

CAPITAL ONE FINANCIAL CORP

Form 424B3

January 29, 2007

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The information in this preliminary prospectus supplement is not complete and may be changed. Neither this preliminary prospectus supplement nor the accompanying prospectus is an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated January 29, 2007

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated May 9, 2006)

Capital One Capital IV

\$

% Capital Securities

(Liquidation amount \$1,000 per capital security)

Fully and unconditionally guaranteed, to the extent described below, by

Capital One Financial Corporation

Capital One Capital IV, a Delaware statutory trust, will issue the capital securities. Each capital security represents an undivided beneficial interest in the assets of the trust. The only assets of the trust will be % Capital Efficient Notes issued by Capital One Financial Corporation, which we refer to as the CENts. The trust will pay distributions on the capital securities only from the proceeds, if any, of interest payments on the CENts.

The CENts will bear interest from the date they are issued to but excluding February , 2032, at the annual rate of % of their principal amount. From that date and until February , 2037, the scheduled maturity date , the CENts will bear interest at an annual rate equal to one-month LIBOR plus %, payable monthly in arrears on the day of each calendar month. We have the right, on one or more occasions, to defer the payment of interest on the CENts for one or more consecutive interest periods that do not exceed 5 years without being subject to our obligations under the alternative payment mechanism described in this prospectus supplement and for one or more consecutive interest periods that do not exceed 10 years without giving rise to an event of default and acceleration. In the event of our bankruptcy, holders will have a limited claim for deferred interest.

The principal amount of the CENts will become due on the scheduled maturity date only to the extent that we have sold qualifying capital securities during a six-month period ending on a notice date not more than 15 or less than 10 business days prior to the scheduled maturity date. We will use our commercially

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reasonable efforts, subject to certain market disruption events, to sell enough qualifying capital securities to permit repayment of the CENts in full on the scheduled maturity date. If any amount is not paid on the scheduled maturity date, it will remain outstanding and bear interest at a floating rate payable monthly in arrears and we will continue to use our commercially reasonable efforts to sell enough qualifying capital securities to permit repayment of the CENts in full. On February 1, 2082, we must pay any remaining principal and interest on the CENts in full whether or not we have sold qualifying capital securities.

At the option of Capital One Financial Corporation, the capital securities may be redeemed at any time prior to February 1, 2032, in whole or in part, at their liquidation amount or, if greater, a make-whole price calculated as described herein, in either case plus accrued and unpaid distributions through the date of redemption. A lower make-whole price will apply in the case of a redemption in connection with a tax event or rating agency event as described herein. The capital securities may be redeemed at any time on or after February 1, 2032 or upon the occurrence of a capital treatment event or investment company event at 100% of their liquidation amount, plus accrued and unpaid distributions through the date of redemption.

The CENts will be subordinated to all existing and future senior, subordinated and junior subordinated debt of Capital One Financial Corporation, except for our 7.50% junior subordinated debt securities due June 15, 2066 issued in connection with the June 2006 offering of 7.50% capital securities of Capital One Capital II, our 7.686% junior subordinated debt securities due August 1, 2066 issued in connection with the July 2006 offering of 7.686% capital securities of Capital One Capital III, our subordinated guarantees of those capital securities and any future debt that by its terms is not superior in right of payment. The CENts will be effectively subordinated to all liabilities of our subsidiaries. As a result, the capital securities also will be effectively subordinated to the same debt and liabilities. Capital One Financial Corporation will guarantee the capital securities on a subordinated basis to the extent described in this prospectus supplement.

See **Risk Factors** beginning on page S-8 for a discussion of certain risks that you should consider in connection with an investment in the capital securities.

These securities are not deposits or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	<u>Price to Public</u>	<u>Underwriting Commissions</u>	<u>Proceeds to Trust</u>
Per capital security	\$ (1)	\$ (2)	\$
Total	\$ (1)	\$ (2)	\$

(1) Your purchase price also will include distributions accrued on the capital securities since February 1, 2007, if any.

(2) Capital One Financial Corporation will pay the underwriting commissions.

We expect to deliver the capital securities to investors through the book-entry facilities of The Depository Trust Company and its direct participants on or about February 1, 2007.

Joint Bookrunners

JPMorgan Banc of America Securities LLC Credit Suisse Wachovia Securities

Sole Structuring Advisor

The date of this prospectus supplement is January , 2007

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You should rely only on information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we, the trust nor the underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer of these securities in any state where the offer is not permitted. You should assume that the information appearing in this

prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates.

In this prospectus supplement, except where the context indicates otherwise, we , us and our refer to Capital One Financial Corporation and trust refers to Capital One Capital IV.

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SUMMARY

In this summary, we have highlighted certain information in this prospectus supplement and the accompanying prospectus. This summary may not contain all of the information that is important to you. To understand the terms of the capital securities, the related guarantees and the CENts, as well as the considerations that are important to you in making your investment decision, you should carefully read this entire prospectus supplement and the accompanying prospectus. You should pay special attention to the discussion under **Risk Factors** to determine whether an investment in the capital securities is appropriate for you. You should also read the documents we have referred you to in **Where You Can Find More Information** on page S-54.

About this Prospectus Supplement

This prospectus supplement summarizes the terms of the securities being offered and supplements the general descriptions set forth in the accompanying prospectus. This prospectus supplement also updates and supersedes information in the accompanying prospectus. In the case of inconsistencies, this prospectus supplement will apply. We use terms in this prospectus supplement as they are defined in the accompanying prospectus.

The Trust and Capital One Financial Corporation.

Capital One Financial Corporation is a financial holding company incorporated in Delaware on July 21, 1994. Our subsidiaries market a variety of consumer financial products and services, including credit card, consumer lending, deposit and motor vehicle financing products.

Capital One Capital IV, which we refer to as the trust, is a Delaware statutory trust. It was created for the purpose of issuing the % Capital Securities, which we refer to as the capital securities, and engaging in the other transactions described in this prospectus supplement and the accompanying prospectus. All of the common securities of the trust are owned by us. The trustees referred to on page 50 of the accompanying prospectus will conduct the business affairs of the trust. Its principal offices are located at 1680 Capital One Drive, McLean, Virginia 22102, and its telephone number is (703) 720-1000.

