

CAPITAL ONE FINANCIAL CORP
Form S-4/A
June 29, 2006
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As filed with the Securities and Exchange Commission on June 29, 2006

Registration No. 333-133665

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Amendment No. 2
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

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(703) 720-1000

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

John G. Finneran, Jr., Esq.

General Counsel and Corporate Secretary

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 []

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

We are pleased to report that the boards of directors of Capital One Financial Corporation and North Fork Bancorporation, Inc. have each unanimously approved a merger involving our two companies. Before we can complete the merger, we must obtain the approval of the stockholders of both Capital One and North Fork. We are sending you this document to ask you to vote in favor of the approval and adoption of the merger agreement and other matters.

In the merger, North Fork will merge with and into Capital One and North Fork stockholders 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, North Fork stockholders will be entitled to receive, in exchange for each share of North Fork common stock they hold at the time of the merger, consideration with a value equal to the sum of (i) 0.2216 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 (ii) \$11.25.

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 a North Fork stockholder makes a cash election, a stock election or no election, the value of the consideration that such North Fork stockholder 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 [], 2006, each share of North Fork common stock would be converted into the right to 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 \$[]. As an additional example, 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 \$89.92, which was the closing price for Capital One common stock on March 10, 2006, the last trading day prior to the day the merger agreement was executed, each share of North Fork common stock would be converted into the right to receive approximately \$31.18 in cash or approximately 0.3467 of a share of Capital One common stock. A chart showing the cash and stock merger consideration at various hypothetical closing prices of Capital One common stock is provided on page [] of this document.

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

Your vote is important. We cannot complete the merger of Capital One and North Fork unless the Capital One stockholders and North Fork stockholders approve and adopt the merger agreement. **Your failure to vote will have the same effect as voting against the merger.** The places, dates and times of the stockholder meetings are as follows:

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For Capital One stockholders:

For North Fork stockholders:

[Insert Capital One Meeting Information]

[Insert North Fork Meeting Information]

The Capital One board of directors unanimously
recommends that Capital One stockholders vote *FOR*
approval and adoption of the merger agreement

The North Fork board of directors unanimously
recommends that North Fork stockholders vote *FOR*
approval and adoption of the merger agreement

This document gives you detailed information about the stockholder meetings and the proposed merger. **We urge you to read this document carefully, including Risk Factors beginning on page [] for a discussion of the risks relating to the merger.** You also can obtain information about Capital One and North Fork from documents that we have filed with the Securities and Exchange Commission. Whether or not you plan to attend your stockholder 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.

Richard D. Fairbank

Chairman, Chief Executive Officer

and President

Capital One Financial Corporation

John Adam Kanas

Chairman of the Board, President

and Chief Executive Officer

North Fork Bancorporation, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the shares of common stock 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 [], 2006, and is being first mailed to Capital One stockholders and North Fork stockholders on or about [], 2006.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON [], 2006

To the Stockholders of Capital One Financial Corporation:

We will hold a special meeting of Capital One stockholders on [], 2006, at [], local time, at [] for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of March 12, 2006, between Capital One Financial Corporation and North Fork Bancorporation, Inc., as it may be amended from time to time, pursuant to which North Fork will merge with and into Capital One;
2. To vote upon an adjournment or postponement of the Capital One special meeting, if necessary, to solicit additional proxies; and
3. To transact such other business as may properly be brought before the Capital One special meeting and any adjournments or postponements of the Capital One special meeting.

Only holders of record of Capital One common stock at the close of business on [], 2006 are entitled to notice of, and to vote at, the Capital One special meeting or any adjournments or postponements of the Capital One special meeting. **To ensure your representation at the Capital One 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 Capital One special meeting.

The board of directors of Capital One unanimously recommends that Capital One stockholders vote **FOR** the proposal to approve and adopt the merger agreement.

By Order of the Board of Directors,

John G. Finneran, Jr.

Corporate Secretary

McLean, Virginia

[], 2006

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON [], 2006

To the Stockholders of North Fork Bancorporation, Inc.:

We will hold our annual meeting of North Fork stockholders on [], 2006, at [], local time, at [] for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of March 12, 2006, between Capital One Financial Corporation and North Fork Bancorporation, Inc., as it may be amended from time to time, pursuant to which North Fork will merge with and into Capital One;
2. To vote upon an adjournment or postponement of the North Fork annual meeting, if necessary, to solicit additional proxies;
3. The election of five Directors to Class 1 of the board of directors;
4. Ratification of our appointment of KPMG LLP as North Fork's independent auditors for 2006; and
5. To transact such other business as may properly be brought before the North Fork annual meeting and any adjournments or postponements of the North Fork annual meeting.

Only holders of record of North Fork common stock at the close of business on [], 2006 are entitled to notice of, and to vote at, the North Fork annual meeting or any adjournments or postponements of the North Fork annual meeting. **To ensure your representation at the North Fork annual 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 North Fork annual meeting.

The board of directors of North Fork unanimously recommends that North Fork stockholders vote **FOR** the proposal to approve and adopt the merger agreement.

By Order of the Board of Directors,

Aurelie S. Campbell

Vice President and Corporate Secretary

Melville, New York

[], 2006

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ADDITIONAL INFORMATION

This document incorporates important business and financial information about Capital One Financial Corporation and North Fork Bancorporation, Inc. 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:

Innisfree M&A Incorporated 501 Madison Avenue New York, NY 10022

(888) 750-5834

North Fork Bancorporation, Inc., which in this document we refer to as North Fork, will provide you with copies of this information relating to North Fork, without charge, upon written or oral request to:

D. F. King & Co., Inc. 48 Wall Street, 22nd Floor New York, NY 10005

(888) 605-1957

In order to receive timely delivery of the documents in advance of your stockholder meeting, you must request the information no later than [], 2006.

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 North Fork's website, www.northforkbank.com, by selecting Investor Relations and then selecting SEC Filings. Information contained on the Capital One and North Fork websites is expressly not incorporated by reference into this document.

You should rely only on the information contained or incorporated by reference into this document to vote on the merger agreement. 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 [], 2006. 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 Capital One stockholders or North Fork stockholders nor the issuance by Capital One of common stock 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 North Fork has been provided by North Fork.

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<u>Opinion of J.P. Morgan Securities Inc., dated as of March 12, 2006</u>	Annex D
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<u>Copy of Section 262 of the Delaware General Corporation Law</u>	Annex G

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What matters will be considered at the stockholder meetings?

A: At the Capital One special meeting, Capital One stockholders will be asked to vote in favor of approving and adopting the merger agreement. At the North Fork annual meeting, North Fork stockholders will be asked to vote in favor of approving and adopting the merger agreement. North Fork stockholders will also be voting at the North Fork annual meeting to elect five directors to Class 1 of the board of directors and to ratify the appointment of KPMG LLP as North Fork's independent auditors for 2006. Each of the proposals is independent, and is not contingent on approval by stockholders of the other proposals.

Q: Why is North Fork having an annual meeting?

A: North Fork previously postponed its regular annual meeting. North Fork did so in order to combine the normal annual meeting matters, such as the election of directors, with the vote on the proposed merger with Capital One. North Fork will not hold an annual meeting in 2007 if the merger is completed.

Q: Why is my vote important?

A: The merger agreement must be approved and adopted by the holders of a majority of the outstanding shares of Capital One common stock and North Fork common stock. Accordingly, if a Capital One or North Fork stockholder fails to vote, or if a Capital One or North Fork stockholder abstains, that will have the same effect as a vote against approval and adoption of the merger agreement.

Q: What do I need to do now in order to vote?

A: After you have carefully read this document, please respond as soon as possible so that your shares will be represented and voted at the Capital One special meeting or the North Fork annual meeting, as applicable, by:

completing, signing and dating your proxy card or voting instruction card and returning it in the postage-paid envelope; or

by submitting your proxy or voting instruction by telephone or through the Internet.

Q: When and where are the stockholder meetings?

A: The Capital One special meeting will take place at [] on [], 2006. The location of the Capital One special meeting is [].

The North Fork annual meeting will take place at [] on [], 2006. The location of the North Fork annual meeting is [].

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 North Fork 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 [] through [] and in the Capital One and North Fork SEC filings referred to on page [].*

Q: When do you currently expect to complete the merger?

A: In the fourth quarter of 2006. However, we cannot assure you when or if the merger will occur. We must first obtain the approval of Capital One stockholders and North Fork stockholders at the stockholder meetings and the necessary regulatory approvals.

Q: If I am a North Fork stockholder, when must I elect the type of merger consideration that I prefer to receive?

A: North Fork stockholders who wish to elect the type of merger consideration they prefer to receive in the merger should carefully review

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and follow the instructions set forth in the form of election that will be provided to North Fork stockholders at a later date. Since the actual election deadline is not currently known, Capital One and North Fork will issue a press release announcing the date of the election deadline at least five business days before that deadline. If a North Fork stockholder does not submit a properly completed and signed form of election to the exchange agent by the election deadline, such stockholder will have no control over the type of merger consideration such stockholder 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: If I am a North Fork stockholder, should I send in my North Fork stock certificates with my proxy card?

A: No. Please DO NOT send your North Fork stock 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 North Fork 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. Your failure to vote will have the same effect as a vote AGAINST approval and adoption of the merger agreement. You should therefore provide your broker or bank with instructions as to how to vote your shares. In addition, if you are a North Fork stockholder, when you receive a form of election, you should follow your broker's or bank's instructions for making an election with respect to your shares of North Fork common stock.

Q: If I hold shares of Capital One common stock through my Capital One 401(k) plan, will I be allowed to vote these shares on the merger?

A: Yes. If you participate in the Capital One Associate Savings Plan (the Savings Plan), you may vote the number of shares equivalent to your interest in the Capital One Pooled Stock Fund as credited to your account on the record date. You may vote by giving instructions to Ameriprise Financial, Inc., the trustee, via the voting instruction card being mailed with these materials to plan participants, by telephone or via the Internet. The trustee will vote your shares in accordance with your duly executed instructions, if you meet the deadline for submitting your vote. This deadline may be earlier than the deadline generally applicable to Capital One stockholders. If you do not send instructions, the trustee will not vote the share equivalents credited to your account.

Q: What 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 stockholder 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 the secretary of Capital One or North Fork, as appropriate, in time to be received before the appropriate meeting of stockholders stating that you would like to revoke your proxy;

by properly 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 appropriate meeting of stockholders; or

by voting in person at the appropriate meeting of stockholders if your shares of Capital One common stock or North Fork common stock are registered in your name rather than in the name of a broker or bank.

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If you hold your shares in street name, you should contact your broker or bank to give it instructions to change your vote.

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Q: Who can I call with questions about the stockholder meetings or the merger?

