you hold your shares in street name, you should contact your broker or bank to give it instructions to change your vote. If shares of Hibernia common stock are allocated to your account in one of Hibernia's benefit plans and you wish to change your voting instructions with respect to such shares, you must follow the directions for changing voting instructions set forth in the additional materials delivered to you regarding the voting of those shares.

Q: Who can I call with questions about the special meeting or the merger?

A: If you have any questions about the special meeting or the merger or if you need additional copies of this document, you should contact:

Hibernia Corporation

313 Carondelet Street

New Orleans, Louisiana 70130

Attention: Investor Relations Dept.

Telephone Number: (504) 533-2180

If you have questions about the process for voting or if you need a replacement proxy card, you should contact:

Mellon Investors Services LLC

Telephone Number: (800) 814-0305

Q: Where can I find more information about the companies?

A: You can find more information about Capital One and Hibernia from the various sources described under [Where You Can Find More Information](#).

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SUMMARY

This summary highlights selected information from this document and may not contain all of the information that is important to you. You should carefully read this entire document and the other documents to which this document refers to fully understand the merger. See Where You Can Find More Information on page 96. Each item in this summary includes a page reference directing you to a more complete description of that item.

THE COMPANIES (see page 72)

Capital One Financial Corporation

1680 Capital One Drive

McLean, Virginia 22102

(703) 720-1000

With more than 49.1 million accounts at March 31, 2005, Capital One is one of the world's largest financial services franchises. It is a diversified financial services corporation focused primarily on consumer lending. Its principal business segments are domestic credit card lending, automobile and other motor vehicle financing and global financial services.

Hibernia Corporation

313 Carondelet Street

New Orleans, Louisiana 70130

(504) 533-3333

Hibernia is a financial holding company with operations in Louisiana and Texas that provides a wide array of financial products and services through its bank and non-bank subsidiaries, including a full range of deposit products, small business, commercial, mortgage and private and international banking, trust and investment management, brokerage, investment banking and insurance. Hibernia is the largest depository institution in Louisiana and, as of March 31, 2005, had 317 locations in 34 Louisiana parishes and 35 Texas counties, including the high-growth areas of Houston and Dallas-Fort Worth.

THE MERGER (see page 54)

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The terms and conditions of the merger are contained in the merger agreement, which is attached as Annex A to this document. Please carefully read the merger agreement as it is the legal document that governs the merger.

Hibernia Will Merge into Capital One

We propose a merger of Hibernia with and into Capital One. Capital One will survive the merger.

Hibernia Shareholders Will Receive Cash and/or Shares of Capital One Common Stock in the Merger depending on their Election and any Adjustment (see pages 54 58)

Hibernia shareholders will have the right to elect to receive merger consideration for each of their shares of Hibernia common stock in the form of cash or shares of Capital One common stock, subject to adjustment in the circumstances described below. In the event of adjustment, you may receive a portion of the merger consideration in a form other than that which you elected.

The value of the merger consideration you will receive will fluctuate with the market price of Capital One common stock and will be determined based on the five-day average closing price on the NYSE of Capital One

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common stock ending on the day before the completion of the merger. As explained in more detail in this document, whether you make a cash election or a stock election, the value of the consideration that you will receive as of the date of completion of the merger will be substantially the same based on the average Capital One closing price used to calculate the merger consideration. You may specify different elections with respect to different shares that you hold (if, for example, you own 100 Hibernia shares, you could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

As an example, based on the average of the closing prices of Capital One common stock for the five trading days ending on [], 2005, for each of your shares of Hibernia common stock you would receive either approximately \$[] in cash or 0.[] of a share of Capital One common stock, subject to possible adjustment. However, we will compute the actual amount of cash and number of shares of Capital One common stock you will receive in the merger using the formula contained in the merger agreement. For a summary of the formula contained in the merger agreement, see The Merger Agreement Consideration To Be Received in the Merger beginning on page 54.

Set forth below is a table showing a hypothetical range of five-day average closing sale prices for shares of Capital One common stock and the corresponding consideration that a Hibernia shareholder would receive in a cash election, on the one hand, or in a stock election, on the other hand, under the merger consideration formula. The table does not reflect the fact that cash will be paid instead of fractional shares. As described below, regardless of whether you make a cash election or a stock election, you may nevertheless receive a mix of cash and stock.