The Capital Securities

Each capital security represents an undivided beneficial ownership interest in the assets of the trust.

The trust will sell the capital securities to the public and its common securities to us. The trust will use the proceeds from those sales to purchase \$ aggregate principal amount of our % Capital Efficient Notes, which we refer to as CENts and which are a series of the junior subordinated debt securities referred to in the accompanying prospectus. We will pay interest on the CENts at the same rate and on the same dates as the trust makes payments on the capital securities. The trust will use the payments it receives on the CENts to make the corresponding payments on the capital securities.

Distributions.

If you purchase capital securities, you will be entitled to receive periodic distributions on the stated liquidation amount of \$1,000 per capital security (the liquidation amount) on the same payment dates and in the same amounts as we pay interest on a principal amount of CENts equal to the liquidation amount of such capital security. Distributions will accumulate from February , 2007. The trust will make distribution payments on the capital securities semi-annually in arrears on each February and August , beginning August , 2007, unless those payments are deferred as described below.

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Deferral of Distributions.

We have the right, on one or more occasions, to defer the payment of interest on the CENts for one or more consecutive interest periods that do not exceed 5 years without being subject to our obligations described under Summary of Terms of the CENts Alternative Payment Mechanism and for one or more consecutive interest periods that do not exceed a total of 10 years without giving rise to an event of default and acceleration under the terms of the CENts or the capital securities. However, no interest deferral may extend beyond the final repayment date or the earlier of the repayment or redemption of the CENts.

If we exercise our right to defer interest payments on the CENts, the trust will also defer paying a corresponding amount of distributions on the capital securities during that deferral period.

Although neither we nor the trust will be required to make any interest or distribution payments during a deferral period other than pursuant to the alternative payment mechanism, interest on the CENts will continue to accrue during deferral periods and, as a result, distributions on the capital securities will continue to accumulate at the then-applicable interest rate on the CENts, compounded on each interest payment date.

Following the earlier of (i) the fifth anniversary of the commencement of a deferral period or (ii) a payment of current interest on the CENts during a deferral period, we will be required to pay deferred interest pursuant to the alternative payment mechanism. Under the alternative payment mechanism, after that date we must, subject to market disruption events, use our commercially reasonable efforts to sell qualifying warrants and qualifying non-cumulative preferred stock and apply the eligible proceeds to pay accrued and unpaid deferred interest on the CENts. At any time during a deferral period, we may not pay deferred interest (or compounded interest thereon) on the CENts except pursuant to the alternative payment mechanism, subject to limited exceptions. See Summary of Terms of the CENts Alternative Payment Mechanism for a further discussion of the alternative payment mechanism.

If we defer payments of interest on the CENts, the CENts will thereafter be treated as being issued with original issue discount for United States federal income tax purposes. This means that you will be required to include interest income with respect to the deferred distributions on your capital securities in your gross income for United States federal income tax purposes, even though neither we nor the trust will make actual payments on the CENts or on the capital securities, as the case may be, during a deferral period. See Certain United States Federal Income Tax Consequences United States Holders Interest Income and Original Issue Discount and Risk Factors Our right to defer interest payments on the CENts has tax consequences for you for a further discussion of the federal income tax consequences of an interest deferral.

Redemption of Capital Securities.

Subject to the provisions described in Description of the Trust Preferred Securities Ranking of Common Securities in the accompanying prospectus, the trust will use the proceeds of any repayment or redemption of the CENts to redeem, on a proportionate basis, an equal amount of capital securities and common securities.

Any redemption or purchase of the capital securities by us or our subsidiaries will be subject to the limitations described under Replacement Capital Covenant below. In addition, under the current rules of the Board of Governors of the Federal Reserve System (the Federal Reserve), Federal Reserve approval is generally required for the early redemption of preferred stock or trust preferred securities included in regulatory capital. However, Federal Reserve approval is not required for the redemption of the capital securities on or after the scheduled maturity date in

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connection with the repayment of the CENts since, in this case, the redemption would not be an early redemption but would be pursuant to our contractual obligation to repay the CENts, subject to the limitations described under Summary of Terms of the CENts Repayment of Principal, on the scheduled maturity date.

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For a description of our rights to redeem the CENts, see Summary of Terms of the CENts Redemption Optional Redemption and Conditional Right to Redeem upon a Tax Event, Capital Treatment Event, Rating Agency Event or Investment Company Event below.

Optional Liquidation of the Trust and Distribution of CENts to Holders.

We may dissolve the trust at any time, subject to our receipt of any required prior approval by the Federal Reserve.

If we dissolve the trust, after the trust satisfies all of its liabilities as required by law, the trustees will distribute the CENts to the holders of the capital securities and the common securities on a proportionate basis. See Summary of Terms of Capital Securities Optional Liquidation of Trust and Distribution of CENts to Holders.

Further Issues.

The trust has the right to issue additional capital securities in the future. Any such additional capital securities will have the same terms as the capital securities being offered by this prospectus supplement but may be offered at a different offering price and accrue distributions from a different date than the capital securities being offered hereby, provided that the total liquidation amount of capital securities of the trust outstanding may not exceed \$. If issued, any such additional capital securities will become part of the same series as the capital securities being offered hereby.

Book-Entry.

The capital securities will be represented by one or more global securities registered in the name of, and deposited with, The Depository Trust Company (DTC) or its nominee. This means that you will not receive a certificate for your capital securities and capital securities will not be registered in your name, except under certain limited circumstances described in the accompanying prospectus under the caption Book-Entry Procedures and Settlement.

The CENts

Repayment of Principal.

We must repay the principal amount of the CENts, together with accrued and unpaid interest, on February , 2037, or if that date is not a business day, the next business day (the scheduled maturity date), subject to the limitations described below.

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Our obligation to repay the CENts on the scheduled maturity date and continuing thereafter is limited so long as the replacement capital covenant is in effect. We are required to repay the CENts on the scheduled maturity date only to the extent that we have raised sufficient net proceeds from the issuance of qualifying capital securities, as described under Replacement Capital Covenant , during a six-month period ending on a notice date not more than 15 or less than 10 business days prior to the scheduled maturity date. If we have not sold a sufficient amount of qualifying capital securities to permit repayment of all of the CENts on the scheduled maturity date, the unpaid amount will remain outstanding until repaid and will bear interest at a floating rate payable monthly. We will be required to repay the unpaid portion of the CENts on each subsequent interest payment date to the extent we sell a sufficient amount of qualifying capital securities and until the CENts are repaid in full, the replacement capital covenant is no longer in effect or upon the occurrence of an event of default and acceleration.

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We will use our commercially reasonable efforts, subject to a market disruption event, to sell a sufficient amount of qualifying capital securities to permit repayment of the CENts in full on the scheduled maturity date in accordance with the preceding paragraph. If we are unable for any reason to sell a sufficient amount of qualifying capital securities prior to the scheduled maturity date, we will use our commercially reasonable efforts, subject to a market disruption event, to sell a sufficient amount of qualifying capital securities to permit repayment of the CENts in full on the following monthly interest payment date, and on each monthly interest payment date thereafter until the CENts are paid in full, the replacement capital covenant is no longer in effect or an event of default and acceleration occurs.

Any unpaid principal amount of the CENts, together with accrued and unpaid interest, will be due and payable on February 15, 2082 (or if this day is not a business day, the following business day), which is the final repayment date for the CENts, regardless of the amount of qualifying capital securities we have sold by that time.

Although under the replacement capital covenant the amount of CENts that we may repay, redeem or purchase may be based on the net cash proceeds from certain issuances of common stock, rights to acquire common stock, mandatorily convertible preferred stock and debt exchangeable for equity in addition to qualifying capital securities, we are not required to issue any securities other than qualifying capital securities in connection with the foregoing obligations.

Under the current risk-based capital adequacy guidelines of the Federal Reserve, Federal Reserve approval is generally required for the early redemption of preferred stock or trust preferred securities included in regulatory capital. However, Federal Reserve approval is not required for the redemption of the capital securities on or after the scheduled maturity date in connection with the repayment of the CENts as described above since, in this case, the redemption would not be an early redemption but would be pursuant to our contractual obligation to repay the CENts.

Interest.

The CENts will bear interest at the annual rate of 7.50% to but excluding February 15, 2032 and thereafter until the scheduled maturity date at an annual rate equal to one-month LIBOR plus 2.00%. Interest on the CENts will accrue from February 15, 2007. Capital One Financial Corporation will pay that interest semi-annually in arrears on February 15 and August 15 of each year from August 15, 2007 through February 15, 2032 and thereafter monthly in arrears on the 15th day of each calendar month (or if this day is not a business day, the following business day unless the payment date would fall in the next calendar month, in which case such payment will be made on the business day immediately before the scheduled payment date) beginning March 15, 2032 (we refer to these dates as interest payment dates). If any CENts remain outstanding after the scheduled maturity date, they will bear interest at an annual rate equal to one-month LIBOR plus 2.00% until they are repaid.

Ranking.

The CENts will constitute one series of the junior subordinated debt securities referred to in the accompanying prospectus and will be issued by Capital One Financial Corporation under the indenture referred to in the accompanying prospectus. The CENts will be unsecured and will rank junior to all existing and future senior, subordinated and junior subordinated debt of Capital One Financial Corporation, except for the issues of junior subordinated debt securities referred to below and except for any future debt that by its terms is not superior in right of payment to the CENts. For purposes of the CENts, senior debt does not include trade accounts payable or accrued liabilities arising in the ordinary course of business. The CENts will be effectively subordinated to all liabilities of our subsidiaries. The CENts will rank pari passu with our 7.50% junior subordinated debt securities due June 15, 2066 issued in connection with the June 2006 offering of 7.50% capital securities of Capital One Capital II, our 7.686% junior subordinated debt securities due August 1, 2066 issued in

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connection with the July 2006 offering of 7.686% capital securities of Capital One Capital III and our subordinated guarantees of those capital securities (collectively, our existing parity obligations). Substantially all of our other existing indebtedness is senior to the CENts.

Limitations on Claims in the Event of Our Bankruptcy, Insolvency or Receivership.

In the event of our bankruptcy, insolvency or receivership, a holder of CENts will have no claim for, and thus no right to receive, deferred and unpaid interest (including compounded interest thereon) that has not been settled through the application of the alternative payment mechanism to the extent that such interest exceeds the sum of (x) the earliest two years of accumulated and unpaid interest (including compounded interest thereon) on such holder's CENts and (y) an amount equal to the excess, if any, of the preferred stock issuance cap over the aggregate amount of net proceeds from the sale of qualifying non-cumulative preferred stock that we have applied to pay such interest pursuant to the alternative payment mechanism. To the extent the remaining claim exceeds the amount set forth in clause (x), the holders of the CENts shall be deemed to agree that the amount they receive in respect of such excess shall not exceed the amount they would have received had such claim ranked pari passu with the claims of the holders, if any, of qualifying non-cumulative preferred stock. See Summary of Terms of the CENts Limitation on Claims in the Event of Our Bankruptcy, Insolvency or Receivership.

Certain Payment Restrictions Applicable to Capital One Financial Corporation.

During any period in which

we are in default regarding our payment of any obligations under our guarantee regarding the trust; or

we have given notice of our election to defer interest payments but the related deferral period has not yet commenced or a deferral period is continuing,

we generally may not make payments on or redeem or repurchase our capital stock or our debt securities or guarantees having the same rank as or ranking junior to the CENts, subject to certain limited exceptions. In addition, if any deferral period lasts longer than one year, the restrictions on our ability to redeem or repurchase any of our securities that rank equally with or junior in interest to the CENts will continue until the first anniversary of the date on which all deferred interest has been paid.

Redemption of CENts.

We may elect to redeem any or all of the CENts at any time prior to February 1, 2032, at their principal amount or, if greater, a make-whole price calculated as described under Summary of Terms of the CENts Redemption Optional Redemption, in each case plus accrued and unpaid interest through the date of redemption. In addition, at any time within 90 days of the occurrence of certain changes relating to tax laws or regulations or in the rating agency treatment of the capital securities, we may elect to redeem all, but not less than all, of the CENts for a price equal to their principal amount or, if greater, a make-whole price calculated as described under Summary of Terms of the CENts Redemption Conditional Right to Redeem upon a Tax Event, Capital Treatment Event, Rating Agency Event or Investment Company Event, in each case plus accrued and unpaid interest. The CENts may also be redeemed (1) in whole or in part, at any time on or after February 1, 2032, including on or after the scheduled maturity date, or (2) in whole, but not in part, at any time within 90 days of the occurrence of a capital treatment event or investment company event, in each case at 100% of their liquidation amount, plus accrued and unpaid

distributions through the date of redemption.

Any redemption of the CENts will be subject to the limitations described under Replacement Capital Covenant below. In addition, under the current risk-based capital adequacy guidelines of the Federal Reserve, Federal Reserve approval is generally required for the early redemption of preferred stock or trust preferred securities included in regulatory capital. Accordingly, Federal Reserve approval would generally be required for the redemption of the CENts prior to the scheduled maturity date.

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Events of Default and Acceleration.

The following events are events of default and acceleration with respect to the CENts:

default in the payment of any interest, including compounded interest, in full on any CENts for a period of 30 days after the conclusion of a 10-year period following the commencement of any deferral period; or

some events of bankruptcy, insolvency and reorganization involving us.

If an event of default and acceleration of the type described in the first bullet point above has occurred and is continuing, the indenture trustee or the holders of at least 25% in outstanding principal amount of the CENts will have the right to declare the principal of and accrued interest (including compounded interest) on those securities to be due and payable immediately. If the indenture trustee or the holders of at least 25% of the outstanding principal amount of the CENts fail to make that declaration, then the holders of at least 25% in total liquidation amount of the capital securities then outstanding will have the right to do so. If an event of default and acceleration under the indenture arising from events of bankruptcy, insolvency and reorganization involving us occurs, the principal of and accrued interest on the CENts will automatically, and without any declaration or other action on the part of the indenture trustee or any holder of CENts, become immediately due and payable. In case of any default that is not an event of default and acceleration, there is no right to declare the principal amount of the CENts immediately due and payable.

Replacement Capital Covenant

We agree in the replacement capital covenant for the benefit of persons that buy, hold or sell a specified series of our long-term indebtedness ranking senior to the CENts (or in certain limited cases long-term indebtedness of certain of our subsidiaries) that the CENts and capital securities will not be repaid, redeemed or purchased by us or any of our subsidiaries on or before February 1, 2062, unless (i) in the case of a redemption or purchase, we have obtained the prior approval of the Federal Reserve if such approval is then required under the Federal Reserve's capital guidelines applicable to bank holding companies and (ii) the principal amount repaid or the applicable redemption or purchase price does not exceed a maximum amount determined by reference to the aggregate amount of net cash proceeds we have received from the sale of common stock, rights to acquire common stock, mandatorily convertible preferred stock, debt exchangeable for equity and certain qualifying capital securities within the six-month period (or after the scheduled maturity date, the monthly period) prior to delivery of notice of such repayment or redemption or the date of such purchase (as more fully described herein). We will not have to comply with the replacement capital covenant if an event of default and acceleration occurs. Certain provisions of the replacement capital covenant, including the definitions of mandatorily convertible preferred stock, qualifying capital securities and other important terms, are described under Replacement Capital Covenant below.

Guarantee by Capital One Financial Corporation

We will fully and unconditionally guarantee payment of amounts due under the capital securities on a subordinated basis and to the extent the trust has funds available for payment of those amounts. We refer to this obligation as the guarantee. However, the guarantee does not cover payments if the trust does not have sufficient funds to make the distribution payments, including, for example, if we have failed to pay to the trust amounts due under the CENts.

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We will also pay the expenses and other obligations of the trust, other than its obligations to make payments on the capital securities.

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RISK FACTORS

Your investment in the capital securities will involve some risks. You should consider carefully the following discussion of the risks and the other information in this prospectus supplement, the documents incorporated by reference into this prospectus supplement and in the accompanying prospectus before deciding whether to make an investment in the capital securities. Also, an investment in the capital securities is an indirect investment in the CENts because the trust will rely on the payments it receives on the CENts to fund all payments on the capital securities and, upon any liquidation of the trust, holders of the capital securities may receive CENts. You should carefully review all the information in this prospectus supplement about all of these securities and the guarantee.

The trust may be unable to make distributions on the capital securities if we default on our senior indebtedness because our obligations to make payments on the CENts and the guarantee are subordinate to our payment obligations under our senior indebtedness.

Because of the subordinated nature of the guarantee and the CENts, we (i) will not be permitted to make any payments of principal, including redemption payments, or interest payments on the CENts if we default on our senior indebtedness, as described under Summary of Terms of the CENts in this prospectus supplement and Description of the Junior Subordinated Debt Securities Subordination in the accompanying prospectus, (ii) will not be permitted to make payments on the guarantee if we default on any of our other liabilities, including senior indebtedness, other than liabilities that are equal with or subordinate to the guarantee by their terms as described under Guarantee of Capital Securities in this prospectus supplement and (iii) must pay all our senior indebtedness before we make any payments on the CENts or the guarantee if we become bankrupt, liquidate or dissolve.

None of the capital securities, the CENts or the guarantee limit our or our subsidiaries ability to incur additional indebtedness, including indebtedness that ranks senior to the CENts and the guarantee.

There is no limit on indebtedness that ranks senior to or equally with the CENts or that requires payment of deferred interest prior to or pro rata with payments on the CENts.

Substantially all our existing debt other than our existing parity obligations is senior indebtedness. The terms of our existing parity obligations and the CENts do not restrict our ability to issue further debt, including senior debt. We may in the future issue debt securities that have the same rank upon our liquidation as the CENts (including our existing parity obligations, parity securities). During a deferral period we may be required to make payments of interest on parity securities that are not made pro rata with payments of interest on the CENts or other parity securities. Failure to make these payments would cause us to breach the terms of the instrument governing such parity securities. The terms of the CENts permit us during a deferral period to make any payment of current interest on parity securities that is made pro rata with the amounts due on such parity securities and the CENts and any payment of deferred interest on parity securities that, if not made, would cause us to breach the terms of the instrument governing such parity securities. Payments in each case are subject to the limitations described in the last paragraph under

Summary of Terms of the CENts Alternative Payment Mechanism to the extent that it applies. The terms of the indenture, the guarantee and the trust agreement with respect to the trust and the capital securities do not limit our ability to incur additional debt, including secured or unsecured debt, or to issue parity securities.

The CENts and the guarantee will be effectively subordinated to the obligations of our subsidiaries.

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As a financial holding company, our primary source of cash flow to make payments on the CENts and the guarantee will be dividends or distributions from our subsidiaries. As such, the CENts and the guarantee will be effectively subordinated to all indebtedness and other obligations of our subsidiaries. Our subsidiaries are separate legal entities and have no obligation to pay, or make funds available to pay, any amounts due on the CENts, the capital securities or the guarantee.

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The guarantee only guarantees payments on the capital securities if the trust has cash available.

If we fail to make payments on the CENts, the trust will be unable to make the related distribution, redemption or liquidation payments on the capital securities to you. In those circumstances, you cannot rely on the guarantee for payments of those amounts. Instead, if we are in default under the CENts, you may rely on the institutional trustee of the trust to enforce the trust's rights under the CENts or you may directly sue us or seek other remedies to collect your pro rata share of the payments owed. For more information on the institutional trustee, see Summary of Terms of Capital Securities.

Our right to defer interest payments on the CENts has tax consequences for you.

We can, on one or more occasions, defer interest payments on the CENts for up to 10 consecutive years. Upon the termination of any deferral period and the payment of all amounts then due, we may elect to begin a new deferral period. Consequently, there could be multiple deferral periods of varying lengths throughout the term of the CENts. If we defer interest payments on the CENts, the trust also will defer distribution payments on the capital securities and the common securities.

If we defer interest payments on the CENts and the trust correspondingly defers distributions on the capital securities, you will be required to include accrued interest income for the deferred interest on the CENts allocable to your share of the capital securities in your gross income for United States federal income tax purposes (in the form of original issue discount, determined on a constant yield method) prior to receiving any cash distributions. In addition, you will not receive cash from the trust related to that income if you sell your capital securities prior to the record date for those distributions.

You should consult with your own tax advisor regarding the tax consequences of an investment in the capital securities. Please read the Certain United States Federal Income Tax Consequences section in this prospectus supplement for more information regarding the tax consequences of holding and selling the capital securities.

We have the right to defer interest for 10 years without causing an event of default and acceleration.

We have the right to defer interest on the CENts for a period of up to 10 consecutive years. Although we would be subject to the alternative payment mechanism after the earlier of the fifth anniversary of the commencement of the deferral period and the first interest payment date on which we make any payment of current interest during a deferral period, if we are unable to raise sufficient eligible proceeds, we may defer payment of accrued interest on the CENts for a period of up to 10 consecutive years without causing an event of default and acceleration. During any such deferral period, holders of CENts will receive limited or no current payments and, so long as we are otherwise in compliance with our obligations, such holders will have no right to declare the principal amount of the CENts immediately payable unless we fail to pay all previously deferred interest (including compounded interest) within 30 days after the end of the 10-year deferral period.

You have limited remedies for defaults under the indenture.

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The remedies for any breach of our obligations under the indenture, including our obligations under the alternative payment mechanism, the limitation on the source for payments of deferred interest, the restrictions imposed in connection with any optional deferral of interest payments and our obligation to raise sufficient net proceeds from the issuance of qualifying capital securities to permit the repayment of the CENts on or after the scheduled maturity date are all limited. Our failure to comply with these obligations and restrictions would not constitute an event of default and acceleration or trigger acceleration of principal and interest on the CENts or any similar remedy under the terms of the indenture. See Summary of Terms of the CENts Events of Default and Acceleration.

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We may redeem the CENts at any time, and a challenge to their tax characterization or certain other events could result in a lower redemption price.

We may redeem any or all of the CENts at any time prior to February , 2032, at their principal amount or, if greater, a make-whole price, in each case plus accrued and unpaid interest through the date of redemption. In addition, at any time within 90 days of the occurrence of certain changes relating to tax laws or regulations or in the rating agency treatment of the capital securities, we may redeem all, but not less than all, of the CENts for a price equal to their principal amount or a make-whole price, if greater, in each case plus accrued and unpaid interest. Any make-whole price payable in a redemption that results from a tax event or rating agency event will be lower than the price that would have been payable otherwise. We also may redeem the CENts (1) in whole or in part, at any time on or after February , 2032, including on or after the scheduled maturity date, or (2) in whole, but not in part, at any time within 90 days of the occurrence of a capital treatment event or investment company event , in each case at 100% of their liquidation amount, plus accrued and unpaid distributions through the date of redemption.

A threatened challenge by IRS agents to the tax characterization of the CENts, or of similar instruments issued by other issuers, as debt could give rise to a tax event. The views of our tax counsel, as set out in Certain United States Federal Income Tax Consequences , are not binding on the IRS. Moreover, the characterization of an instrument as debt for tax purposes is based on all the relevant facts and circumstances, and it is the general policy of the IRS to scrutinize these facts and circumstances in the case of instruments such as the CENts. An IRS pronouncement or threatened challenge resulting in a tax event could therefore occur at any time. Similarly, changes in rating agency methodology for assigning equity credit to the CENts, changes or proposed changes in the treatment of the CENts for Federal Reserve capital adequacy purposes, and changes relating to the treatment of the trust as an investment company , could result in the CENts being redeemed at a price lower than would otherwise be the case. See Summary of Terms of the CENts Redemption for a further description of those events.