- A. If you are a Capital One stockholder and you have questions about the merger or the Capital One special meeting of stockholders or you need additional copies of this document, or if you have questions about the process for voting or if you need a replacement proxy card, you should contact:

Innisfree M&A Incorporated

501 Madison Avenue

New York, NY 10022

(888) 750-5834

If you are a North Fork stockholder and you have questions about the merger or the North Fork annual meeting of stockholders or you need additional copies of this document, or if you have questions about the process for voting or if you need a replacement proxy card, you should contact:

D. F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, NY 10005

(888) 605-1957

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

- A: You can find more information about Capital One and North Fork 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 and the related transactions. See *Where You Can Find More Information* on page [__]. Most items in this summary include a page reference directing you to a more complete description of those items.*

THE COMPANIES (see page [__])

Capital One Financial Corporation

1680 Capital One Drive

McLean, Virginia 22102

(703) 720-1000

With approximately \$47.8 billion in deposits, \$103.9 billion in managed loans outstanding and more than 316 locations in Texas and Louisiana, as of March 31, 2006, Capital One is one of the world's largest financial services franchises. It is a diversified financial services corporation focused primarily on consumer lending and deposits. Its principal business segments are banking, domestic credit card lending, automobile and other motor vehicle financing and global financial services.

North Fork Bancorporation, Inc.

275 Broadhollow Road

Melville, New York 11747

(631) 531-2970

North Fork is a bank holding company. North Fork operates more than 350 retail banking facilities throughout the New York metropolitan area and a nationwide mortgage business through GreenPoint Mortgage Funding Inc. North Fork's operating activities are divided into two primary business segments: retail banking and mortgage banking. At March 31, 2006, North Fork had total assets of \$57.7 billion.

THE MERGER (see page [])

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.

North Fork Will Merge into Capital One

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

North Fork Stockholders Will Receive Cash and/or Shares of Capital One Common Stock in the Merger depending on their Election and any Proration (see pages []-[])

North Fork stockholders will have the right to elect to receive merger consideration for each of their shares of North Fork common stock in the form of cash or shares of Capital One common stock, subject to proration in the circumstances described below. In the event of proration, a North Fork stockholder may receive a portion of the merger consideration in a form other than that which such stockholder elected.

The value of the merger consideration 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 common stock

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ending on the day before the completion of the merger. As explained in more detail in this document, whether a North Fork stockholder makes a cash election or a stock election, the value of the consideration that such stockholder receives 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. A North Fork stockholder may specify different elections with respect to different shares that such stockholder holds (if, for example, a North Fork stockholder owns 100 shares of North Fork common stock, that stockholder 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 [], 2006, for each share of North Fork common stock held, a North Fork stockholder would receive either approximately \$[] in cash or 0.[] of a share of Capital One common stock, subject to possible proration. We will compute the actual amount of cash and number of shares of Capital One common stock that each North Fork stockholder 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 [].

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 North Fork stockholder 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 a North Fork stockholder makes a cash election or a stock election, that North Fork stockholder may nevertheless receive a mix of cash and stock.

Capital One Common Stock		North Fork Common Stock		
Hypothetical Five-Day Average Closing Prices	Cash Election: Cash Consideration Per Share	OR	Stock Election: Stock Consideration Per Share	
			Shares of Capital One	
			Common Stock	Market Value(*)
\$75.00	\$ 27.87		0.3716	\$ 27.87
76.00	28.09		0.3696	28.09
77.00	28.31		0.3677	28.31
78.00	28.53		0.3658	28.53
79.00	28.76		0.3640	28.76
80.00	28.98		0.3622	28.98
81.00	29.20		0.3605	29.20
82.00	29.42		0.3588	29.42
83.00	29.64		0.3571	29.64
84.00	29.86		0.3555	29.86
85.00	30.09		0.3540	30.09
86.00	30.31		0.3524	30.31
87.00	30.53		0.3509	30.53
88.00	30.75		0.3494	30.75
89.00	30.97		0.3480	30.97
90.00	31.19		0.3466	31.19
91.00	31.42		0.3452	31.42
92.00	31.64		0.3439	31.64
93.00	31.86		0.3426	31.86
94.00	32.08		0.3413	32.08
95.00	32.30		0.3400	32.30

(*) 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 a North Fork stockholder actually receives will be based on the actual five-day average closing price on the NYSE of Capital One common stock prior to 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 North Fork common stock may not be shown in the above table.

Regardless of Whether North Fork Stockholders Make a Cash Election or a Stock Election, North Fork Stockholders May Nevertheless Receive a Mix of Cash and Stock (see pages []-[])

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 shares of North Fork common stock outstanding on [], 2006, and the aggregate amount of cash that will be paid in the merger is fixed at \$5.2 billion. As a result, if more North Fork stockholders make valid elections to receive either Capital One common stock or cash than is available as merger consideration under the merger agreement, those North Fork stockholders 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 North Fork common stock are issued upon the exercise of outstanding North Fork 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. The aggregate amount of cash consideration payable as merger consideration will always remain fixed at \$5.2 billion.

What Holders of North Fork Stock Options and Other Equity-Based Awards Will Receive (see page [])

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

Each North Fork 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 validly elected by the holder of the North Fork restricted share, subject to proration in the circumstances described above.

In Order To Make a Valid Election, North Fork Stockholders Must Properly Complete and Deliver the Form of Election that Will Be Sent at a Later Date (see pages []-[])

North Fork stockholders will receive at a later date a form of election with instructions for making cash and stock elections. North Fork stockholders must properly complete and deliver to the exchange agent a form of election along with their stock certificates (or a properly completed notice of guaranteed delivery). The form of election will also include delivery instructions with respect to any shares they may hold in book-entry form. North Fork stockholders should *NOT* send their stock certificates with their 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 North Fork 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 North Fork stockholders have tendered their North Fork stock certificates to the exchange agent, they may not transfer their shares of North Fork common stock represented by those stock certificates until the merger is completed, unless they revoke their 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.

If registered North Fork stockholders fail to submit a properly completed form of election, together with their North Fork stock certificates (or a properly completed notice of guaranteed delivery), prior to the election deadline, they will be deemed not to have made an election. As non-electing holders, they will be paid merger consideration in an amount per share that is equivalent in value to the amount paid per share to holders making elections, but they 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 stockholders have made, and without regard to their preference.

Dividend Policy of Capital One; Anticipated Capital One Share Repurchase; Dividends from North Fork (see page [])

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 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.

Capital One has announced its intention to repurchase approximately \$3 billion of its shares of common stock in the open market following the completion of the merger. Capital One expects approximately half of such repurchase program would occur during the last six months of 2007 and half during the first six months of 2008. Capital One believes, based on current market conditions and our current business plans and expectations for the combined company, that during the second half of 2007 and the first half of 2008, Capital One will have sufficient capital available to undertake the planned repurchases, in addition to the capital that is necessary to be well-capitalized and to permit Capital One sufficient flexibility to operate its business in an efficient manner that is in the best interests of its stockholders. Capital One believes that, if this capital is available, the proposed stock repurchases represent an attractive use of this capital based on current circumstances. The timing and actual amount of shares repurchased, if any, will be subject to the discretion of the Capital One board of directors and Capital One may make changes due to various factors, including: market conditions, legal considerations affecting the amount and timing of repurchase activities, the combined company's capital position (taking into account purchase accounting adjustments), internal capital generation and alternative potential investment opportunities over that time period. See Risk Factors beginning on page [] and The Merger Capital One's Reasons for the Merger; Recommendation of Capital One's Board of Directors beginning on page [].

Prior to completion of the merger, North Fork stockholders will continue to receive any regular quarterly dividends declared and paid by North Fork. In addition, depending on the timing of the completion of the merger, North Fork may, in certain circumstances, accelerate the record date, but not the payment date, for the dividend that would have been payable in the month immediately following the closing date of the merger. See The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration Dividends and Distributions.

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Source of Funds

Capital One's obligation to complete the merger is not conditioned upon Capital One obtaining financing. Capital One anticipates that approximately \$5.2 billion will be required to pay the aggregate cash merger consideration to North Fork stockholders and option holders. Capital One intends to finance the cash component of the transaction through a combination of internal cash resources and market issuances of longer term debt. At this time, Capital One anticipates raising approximately \$4.2 billion in senior debt, subordinated debt and trust preferred capital securities. Such market financings are generally expected to occur during the second and third quarters of 2006. In this regard, as of June 6, 2006, Capital One has issued \$345 million of trust preferred capital securities. Capital One has also entered into a \$4.2 billion syndicated bridge loan facility (the Facility) arranged by J.P. Morgan Securities Inc. and Citigroup Global Markets Inc. The Facility is available until May 7, 2007 and borrowings under the Facility will mature on the earlier of 364 days from the date of borrowing or December 1, 2007. In addition, the Facility size will automatically decrease by the amount of net proceeds received by Capital One from the issuance of securities intended to fund the cash consideration, and accordingly, as of June 6, 2006, the Facility size has been decreased by \$334 million, the net proceeds received by Capital One in connection with its issuance of trust preferred capital securities. Capital One may use this facility to partially finance, on an interim basis, a portion of the cash consideration, should this assist Capital One in achieving the best overall economics for the market financings by permitting more flexibility on timing until the permanent financing is executed.

Capital One's Financial Advisor Has Provided its Opinion as to the Fairness, from a Financial Point of View, to Capital One of the Consideration to be Paid in the Merger (see pages [])

J.P. Morgan Securities Inc., or JPMorgan, has provided its opinion to the Capital One board of directors, dated as of March 12, 2006, that, as of that date, and based on and subject to the qualifications and assumptions set forth in its opinion, the consideration to be paid by Capital One in the merger with North Fork was fair, from a financial point of view, to Capital One. We have attached the full text of JPMorgan's opinion to this document as Annex D, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by JPMorgan in connection with the opinion. We urge you to read the opinion carefully in its entirety. The opinion of JPMorgan is addressed to the board of directors of Capital One and is one of many factors considered by the board in deciding to approve the merger agreement and the transactions contemplated by the merger agreement, is directed only to the consideration to be paid in the merger and does not address the underlying decision by Capital One to engage in the merger or constitute a recommendation to any stockholder of Capital One as to how that stockholder should vote at the Capital One special meeting or act on any matter relating to the merger. Pursuant to an engagement letter between Capital One and JPMorgan, Capital One has agreed to pay JPMorgan a fee, a substantial portion of which is payable only upon completion of the merger.

North Fork's Financial Advisors have Provided Opinions as to the Fairness of the Merger Consideration, from a Financial Point of View, to North Fork's Stockholders (see pages [])

Sandler O'Neill & Partners, L.P., or Sandler O'Neill, and Keefe, Bruyette & Woods Inc., or Keefe Bruyette, have provided opinions to the North Fork board of directors, each dated as of March 12, 2006, that, as of that date, and subject to and based upon the qualifications and assumptions set forth in their respective opinions, the consideration to be received by the holders of North Fork common stock in the merger was fair, from a financial point of view, to such stockholders. We have attached to this document the full text of Sandler O'Neill's opinion as Annex E and of Keefe Bruyette's opinion as Annex F, which set forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Sandler O'Neill and Keefe Bruyette in connection with their respective opinions. We urge you to read the opinions in their entirety. The opinions of Sandler O'Neill and Keefe Bruyette are addressed to the board of

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directors of North Fork and are among many factors considered by the board in deciding to approve the merger agreement and the transactions contemplated by the merger agreement, are directed only to the consideration to be paid in the merger and do not constitute a recommendation to any stockholder as to how that stockholder should vote on the merger agreement. Pursuant to engagement letters between North Fork and each of Sandler O'Neill and Keefe Bruyette, North Fork has agreed to pay each of Sandler O'Neill and Keefe Bruyette a fee, a substantial portion of which is payable only upon completion of the merger.

Capital One's Board of Directors Recommends that Capital One Stockholders Vote FOR Approval and Adoption of the Merger Agreement (see page [])

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

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

North Fork's Board of Directors Recommends that North Fork Stockholders Vote FOR Approval and Adoption of the Merger Agreement (see page [])

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

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

Interests of a Capital One Executive Officer in the Merger (see pages []-[])

J. Herbert Boydston, the highest ranking executive of Capital One's branch banking business, has interests in the merger that are in addition to, or different from, the interests of Capital One stockholders generally. In connection with the merger of Capital One and Hibernia, Mr. Boydston and Capital One executed an employment agreement, which will be affected by, and amended and restated in connection with, the proposed merger, as described more fully under The Merger Interests of a Capital One Executive Officer in the Merger Amended and Restated Employment Agreement with J. Herbert Boydston. In connection with the merger, Mr. Boydston will receive a salary supplement of \$50,000 per month commencing March 12, 2006 in connection with his additional duties and responsibilities in support of the completion and implementation of the merger, a lump-sum payment of \$3,400,000 and a prorated portion of his 2006 bonus on completion of the merger, and a lump-sum supplemental retirement payment when his employment with Capital One terminates equal to the actuarial equivalent of a lifetime annual cash retirement income benefit that equals the excess of (1) \$600,000 over (2) the actuarial equivalent of certain other retirement benefits that will be paid to Mr. Boydston. In addition, the vesting of certain equity awards granted to Mr. Boydston under his employment contract will

be accelerated.

Interests of North Fork Executive Officers and Directors in the Merger (see pages []-[])

North Fork's executive officers, who are also directors of North Fork, have interests in the merger that are in addition to, or different from, the interests of North Fork stockholders generally. The executive officers of North Fork have existing change-in-control agreements with North Fork that provide for severance benefits in

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connection with termination of employment following a change in control of North Fork. Under these existing change-in-control agreements, assuming the merger is completed on October 1, 2006, the payment to each of the North Fork executive officers will be approximately \$13.3 million for John Adam Kanas, \$9.2 million for John Bohlsen and \$5.4 million for Daniel Healy. Under the terms of North Fork's existing restricted stock award agreements and deferred share agreements, restricted shares granted during each executive officer's career with North Fork will become fully vested and free of restrictions and deferred shares will be settled, in each case in connection with the completion of the merger. The number of shares so affected will be 2,137,704 restricted shares and 292,235 deferred shares for Mr. Kanas, 1,192,348 restricted shares and 162,734 deferred shares for Mr. Bohlsen, and 698,977 restricted shares and 133,879 deferred shares for Mr. Healy. Under North Fork's existing supplemental executive retirement plan, additional contributions will be made as a result of the merger. Assuming the merger is completed on October 1, 2006, the amount of the contribution will be approximately \$1 million for Mr. Kanas, \$750,000 for Mr. Bohlsen and \$500,000 for Mr. Healy. The aggregate value of the restricted stock, deferred share and supplemental retirement benefits described above, assuming the merger is completed on October 1, 2006 and a North Fork common stock price of \$31.18, is estimated to be approximately \$77 million for Mr. Kanas, \$43 million for Mr. Bohlsen and \$27 million for Mr. Healy. Income and/or excise tax gross-ups are to be paid on the executive officer's behalf in connection with the payment or delivery of these benefits pursuant to the terms of the existing agreements. Based on the estimated value of these stock and retirement benefits, the tax gross-ups payable to the applicable tax authorities will be approximately \$123 million for Mr. Kanas, \$41 million for Mr. Bohlsen and \$26 million for Mr. Healy.

Also, following completion of the merger, Mr. Kanas will serve as the President of Capital One's banking business and Capital One will take the actions as may be reasonably required to appoint Mr. Kanas to its board of directors, and Mr. Bohlsen will serve as an executive vice president of the banking business of Capital One. Mr. Kanas and Mr. Bohlsen have entered into restricted share award agreements with Capital One that provide for a grant of Capital One restricted shares upon completion of the merger in connection with their future employment with Capital One.

The North Fork and Capital One boards of directors were aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the merger agreement.

Board of Directors after the Merger (see page [])

Upon completion of the merger, Capital One will take the actions as may be reasonably required to appoint John Adam Kanas, the current President and Chief Executive Officer of North Fork, to the Capital One board of directors to the class of directors whose term expires at Capital One's 2009 annual meeting of stockholders.

Non-Solicitation (see pages []-[])

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

Conditions to Completion of the Merger (see pages []-[])

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

the approval and adoption of the merger agreement by North Fork stockholders and Capital One stockholders; and

the absence of any statute, regulation, rule, decree, injunction or other order in effect by any court or other governmental entity that prohibits completion of the transactions contemplated by the merger agreement.

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Each of Capital One's and North Fork's obligations to complete the merger is also separately subject to the satisfaction or waiver of a number of conditions including:

the receipt by the party of a legal opinion from its counsel with respect to certain federal income tax consequences of the merger;

the receipt and effectiveness of all regulatory approvals, registrations and consents, and the expiration of all waiting periods required to complete the merger; and

the other company's representations and warranties in the merger agreement being true and correct, subject to the materiality standards contained in the merger agreement, and the performance by the other party in all material respects of its obligations under the merger agreement.

Capital One's obligation to complete the merger is further subject to the condition that the regulatory approvals received in connection with the completion of the merger not include any conditions or restrictions that, in the aggregate, would reasonably be expected to have a material adverse effect on North Fork or Capital One, with materiality being measured relative to North Fork.

Termination of the Merger Agreement (see page [])

Capital One and North Fork may mutually agree at any time to terminate the merger agreement without completing the merger, even if stockholders have approved the merger. Also, either of Capital One or North Fork can terminate the merger agreement in various circumstances, including the following:

if a governmental entity which must grant a regulatory approval as a condition to the merger denies approval of the merger or any governmental entity has issued an order prohibiting the merger and such action has become final and non-appealable;

if the merger is not completed by March 12, 2007 (other than because of a breach of the merger agreement caused by the party seeking termination);

if the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the merger, subject to the right of the breaching party to cure the breach within 45 days following written notice (unless it is not possible due to the nature or timing of the breach for the breaching party to cure the breach); or

if the other party has substantially engaged in bad faith in breach of its obligation to use its reasonable best efforts to negotiate a restructuring of the merger if the Capital One or the North Fork stockholders do not approve the merger agreement at the relevant stockholder meeting.

Additionally, Capital One may terminate the merger agreement if North Fork has materially breached its non-solicitation obligations described under The Merger Agreement No Solicitation of Alternative Transactions, or North Fork's board has failed to recommend in the joint proxy statement the approval and adoption of the merger agreement, changed its recommendation to North Fork stockholders, recommended any alternative transaction proposals with third parties or failed to call a meeting of its stockholders.

North Fork may also terminate the merger agreement if Capital One has materially breached its obligation to call a meeting of Capital One stockholders, or failed to use its reasonable best efforts to obtain from its stockholders the vote in favor of the approval and adoption of the merger agreement.

North Fork Granted a Stock Option to Capital One (see pages [])

To induce Capital One to enter into the merger agreement, North Fork granted Capital One an option to purchase up to 91,959,209 shares of North Fork common stock at a price per share of \$25.40; however, in no

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case may Capital One acquire more than 19.9% of the outstanding shares of North Fork common stock under this stock option agreement. Capital One cannot exercise the option unless the merger is not completed and specified triggering events occur. These events generally relate to business combinations or acquisition transactions involving North Fork and a third party. We do not know of any event that has occurred as of the date of this document that would allow Capital One to exercise the option. The option will expire upon termination of the merger.

The option could have the effect of discouraging a company from trying to acquire North Fork prior to completion of the merger or termination of the merger agreement. Upon the occurrence of certain triggering events, North Fork may be required to repurchase the option and any shares of North Fork common stock purchased under the option at a predetermined price, or Capital One may choose to surrender the option to North Fork for a cash payment of \$585 million. In no event will the total profit received by Capital One with respect to this option exceed \$730 million.

The North Fork stock option agreement is attached to this document as Annex B.

Capital One Granted a Stock Option to North Fork (see pages [])

To induce North Fork to enter into the merger agreement, Capital One granted North Fork an option to purchase up to 60,467,248 shares of Capital One common stock at a price per share of \$89.92; however, in no case may North Fork acquire more than 19.9% of the outstanding shares of Capital One common stock under this stock option agreement. North Fork cannot exercise the option unless the merger is not completed and specified triggering events occur. These events generally relate to business combinations or acquisition transactions involving Capital One and a third party. We do not know of any event that has occurred as of the date of this document that would allow North Fork to exercise the option. The option will expire upon termination of the merger.

The option could have the effect of discouraging a company from trying to acquire Capital One prior to completion of the merger or termination of the merger agreement. Upon the occurrence of certain triggering events, Capital One may be required to repurchase the option and any shares of Capital One common stock purchased under the option at a predetermined price, or North Fork may choose to surrender the option to Capital One for a cash payment of \$585 million. In no event will the total profit received by North Fork with respect to this option exceed \$730 million.

The Capital One stock option agreement is attached to this document as Annex C.

Appraisal Rights (see pages [])

Under Delaware law, if North Fork stockholders want to assert their right to dissent from the merger and seek the appraised value of their shares of North Fork common stock, North Fork stockholders must follow carefully the procedures described at Annex G, and summarized at pages [] of this document. Capital One stockholders are not entitled to appraisal rights in connection with the merger.

Capital One Will Hold its Special Meeting on [], 2006 (see page [])

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The Capital One special meeting will be held at [], on [] at [] a.m., local time. At the special meeting, Capital One stockholders will be asked:

to approve and adopt the merger agreement;

to vote upon an adjournment or postponement of the Capital One special meeting, if necessary, to solicit additional proxies; and

to transact any other business as may properly be brought before the Capital One special meeting or any adjournment or postponement of the Capital One special meeting.

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You can vote at the Capital One special meeting if you owned Capital One common stock at the close of business on [], 2006. On that date, there were [] shares of Capital One common stock outstanding and entitled to vote, approximately []% of which were owned and entitled to be voted by Capital One directors and executive officers and their affiliates. You can cast one vote for each share of Capital One common stock you owned on that date. In order to approve and adopt the merger agreement, the holders of a majority of the outstanding shares of Capital One common stock entitled to vote must vote in favor of doing so.

North Fork Will Hold its Annual Meeting on [], 2006 (see page [])

The North Fork annual meeting will be held at [], on [] at [] a.m., local time. At the annual meeting, North Fork stockholders will be asked:

to approve and adopt the merger agreement;

to vote upon an adjournment or postponement of the North Fork annual meeting, if necessary, to solicit additional proxies;

to elect five directors to Class 1 of the board of directors;

to ratify the appointment of KPMG LLP as North Fork's independent auditors for 2006; and

to transact any other business as may properly be brought before the North Fork annual meeting or any adjournment or postponement of the North Fork annual meeting.

The proposals to elect directors and to ratify the appointment of KPMG LLP as North Fork's independent auditors for 2006 are described in detail under "Other Matters To Be Considered at North Fork's Annual Meeting."

You can vote at the North Fork annual meeting if you owned North Fork common stock at the close of business on [], 2006. On that date, there were [] shares of North Fork common stock outstanding and entitled to vote, approximately []% of which were owned and entitled to be voted by North Fork directors and executive officers and their affiliates. You can cast one vote for each share of North Fork common stock you owned on that date. In order to approve and adopt the merger agreement, the holders of a majority of the outstanding shares of North Fork common stock entitled to vote must vote in favor of doing so.

Regulatory Approvals Required for the Merger (see pages [])

Completion of the transactions contemplated by the merger agreement is subject to various regulatory approvals, including approval from the Federal Reserve Board and various state regulatory authorities.

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Capital One and North Fork have completed, or will complete, filing all of the required applications and notices with regulatory authorities.

Although we do not know of any reason why we would not be able to obtain the necessary regulatory approvals in a timely manner, we cannot be certain when or if we will get them.

The Merger Generally Will Be Tax-Free to Holders of North Fork Common Stock to the Extent They Receive Capital One Common Stock (see pages [])

The exchange by U.S. holders of North Fork common stock for Capital One common stock has been structured to be generally tax free for U.S. federal income tax purposes, except that:

U.S. holders of North Fork common stock that receive both cash and Capital One common stock generally will recognize gain, but not loss, to the extent of the cash received;

U.S. holders of North Fork common stock that receive only cash generally will recognize gain or loss; and

U.S. holders of North Fork common stock generally will recognize gain or loss with respect to cash received in lieu of fractional shares of Capital One common stock that the former North Fork stockholders would otherwise be entitled to receive.

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE INFORMATION**

Capital One common stock trades on the NYSE under the symbol COF and North Fork common stock trades on the NYSE under the symbol NFB. The following table presents the closing sale prices of Capital One common stock and North Fork common stock on March 10, 2006, the last trading day before we announced the merger agreement and [], 2006, the last practicable trading day prior to mailing this document. The table also presents the equivalent value of the merger consideration per share of North Fork common stock on those dates, calculated by multiplying the closing price of Capital One common stock on those dates by 0.3467 and [], respectively, each representing the fraction of a share of Capital One common stock that North Fork stockholders electing to receive Capital One common stock would receive in the merger for each share of North Fork common stock, assuming that 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 was the closing price of Capital One common stock on March 10, 2006 and [] 2006, respectively, and assuming no proration.

<u>Date</u>	<u>Capital One Closing Price</u>	<u>North Fork Closing Price</u>	<u>Equivalent Per Share Value</u>
March 10, 2006	\$ 89.92	\$ 25.40	\$ 31.18
[], 2006	\$	\$	\$

The market prices of both Capital One common stock and North Fork common stock will fluctuate prior to the merger. You should obtain current stock price quotations for Capital One common stock and North Fork common stock.

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SUMMARY HISTORICAL AND UNAUDITED PRO FORMA FINANCIAL INFORMATION

Unaudited Comparative Per Share Data

The table on the following page shows historical information about Capital One's and North Fork's respective earnings per share, dividends per share and book value per share, and preliminary pro forma information, which reflects the merger of Capital One with Hibernia (which was completed on November 16, 2005) and the North Fork merger at and for the three months ended March 31, 2006 and for the year ended December 31, 2005. In presenting the comparative preliminary pro forma information for the period shown, it is assumed that the companies had been combined as of or throughout those periods.

The Hibernia merger was and the North Fork merger will be accounted for using the purchase method of accounting, with Capital One treated as the acquiror. Under this method of accounting, the assets and liabilities of Hibernia were and the assets and liabilities of North Fork will be recorded by Capital One at their respective fair values as of the merger completion date.

The information listed as equivalent pro forma for North Fork was obtained by multiplying the pro forma amounts listed by Capital One by 0.3467, which is the fraction of a share of Capital One common stock that North Fork stockholders who receive stock in the merger would receive for each share of North Fork common stock, assuming no proration and assuming 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 was \$89.92, which was the closing price of Capital One common stock on March 10, 2006, the last trading day before announcement of the transaction. The actual fraction of a share of Capital One common stock that North Fork stockholders who receive stock in the merger will receive may differ depending on the average of the closing stock prices for Capital One common stock during the five trading days ending immediately before completion of the merger.

The preliminary pro forma financial information includes estimated adjustments to record the assets and liabilities of North Fork at their respective fair values based on management's best estimate using the information available at this time and includes the actual adjustments to record the assets and liabilities of Hibernia at their respective fair values at November 16, 2005, the completion date of the Hibernia merger. The preliminary pro forma adjustments may be revised as additional information becomes available and as additional analyses are performed. The final allocation of the North Fork purchase price will be determined after the merger is completed and after the completion of a final analysis to determine the fair values of North Fork's tangible and identifiable intangible assets and liabilities as of the closing date. The final purchase price adjustments may differ materially from the preliminary pro forma adjustments presented in this document. Increases or decreases in fair value of certain balance sheet amounts and other items of North Fork as compared to the information presented in this document may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact the statement of income due to adjustments in yield and/or amortization of adjusted assets and liabilities.

It is anticipated that the mergers will provide Capital One with financial benefits such as possible expense efficiencies and revenue enhancements, among other factors, although no assurances can be given that such benefits will actually be achieved. These benefits have not been reflected in the preliminary pro forma information. As required, the preliminary unaudited pro forma condensed combined financial information includes adjustments which give effect to events that are directly attributable to the transaction and factually supportable; as such, any planned adjustments affecting the balance sheet, income statement, or shares of common stock outstanding subsequent to the assumed merger completion date are not included. The preliminary pro forma financial information is presented for illustrative purposes only and does not indicate the financial results of the combined companies had the companies actually been combined as of or at the beginning of each period presented nor does it indicate future results.

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The information in the following tables is derived from and should be read in conjunction with the historical consolidated financial statements and related notes of Capital One and North Fork, which are incorporated into this document by reference.

	Three Months Ended March 31, 2006	Year Ended December 31, 2005
Capital One		
Basic earnings per common share		
Historical	\$ 2.95	\$ 6.98
Pro forma	2.49	6.35
Diluted earnings per common share		
Historical	2.86	6.73
Pro forma	2.42	6.16
Dividends declared on common stock		
Historical	0.03	0.11
Pro forma	0.03	0.11
Book value per common share		
Historical	50.06	46.97
Pro forma	60.60	
North Fork		
Basic earnings per common share		
Historical	0.46	2.03
Equivalent pro forma	0.86	2.20
Diluted earnings per common share		
Historical	0.46	2.01
Equivalent pro forma	0.84	2.14
Dividends declared on common stock		
Historical	0.25	0.91
Equivalent pro forma	0.01	0.04
Book value per common share		
Historical	19.30	19.28
Equivalent pro forma	21.01	

Reconciliation to GAAP Financial Measures for Capital One

Capital One's consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) are referred to as its reported financial statements. Loans included in securitization transactions which qualify as sales under GAAP have been removed from Capital One's reported balance sheet. However, servicing fees, finance charges, and other fees, net of charge-offs, and interest paid to investors of securitizations are recognized as servicing and securitizations income on the reported income statement.

Capital One's managed consolidated financial statements reflect adjustments made related to effects of securitization transactions qualifying as sales under GAAP. Capital One generates earnings from its managed loan portfolio which includes both the on-balance sheet loans and off-balance sheet loans. Capital One's managed income statement takes the components of the servicing and securitizations income generated from the securitized portfolio and distributes the revenue and expense to appropriate income statement line items from which it originated. For this reason, Capital One believes the managed consolidated financial statements and related managed metrics to be useful to stakeholders.

Table of Contents**As of and for the three months ended March 31, 2006**

(Dollars in thousands)	Total Reported	Securitization Adjustments(1)	Total Managed(2)
Income Statement Measures			
Net interest income	\$ 1,206,877	\$ 1,028,093	\$ 2,234,970
Non-interest income	1,858,251	(636,057)	1,222,194
Total revenue	3,065,128	392,036	3,457,164
Provision for loan losses	170,270	392,036	562,306
Net charge-offs	300,467	392,036	692,503
Balance Sheet Measures			
Loans	\$ 58,118,659	\$ 45,788,117	\$ 103,906,776
Total assets	89,273,079	45,257,154	134,530,233
Average loans	58,142,418	46,467,782	104,610,200
Average earning assets	78,147,484	44,255,018	122,402,502
Average total assets	88,894,594	45,902,460	134,797,054
Delinquencies	1,558,880	1,480,278	3,039,158

(1) Income statement adjustments reclassify the following from Non-interest income: the net of finance charges and fees of \$1,363.5 million, past due fees of \$256.4 million, other interest income of \$(61.7) million and interest expense of \$530.2 million reclassified to Net interest income; and net charge-offs of \$392.0 million reclassified to Provision for loan losses.

(2) The managed loan portfolio does not include auto loans which have been sold in whole loan sale transactions where Capital One has retained servicing rights.

As of and for the Year Ended December 31, 2005

(Dollars in thousands)	Total Reported	Securitization Adjustments(1)	Total Managed(2)
Income Statement Measures			
Net interest income	\$ 3,680,242	\$ 3,975,212	\$ 7,655,454
Non-interest income	6,358,105	(1,798,707)	4,559,398
Total revenue	10,038,347	2,176,505	12,214,852
Provision for loan losses	1,491,072	2,176,505	3,667,577
Net charge-offs	1,446,649	2,176,505	3,623,154
Balance Sheet Measures			
Loans	\$ 59,847,681	\$ 45,679,810	\$ 105,527,491
Total assets	88,701,411	45,084,125	133,785,536
Average loans	40,734,237	44,530,786	85,265,023
Average earning assets	55,497,599	42,560,161	98,057,760
Average total assets	61,360,500	43,991,487	105,351,987
Delinquencies	1,879,008	1,544,812	3,423,820

(1) Income statement adjustments reclassify the following from Non-interest income: the net of finance charges and fees of \$5.1 billion, past due fees of \$1.0 billion, other interest income of \$(0.2) billion and interest expense of \$1.9 billion reclassified to Net interest income; and net charge-offs of \$2.2 billion reclassified to Provision for loan losses.

(2) The managed loan portfolio does not include auto loans which have been sold in whole loan sale transactions where Capital One has retained servicing rights.

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The following tables show summarized historical financial data for Capital One and North Fork. The historical financial data show the financial results actually achieved by Capital One and North Fork for the periods indicated.

Capital One Financial Corporation

Selected Historical Financial and Operating Data

	For the Three Months		For the Year Ended December			
	Ended March 31,		31,			
(Dollars in millions, Except Per Share Data)	2006	2005	2005	2004	2003	20