Capital One Common Stock		Hibernia Common Stock		
Hypothetical Five-Day Average Closing Prices	Cash Election: Cash Consideration Per Share	OR	Stock Election: Stock Consideration Per Share	
			Capital One Shares	Market Value(*)
\$ 65	\$ 30.05		0.4623	\$ 30.05
66	30.27		0.4586	30.27
67	30.50		0.4552	30.50
68	30.72		0.4518	30.72
69	30.95		0.4486	30.95
70	31.18		0.4454	31.18
71	31.40		0.4423	31.40
72	31.63		0.4393	31.63
73	31.86		0.4364	31.86
74	32.08		0.4335	32.08
75	32.31		0.4308	32.31
76	32.53		0.4280	32.53
77	32.76		0.4255	32.76
78	32.99		0.4229	32.99
79	33.21		0.4204	33.21
80	33.44		0.4180	33.44
81	33.66		0.4156	33.66
82	33.89		0.4133	33.89
83	34.12		0.4111	34.12
84	34.34		0.4088	34.34
85	34.57		0.4067	34.57

(*) Market value based on hypothetical five-day average closing price on the NYSE of Capital One common stock.

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The examples above are illustrative only. The value of the merger consideration that you actually receive will be based on the actual five-day average closing price on the NYSE of Capital One common stock prior to

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completion of the merger, as described below. The actual average closing price may be outside the range of the amounts set forth above, and as a result, the actual value of the merger consideration per share of Hibernia common stock may not be shown in the above table.

Regardless of Whether You Make a Cash Election or a Stock Election, You May Nevertheless Receive a Mix of Cash and Stock (see pages 56 - 58)

The aggregate number of shares of Capital One common stock that will be issued in the merger is approximately [] million, based on the number of Hibernia shares outstanding on June [], 2005, and the cash that will be paid in the merger is fixed at \$2,382,141,311. As a result, if more Hibernia shareholders elect to receive either Capital One common stock or cash than is available as merger consideration under the merger agreement, those shareholders electing the over-subscribed form of consideration will have the over-subscribed consideration proportionately reduced and will receive a portion of their consideration in the other form, despite their election.

If shares of Hibernia common stock are issued upon the exercise of outstanding Hibernia stock options, upon vesting of other stock-settled awards or as otherwise permitted by the merger agreement, the aggregate number of shares of Capital One common stock to be issued as consideration in the merger will be increased accordingly. However, the cash consideration will always remain fixed at \$2,382,141,311.

What Holders of Hibernia Stock Options and Other Equity-Based Awards Will Receive (see pages 58 - 59)

When we complete the merger, Hibernia stock options, restricted share units and phantom shares that are outstanding immediately before completing the merger will become options, restricted share units (to the extent they do not vest upon the change of control and instead become shares of Capital One common stock) and phantom shares on shares of Capital One common stock. The number of common shares subject to such stock options, restricted share units and phantom shares, and the exercise price of the Hibernia stock options, will be adjusted according to the exchange ratio.

Each Hibernia restricted share outstanding immediately before completing the merger will be converted upon the completion of the Merger into the right to receive the merger consideration (with the same terms as the Hibernia restricted shares, including transfer restrictions to the extent such shares do not vest and transfer restrictions do not lapse on the change of control) elected by the holder of the Hibernia restricted share, subject to adjustment in the circumstances described above.

In Order To Make an Election, Hibernia Shareholders Must Properly Complete and Deliver the Form of Election that Will Be Sent at a Later Date (see pages 59 - 60)

You will receive at a later date a form of election with instructions for making cash and stock elections. You must properly complete and deliver to the exchange agent your form of election along with your stock certificates (or a properly completed notice of guaranteed delivery). The form of election will also include delivery instructions with respect to any shares you may hold in book-entry form. The exchange agent will be named in the form of election. Do not send your stock certificates with your proxy card.

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Forms of election and stock certificates (or a properly completed notice of guaranteed delivery) must be received by the exchange agent by the election deadline. Since the actual election deadline is not currently known, Capital One and Hibernia will issue a press release announcing the date of the election deadline at least five business days before that deadline. For further details on the determination of the election deadline, see The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration

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Form of Election. Once you tender your stock certificates to the exchange agent, you may not transfer your Hibernia shares until the merger is completed, unless you revoke your election by written notice to the exchange agent that is received prior to the election deadline. If the merger is not completed and the merger agreement is terminated, stock certificates will be returned by the exchange agent by first class mail or through book-entry transfer (in the case of Hibernia shares delivered in book-entry form to the exchange agent).

If you fail to submit a properly completed form of election, together with your stock certificates (or a properly completed notice of guaranteed delivery), prior to the election deadline, you will be deemed not to have made an election. As a non-electing holder, you will be paid merger consideration per share equivalent to the amount paid per share to holders making elections, but you may be paid all in cash, all in Capital One common stock, or in part cash and in part Capital One common stock, depending on the remaining pool of cash and Capital One common stock available for paying merger consideration after honoring the cash elections and stock elections that other shareholders have made, and without regard to your preference.