Our right to redeem the CENts is limited by the replacement capital covenant.

As described above, we may redeem any or all of CENts prior to their scheduled maturity date. However, the replacement capital covenant which is described under Replacement Capital Covenant will limit our right to redeem or purchase CENts. In the replacement capital covenant, we will covenant, for the benefit of holders of a designated series of our indebtedness that ranks senior to the CENts, that we will not redeem the CENts or capital securities before February , 2062, subject to certain limitations, unless during the six months prior to the date we give notice of redemption, we have received proceeds from the sale of common stock, rights to acquire common stock, mandatorily convertible preferred stock, debt exchangeable for equity or qualifying capital securities. Accordingly, there could be circumstances in which it would be in the interest of both you and us that some or all of the capital securities be redeemed, and sufficient cash is available for that purpose, but we will be restricted from doing so because we did not obtain proceeds from the sale of common stock, mandatorily convertible preferred stock, debt exchangeable for equity or qualifying capital securities.

We may cause the distribution of the CENts to you and dissolve the trust without your consent, which may have adverse tax and other consequences for you.

We may elect to dissolve the trust at any time. If that happens, the trust will redeem the capital securities and the common securities by distributing the CENts to you and to us, as holder of the common securities, on a pro rata basis, and thereupon the trust will dissolve. Under current United States federal income tax laws, a distribution of CENts to you on the dissolution of the trust would not be a taxable event to you. A change in law, however, could cause a distribution of CENts on the dissolution of the trust to be a taxable event to you.

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Although we may elect to dissolve the trust and cause the distribution of the CENts at any time, we do not currently intend to do so. We anticipate that we would consider exercising this right if expenses associated with maintaining the trust were substantially greater than currently expected.

We cannot predict the market prices for the CENts that may be distributed. Accordingly, any CENts you receive on a distribution, or the capital securities you hold pending that distribution, may trade at a discount to the price you paid to purchase the capital securities.

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Because you may receive the CENts, you should make an investment decision with regard to the CENts in addition to the capital securities. You should carefully review all the information regarding the CENts and junior subordinated debt securities contained in this prospectus supplement and the accompanying prospectus. See [Certain United States Federal Income Tax Consequences](#) for more information.

Our obligation to repay on the scheduled maturity date is subject to receipt of qualifying proceeds.

Our obligation to repay the CENts on the scheduled maturity date of February 1, 2037 is limited. We are required to repay the CENts on the scheduled maturity date only to the extent that we have raised sufficient net proceeds from the issuance of qualifying capital securities within a six-month period ending on a notice date not more than 15 or less than 10 business days prior to the scheduled maturity date. If we have not raised sufficient

proceeds from the issuance of qualifying capital securities to permit repayment of the CENts on the scheduled maturity date, the unpaid amount will remain outstanding and we will not be required to repay the CENts until (i) we have issued sufficient qualifying capital securities to permit repayment in accordance with this requirement, (ii) an event of default and acceleration occurs or (iii) the final repayment date for the CENts is reached on February 1, 2082. Our ability to issue qualifying capital securities will depend on, among other things, market conditions at the time the obligation arises, as well as the acceptability to prospective investors of the terms of these securities. Although we have agreed to use our commercially reasonable efforts to issue sufficient qualifying capital securities to repay the CENts during the six-month period referred to above and from month to month thereafter until the CENts are repaid in full, our failure to do so would not give rise to a right of acceleration or similar remedy and we will be excused from using our commercially reasonable efforts if certain market disruption events occur. Accordingly, there could be circumstances where we may have sufficient cash to repay all or a portion of the CENts, but are restricted from doing so because we were unable to sell a sufficient amount of qualifying capital securities. In addition, certain of our existing parity obligations contain comparable repayment provisions but have an earlier scheduled maturity date. Accordingly, if these existing parity obligations are outstanding on the scheduled maturity date of the CENts, we will be required to repay them in connection with the issuance of qualifying capital securities before repaying the CENts.

Moreover, we are entering into a replacement capital covenant for the benefit of holders of a designated series of our indebtedness that ranks senior to the CENts, or in certain limited cases holders of a designated series of indebtedness of certain of our subsidiaries, pursuant to which we will covenant that neither we nor any of our subsidiaries will repay, redeem or purchase CENts or capital securities on or before February 1, 2062 unless during the applicable measurement period we or our subsidiaries have received sufficient proceeds from the sale of qualifying capital securities, mandatorily convertible preferred stock, debt exchangeable for equity, common stock or rights to acquire common stock. Although under the replacement capital covenant, the principal amount of CENts that we may repay, redeem or purchase may be based on the net cash proceeds from certain issuances of common stock, rights to acquire common stock, mandatorily convertible preferred stock and debt exchangeable for equity in addition to qualifying capital securities, we may modify the replacement capital covenant without your consent if the modification does not further restrict our ability to repay the CENts in connection with an issuance of qualifying capital securities.

In addition, under the indenture we have no obligation to use commercially reasonable efforts to issue any securities that may entitle us under the replacement capital covenant to repay, redeem or purchase the CENts other than qualifying capital securities or issue any securities other than qualifying capital securities in connection with the foregoing obligations. See [Replacement Capital Covenant](#).

Our ability to pay deferred interest pursuant to our use of the alternative payment mechanism depends on a number of factors beyond our control.

If we elect to defer interest payments, we will not be permitted to pay deferred interest on the CENts (or compounded interest thereon) during the deferral period, which may last up to 10 years, from any source other

than the issuance of qualifying warrants up to the share cap or qualifying non-cumulative preferred stock up to

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the preferred stock issuance cap (each as defined under Summary of Terms of the CENts Alternative Payment Mechanism) unless the Federal Reserve has disapproved of such issuance or disapproved of the use of proceeds of such issuance to pay deferred interest. Under the terms of the share cap, we may not issue qualifying warrants pursuant to the alternative payment mechanism for purposes of paying deferred interest on the CENts to the extent that the total number of shares of our common stock underlying those qualifying warrants, together with all qualifying warrants previously issued pursuant to the alternative payment mechanism, exceeds million shares (subject to customary anti-dilution adjustments). If that number of shares is exceeded, we are required to use commercially reasonable efforts to increase the share cap from time to time to a number of shares of our common stock that would allow us to satisfy our obligations with respect to the alternative payment mechanism, and we further must use commercially reasonable efforts, subject to the share cap, to set the terms of the

qualifying warrants so as to raise sufficient proceeds from their issuance to pay all deferred interest in accordance with the alternative payment mechanism. However, we cannot guarantee that we will be able to increase the share cap or to set the terms of the qualifying warrants so as to raise sufficient proceeds to pay all such deferred interest.

The preferred stock issuance cap limits the net proceeds of the issuance of qualifying non-cumulative preferred stock that we may apply to the payment of deferred interest with respect to all deferral periods to 25% of the aggregate principal amount of the CENts then outstanding. We may increase the share cap without your consent, but we may not increase the preferred stock issuance cap. These restrictions may prevent us from issuing sufficient qualifying warrants or qualifying non-cumulative preferred stock to pay deferred interest on the CENts.

The occurrence of a market disruption event may prevent or delay a sale of qualifying warrants or qualifying non-cumulative preferred stock pursuant to the alternative payment mechanism and, accordingly, the payment of deferred interest on the CENts. Market disruption events include events and circumstances both within and beyond our control, such as the failure to obtain any consent or approval of our shareholders or a regulatory body or governmental authority to issue qualifying warrants and qualifying non-cumulative preferred stock notwithstanding our commercially reasonable efforts. Moreover, we may encounter difficulties in successfully marketing our qualifying warrants and qualifying non-cumulative preferred stock, particularly during times we are subject to the restrictions on dividends as a result of the deferral of interest. If we do not sell sufficient qualifying warrants or qualifying non-cumulative preferred stock to fund deferred interest payments in these circumstances (other than as a result of Federal Reserve disapproval), we will not be permitted to pay deferred interest to the trust and, accordingly, no payment of distributions may be made on the capital securities, even if we have cash available from other sources. On any date and for any period the amount of net proceeds received by us from sales of our qualifying warrants and qualifying non-cumulative preferred stock and available for payment of the deferred interest and distributions shall be applied to the CENts and certain other parity securities on a pro rata basis up to the warrant issuance cap (as described above), share cap or the preferred stock issuance cap (or comparable provisions in the instruments governing those parity securities) in proportion to the total amounts that are due on the CENts and such securities, or on such other basis as the Federal Reserve may approve. The terms of certain of our existing parity obligations would also require us to sell qualifying warrants or non-cumulative perpetual preferred stock and apply the net proceeds to the payment of deferred interest or distributions. See Summary of Terms of the CENts Option to Defer Interest Payments , Alternative Payment Mechanism and Market Disruption Events.

If the Federal Reserve disapproves our alternative payment mechanism, we may be unable to pay deferred interest.

We must notify the Federal Reserve if the alternative payment mechanism is applicable. We may not sell our qualifying warrants or qualifying non-cumulative preferred stock pursuant to the alternative payment mechanism or use the proceeds of such sale to pay deferred interest, in each case, if the Federal Reserve has disapproved such actions. Accordingly, if we elect to defer interest and the Federal Reserve disapproves either our sale of qualifying warrants or qualifying non-cumulative preferred stock pursuant to the alternative payment mechanism or our use of the proceeds to pay deferred interest, we may be unable to pay deferred interest that

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otherwise would be paid pursuant to the alternative payment mechanism. We may continue to defer interest in the event of Federal Reserve disapproval of all or part of the alternative payment mechanism until 10 years have elapsed since the beginning of the deferral period without triggering an event of default and acceleration under the indenture. As a result, we could defer interest for up to 10 years without being required to sell our qualifying warrants or qualifying non-cumulative preferred stock and apply the proceeds to pay deferred interest.

Our obligation to issue qualifying warrants under the alternative payment mechanism is limited.

The indenture limits our obligation to raise proceeds from the sale of qualifying warrants to pay deferred interest attributable to the first five years of any deferral period (including compounded interest thereon) prior to the ninth anniversary of the commencement of a deferral period in excess of an amount we refer to as the warrant issuance cap. Once we reach the warrant issuance cap for a deferral period, we will no longer be required to sell qualifying warrants to pay deferred interest relating to such deferral period unless such deferral extends beyond the date that is nine years following the commencement of the relevant deferral period. See Summary of Terms of the CENts Alternative Payment Mechanism.

Your claims in bankruptcy, insolvency and receivership to receive payment in respect of accrued interest may be limited.

In certain events of our bankruptcy, insolvency or receivership prior to the redemption or repayment of any CENts, whether voluntary or not, a holder of CENts will have no claim for, and thus no right to receive, deferred and unpaid interest (including compounded interest thereon) that has not been settled through the application of the alternative payment mechanism to the extent the amount of such interest exceeds the sum of (x) two years of accumulated and unpaid interest (including compounded interest) on such holder's CENts and (y) an amount equal to the excess, if any, of the preferred stock issuance cap over the aggregate amount of net proceeds from the sale of qualifying non-cumulative preferred stock that the trust has applied to pay such distributions pursuant to the alternative payment mechanism. To the extent the remaining claim exceeds the amount set forth in clause (x), the holders of the CENts shall be deemed to agree that the amount they receive in respect of such excess shall not exceed the amount they would have received had such claim ranked pari passu with the claims of the holders, if any, of qualifying non-cumulative preferred stock.

The Federal Reserve may restrict the ability of the trust to make distributions on or redeem the capital securities.

The Federal Reserve will have the right to examine the trust and its activities because it is our subsidiary. Under certain circumstances, including any determination that our relationship to the trust would result in an unsafe and unsound banking practice, the Federal Reserve has the authority to issue orders that could restrict the ability of the trust to make distributions on or to redeem the capital securities.

Trading prices of the capital securities may not reflect the value of accumulated but unpaid interest on the CENts. Our right to defer interest payments on the CENts may cause the market price of the capital securities to decline.

The capital securities will be a new series of securities with no established trading market. If we defer interest payments on the CENts in the future, the market price of the capital securities may not fully reflect the value of accrued but unpaid interest on the CENts. The occurrence of one or more deferral periods also may cause additional declines in the market price of the capital securities. If you sell capital securities during a deferral period, you may not receive the same return on investment as someone who continues to hold capital securities. We have no current intention of deferring interest payments on the CENts and believe that such deferral is a remote possibility. However, the existence of this right to defer interest payments on the CENts may mean that the market price for the capital securities will be more volatile than other securities that

are not subject to these rights.

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You will have limited voting rights as a holder of capital securities.

As a holder of capital securities, you will have limited voting rights relating only, in specified circumstances, to the exercise of the trust's rights as holder of the CENts and the guarantee trustee's rights as holder of the guarantee on your behalf and to the amendment of the declaration of trust. Except during a default with respect to the CENts, only we can replace or remove any of the trustees or increase or decrease the number of trustees. See Summary of Terms of Capital Securities Voting Rights.

There may be no trading market for the capital securities.

We do not intend to apply for listing of the capital securities on The New York Stock Exchange or any other securities exchange. Although we have been advised that the underwriters intend to make a market in the capital securities, the underwriters are not obligated to do so and may discontinue market making at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the capital securities.

CAPITAL ONE CAPITAL IV

The trust is a statutory trust created on June 2, 2005 under the Delaware Statutory Trust Act, as amended, or Statutory Trust Act, pursuant to a declaration of trust among us, as depositor, The Bank of New York, as institutional trustee, The Bank of New York (Delaware), as Delaware trustee, and two individuals who are officers or employees of ours, as administrative trustees. The declaration of trust, as amended at the date of issuance of the capital securities, is referred to in this prospectus supplement as the declaration of trust. The common securities and the capital securities are also referred to together as the trust securities. The investment in the common securities will represent \$10,000.

The trust exists for the exclusive purposes of:

issuing and selling its trust securities;

using the proceeds from the sale of these trust securities to acquire corresponding CENts from us; and

engaging in only those other activities necessary or incidental to these purposes (for example, registering the transfer of the trust securities).

For more information on the trust, see the accompanying prospectus.

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CAPITAL ONE FINANCIAL CORPORATION

We are a financial holding company, incorporated in Delaware on July 21, 1994. Our subsidiaries market a variety of consumer financial products and services. Capital One Bank, a Virginia state chartered bank and a member of the Federal Reserve System, currently offers credit card products, takes retail deposits and engages in a wide variety of lending and other financial activities. Capital One, F.S.B., a federally chartered savings bank, offers consumer and commercial lending and consumer deposit products, and Capital One Auto Finance, Inc. offers automobile and other motor vehicle financing products. Capital One, National Association, a nationally chartered bank, offers a broad spectrum of financial products and services to consumers, small businesses and commercial clients. Capital One Services, Inc., another of our subsidiaries, provides various operating, administrative and other services to us and our subsidiaries. For more information on Capital One Financial Corporation, see the accompanying prospectus.

On December 1, 2006, we acquired North Fork Bancorporation, Inc. (North Fork), a bank holding company with operations in the greater New York region that provides a full range of financial products and services to its retail and commercial customers, including deposit products and consumer, business and mortgage loans, along with other services, through North Fork Bank and its non-bank subsidiaries. As a result of the acquisition, North Fork Bank is now our wholly owned subsidiary. For further details on this acquisition, see our Current Reports on Form 8-K filed on December 1, 2006 and March 13, 2006 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, filed on May 4, 2006, June 30, 2006, filed on August 7, 2006 and September 30, 2006, filed on November 3, 2006, which are incorporated by reference into this prospectus supplement. See also our Current Report on Form 8-K filed on January 26, 2007, which incorporates preliminary unaudited pro forma condensed combined financial information as of September 30, 2006 and for the nine and twelve months ended September 30, 2006 and December 31, 2005, respectively, assuming that the North Fork merger was completed on January 1, 2005.

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All of the proceeds from the sale of the capital securities and common securities will be invested by Capital One Capital IV in our CENts. We will use the net proceeds from the sale of the CENts to Capital One Capital IV for general corporate purposes, which may include repurchases of shares of our common stock, as well as to redeem junior subordinated debt securities underlying currently outstanding trust preferred securities issued by certain of our subsidiary trusts. We currently intend to redeem the junior subordinated debt securities underlying the \$100,000,000 liquidation amount of 8.7% trust preferred securities issued by North Fork Capital Trust I, which mature on December 15, 2026, and the \$100,000,000 liquidation amount of trust preferred securities issued by Capital One Capital I, which bear interest at three-month LIBOR plus 155 basis points and mature on February 1, 2027.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of September 30, 2006 on an actual basis and as adjusted to give effect to the issuance of the CENts and the capital securities offered by this prospectus supplement. The table should be read in conjunction with our consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement. The table below does not reflect the results of our acquisition of North Fork on December 1, 2006.

	September 30, 2006	
	Actual	As Adjusted
	(Unaudited, dollars in thousands)	
Debt:		
Non-interest bearing deposits	\$ 4,145,173	\$ 4,145,173
Interest bearing deposits	43,467,977	43,467,977
Total deposits	47,613,150	47,613,150
Senior and subordinated notes	8,701,794	
Other borrowings	17,619,817	17,619,817
Total debt	73,934,761	
Stockholders equity:		
Preferred stock, par value \$.01 per share; authorized 50,000,000 shares, none issued or outstanding		
Common stock, par value \$.01 per share; authorized 1,000,000,000 shares and 306,555,168 shares issued or outstanding		