Dividend Policy of Capital One; Potential Partial Dividend from Hibernia (see page 61)

The holders of Capital One common stock receive dividends if and when declared by the Capital One board of directors out of legally available funds. Capital One declared quarterly cash dividends of \$0.026667 per share of common stock for each quarter in 2004 and for the first two quarters of 2005. Following the completion of the merger, Capital One expects to continue paying quarterly cash dividends on a basis consistent with past practice. However, the declaration and payment of dividends will depend upon business conditions, operating results, capital and reserve requirements and consideration by the Capital One board of directors of other relevant factors.

Prior to completion of the merger, Hibernia shareholders will continue to receive any regular quarterly dividends declared and paid by Hibernia. In addition, depending on the timing of the completion of the merger, Hibernia shareholders also may become entitled to receive a partial dividend declared and paid by Hibernia for all or part of the period between the last dividend record date of Hibernia and the date the merger is completed. See The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration Dividends and Distributions.

Hibernia's Financial Advisors Have Provided Opinions as to the Fairness of the Merger Consideration, from a Financial Point of View, to Hibernia's Shareholders (see pages 27 - 41)

J.P. Morgan Securities Inc., or JPMorgan, and Bear, Stearns & Co. Inc., or Bear Stearns, have provided opinions to the Hibernia board of directors, each dated as of March 6, 2005, that, as of that date, and subject to and based on the qualifications and assumptions set forth in their respective opinions, the consideration to be received by the holders of Hibernia common stock in the merger was fair, from a financial point of view, to such shareholders. We have attached the full text of JPMorgan's opinion to this document as Annex B and the Bear Stearns opinion as Annex C. We urge you to read the opinions in their entirety. The opinions of JPMorgan and Bear Stearns are addressed to the board of directors of Hibernia, are directed only to the consideration to be paid in the merger and do not constitute a recommendation to any shareholder of Hibernia as to how that shareholder should vote at the Hibernia special meeting. Pursuant to engagement letters between Hibernia and each of JPMorgan and Bear Stearns, Hibernia has agreed to pay each of JPMorgan and Bear Stearns a fee, a substantial portion of which is payable only upon completion of the merger.

Hibernia's Board of Directors Recommends that You Vote FOR Approval of the Merger Agreement (see page 27)

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Hibernia's board of directors has unanimously determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable to you and in your best interests, and unanimously recommends that you vote FOR the proposal to approve the merger agreement.

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In determining whether to approve the merger agreement, Hibernia's board of directors consulted with certain of its senior management and with its legal and financial advisors. In arriving at its determination, the Hibernia board of directors also considered the factors described under "The Merger - Hibernia's Reasons for the Merger; Recommendation of Hibernia's Board of Directors."

Interests of Hibernia Executive Officers and Directors in the Merger (see pages 42 - 45)

The directors and executive officers of Hibernia have financial interests in the merger that are different from, or in addition to, the interests of Hibernia shareholders. These interests include rights of executive officers under change of control agreements with Hibernia, rights under stock-based benefit programs and awards of Hibernia, and rights to continued indemnification and insurance coverage by Capital One after the merger for acts and omissions occurring before the merger. In addition, Capital One entered into an employment agreement with J. Herbert Boydston, President and Chief Executive Officer of Hibernia, under which, effective as of the completion of the merger, Mr. Boydston will be employed by Capital One as the highest ranking executive of the consumer, commercial and other branch banking business of Capital One (excluding certain banking businesses operated by Capital One) as described more fully under "The Merger - Interests of Hibernia's Executive Officers and Directors in the Merger - Employment Agreement with J. Herbert Boydston." The Hibernia board of directors was aware of these interests and considered them in approving the merger agreement and the merger.

Board of Directors after the Merger (see page 46)

Upon completion of the merger, Capital One will take the actions as may be reasonably required to appoint E.R. Campbell, the current Chairman of the Hibernia board of directors, to the Capital One board of directors to the class of directors whose term expires at Capital One's 2006 annual meeting of shareholders.

Non-Solicitation (see pages 65 - 66)

Hibernia has agreed that it will not solicit or encourage any inquiries or proposals regarding any acquisition proposals by third parties. Hibernia may respond to unsolicited proposals in certain circumstances if required by the Hibernia board of directors' fiduciary duties. Hibernia must promptly notify Capital One if it receives any acquisition proposals.

Conditions to Completion of the Merger (see pages 67 - 68)

Each of Capital One's and Hibernia's obligations to complete the merger is subject to the satisfaction or waiver of a number of mutual conditions including: