

Capital One Capital II
Form 424B2
May 25, 2006
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Filed Pursuant to Rule 424(b)(2)

Registration Nos. 333-133943 and 333-133943-03

CALCULATION OF REGISTRATION FEE

Title of each class of securities offered	Maximum aggregate offering price	Amount of registration fee
7.50% Enhanced Trust Preferred Securities (Enhanced TRUPS®)	\$300,000,000	\$32,100.00(1)

- (1) The filing fee of \$32,100.00 is calculated in accordance with Rule 457(r) of the Securities Act of 1933. Pursuant to Rule 457(p) under the Securities Act of 1933, a filing fee of \$195,146.60 has already been paid with respect to unsold securities that were previously registered pursuant to a Registration Statement on Form S-3 (No. 333-126495) filed by Capital One Financial Corporation and Capital One Capital II on October 18, 2005 and is being carried forward. The filing fee of \$32,100.00 due for this offering is offset against the registration fee previously paid and \$163,046.60 remains available for future registration fees. No additional registration fee has been paid with respect to this offering.

PROSPECTUS SUPPLEMENT
(To prospectus dated May 9, 2006)

12,000,000 Securities

Capital One Capital II

\$25 Liquidation Amount

7.50% Enhanced Trust Preferred Securities (Enhanced TRUPS®)

Fully and unconditionally guaranteed.

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as described in this prospectus supplement, by

Capital One Financial Corporation

Capital One Capital II, a Delaware statutory trust, will offer for sale the 7.50% enhanced trust preferred securities (the Enhanced TRuPS), each with a \$25 liquidation amount, representing undivided preferred beneficial interests in its assets, and will sell to Capital One Financial Corporation common securities representing undivided common beneficial interests in its assets. The trust will use the proceeds from the sale of the Enhanced TRuPS and its common securities to buy an equal principal amount of 7.50% Capital One Financial Corporation junior subordinated debt securities with a maturity date of June 15, 2066. Distributions on the Enhanced TRuPS will be payable quarterly in arrears, commencing on September 15, 2006.

Application will be made to list the Enhanced TRuPS on the New York Stock Exchange. If approved for listing, we expect the Enhanced TRuPS will begin trading on the New York Stock Exchange within 30 days after they are first issued.

We can defer interest payments on the junior subordinated debt securities to be owned by the trust as described in this prospectus supplement. If we defer interest payments, the trust also will defer distribution payments on the Enhanced TRuPS. Additional distributions on the Enhanced TRuPS will accumulate on the deferred distributions at an annual rate equal to 7.50%, compounded quarterly, to the extent permitted by law. If we have deferred interest payments on the junior subordinated debt securities for a period of more than five consecutive years, we will be required to use commercially reasonable efforts to sell our common stock or, at our option, certain qualified preferred stock, and to pay interest on the junior subordinated debt securities only from the net proceeds of those sales of securities.

We may redeem some or all of the junior subordinated debt securities at any time on or after June 15, 2011. In addition, the junior subordinated debt securities may be redeemed, in whole or in part, at any time if certain changes in tax, investment company or bank regulatory law or interpretation occur and certain other conditions are satisfied. We will not redeem the junior subordinated debt securities unless we obtain the prior approval of the Board of Governors of the Federal Reserve System to do so, if such approval is then required. To the extent we redeem the junior subordinated debt securities, the trust must redeem a corresponding amount of the Enhanced TRuPS.

Investing in the Enhanced TRuPS involves risks that we describe in Risk Factors beginning on page S-6 of this prospectus supplement.

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

The Enhanced TRuPS are undivided preferred beneficial interests in a trust and are not deposits or savings accounts or other obligations of a bank. These securities are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

Per Security

Total

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Public offering price	\$ 25.00	\$ 300,000,000(1)
Underwriting commissions to be paid by Capital One Financial Corporation	\$ 0.7875(2)	\$ 9,335,000
Proceeds (before expenses)	\$ 24.2125(2)	\$ 290,665,000

- (1) The underwriters also may purchase up to an additional 1,800,000 Enhanced TRUPS at the public offering price within 15 days of the date of this prospectus supplement in order to cover over-allotments, if any.
- (2) For sales to certain institutions, the underwriting discount will be \$0.50 per Enhanced TRUPS and the proceeds to us will be \$24.50 per Enhanced TRUPS.

Capital One Financial Corporation and the trust expect that the Enhanced TRUPS will be ready for delivery in book-entry form only through The Depository Trust Company on or about June 6, 2006.

Citigroup

JPMorgan

Morgan Stanley

Wachovia Securities

Sole Structuring Coordinator

Merrill Lynch & Co.

UBS Investment Bank

Banc of America Securities LLC

Barclays Capital

Credit Suisse

Deutsche Bank

Lehman Brothers

RBC Capital Markets

The date of this prospectus supplement is May 24, 2006

TRUPS® is a registered service mark of Citigroup Global Markets Inc. Citigroup Global Markets Inc. has applied for patent protection for the Enhanced TRUPS® structure described in this prospectus supplement.

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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.

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

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SUMMARY INFORMATION Q&A

You should read this summary information together with the more detailed information and financial statements and notes to the financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus. This summary highlights selected information from this prospectus supplement and the accompanying prospectus to help you understand the Enhanced TRuPS and the related guarantee and junior subordinated debt securities. You should read this prospectus supplement and the accompanying prospectus carefully to understand fully the terms of the Enhanced TRuPS as well as the tax and other considerations that are important to you in making a decision about whether to invest in the Enhanced TRuPS. You should pay special attention to the discussion under **Risk Factors** to determine whether an investment in the Enhanced TRuPS is appropriate for you.

What are the Enhanced TRuPS?

Each trust preferred security represents an undivided beneficial interest in the assets of the trust. Each trust preferred security entitles the holder to receive quarterly cash distributions as described in this prospectus supplement. We will irrevocably guarantee that if a payment on the junior subordinated debt securities is made to the trust but, for any reason, the trust does not make the corresponding distribution or redemption payment to the holders of the Enhanced TRuPS, then we will make payments directly to the holders of the Enhanced TRuPS or cause the trust to do so.

Who is Capital One Capital II?

Capital One Capital II is a Delaware statutory trust. Its principal offices are located at 1680 Capital One Drive, McLean, Virginia 22102, and its telephone number is (703) 720-1000. All of the common securities of the trust are owned by us. The trust will use all of the proceeds from this offering of its Enhanced TRuPS and the sale of its common securities to us to buy our junior subordinated debt securities, which will have the same financial terms as the Enhanced TRuPS.

Who is Capital One Financial Corporation?

Capital One Financial Corporation is a bank 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.

When will you receive distributions on the Enhanced TRuPS?

If you hold Enhanced TRuPS, you will be entitled to receive cumulative cash distributions at an annual rate of 7.50% of the liquidation amount of \$25 per trust preferred security. Distributions will accumulate from the date the trust first issues the Enhanced TRuPS and will be paid quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, commencing on September 15, 2006. The trust's only source of cash to make payments on the Enhanced TRuPS will be the payments it receives on the junior subordinated debt securities it will purchase from us.

When can payment of your distributions be deferred?

We may defer interest payments on the junior subordinated debt securities, on one or more occasions, for up to 20 consecutive quarterly periods, or five years, subject to certain exceptions. See Description of the Junior Subordinated Debt Securities Option to Defer Interest Payments. If we defer interest payments on the junior subordinated debt securities, the trust also will defer distributions on the Enhanced TRuPS. Additional

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distributions on the Enhanced TRUPS will accumulate on the deferred distributions while interest payments on the junior subordinated debt securities are deferred. During any deferral period, with limited exceptions, neither we nor our subsidiaries will be permitted to declare or pay any dividends, distributions or interest on, or redeem, purchase, acquire or make a liquidation, principal or premium payment with respect to, any of our capital stock or the capital stock of our subsidiaries, or any of our other securities that rank equally with or junior to the junior subordinated debt securities or to make any guarantee payments with respect to the securities.

What will happen following an optional deferral period?

If we fail to pay all accrued and unpaid interest on the junior subordinated debt securities after a five year deferral period, we will be required to sell our common stock or, at our option, certain qualified preferred stock, and use the net proceeds of those sales to pay all accrued and unpaid interest on the junior subordinated debt securities on or prior to the next interest payment date, unless a supervisory event has occurred or we notify the trust that a market disruption event has occurred. In any event, we will not be required to pay interest on the junior subordinated debt securities at a time when the payment of interest would violate the terms of any securities issued by us or one of our subsidiaries or the terms of a contract binding on us or one of our subsidiaries. See [Description of the Junior Subordinated Debt Securities Settlement of Deferred Interest with Proceeds of Equity Sales](#). We will be prohibited from paying interest on the junior subordinated debt securities from any other source until all accrued and unpaid interest has been paid using the net proceeds of the equity sales.

If we should use other sources to make deferred interest payments after deferring payment for five consecutive years, this would breach our obligations under the junior subordinated debt securities, but it would not be an event of default under the indenture that would permit the trust or the holders of the Enhanced TRUPS to accelerate the junior subordinated debt securities. In addition, our failure to pay interest on the junior subordinated debt securities for up to five additional years following a deferral period, or a total of up to 10 years, would not constitute an event of default that would give rise to an acceleration right under the indenture. However, an event of default and acceleration will occur if we fail to pay all accrued and unpaid interest after 10 consecutive years have elapsed from the commencement of a deferral period.

What source of funds must we use to pay deferred interest after a five-year optional deferral?

If we were to optionally defer interest payments on the junior subordinated debt securities for a five year period, we would be required thereafter to use commercially reasonable efforts to raise a new equity amount, as defined under [Description of the Junior Subordinated Debt Securities Settlement of Deferred Interest with Proceeds of Equity Sales](#), at least equal to the aggregate amount of interest on the junior subordinated debt securities that would be accrued and unpaid as of the next interest payment date. We have agreed to pay all such accrued and unpaid interest on the junior subordinated debt securities to the extent, and only to the extent, of the new equity amount, provided that our use of other sources of funds to pay interest payments would not, by itself, be an event of default under the indenture that would permit the trust or the holders of Enhanced TRUPS to accelerate the junior subordinated debt securities. At maturity of the junior subordinated debt securities, or in the case of an event of default and acceleration under the indenture, we will be required to pay accrued and unpaid interest without regard to the source of funds.

When can the trust redeem the Enhanced TRUPS?

The trust must redeem all of the outstanding Enhanced TRUPS on the maturity date of the junior subordinated debt securities, on June 15, 2066.

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Some or all of the Enhanced TRuPS may be redeemed before June 15, 2066 on one or more occasions any time on or after June 15, 2011. See Risk Factors. You should not rely on the distributions from the Enhanced

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TRuPS through their maturity date they may be redeemed at our option or if certain changes in tax, investment company or bank regulatory law occur. Also, the Enhanced TRuPS may be redeemed, in whole or in part, at any time if certain changes in tax, investment company or bank regulatory law or if certain interpretations occur and certain other conditions are satisfied. We may need regulatory approval to redeem the Enhanced TRuPS and such redemption will be subject to the capital replacement covenant discussed below. See Risk Factors You should not rely on the distributions from the Enhanced TRuPS through their maturity date they may be redeemed at our option or if certain changes in tax, investment company or bank regulatory law occur, Description of the Junior Subordinated Debt Securities Redemption Redemption Upon a Special Event and Description of the Capital Replacement Covenant below.

What is the Capital Replacement Covenant?

We will covenant, for the benefit of holders of a designated series of our indebtedness, that we will not redeem the junior subordinated debt securities prior to June 15, 2036, unless:

during the six-month period prior to such redemption we have received net proceeds in the amounts specified in the capital replacement covenant, from the sale of securities that have equity-like characteristics that are the same as, or more equity-like than the applicable characteristics of the junior subordinated debt securities at the time of such redemption; and

we have obtained the prior concurrence or approval of the Federal Reserve Board (which includes the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of Richmond, or its successor as our primary federal banking regulator) prior to effecting such redemption, if such concurrence or approval is then required by the Federal Reserve Board.

The capital replacement covenant is not intended for the benefit of holders of the junior subordinated debt securities or Enhanced TRuPS and may not be enforced by them. For a more detailed description of the capital replacement covenant see Description of the Capital Replacement Covenant, below.

What is our guarantee of the Enhanced TRuPS?

We will irrevocably and unconditionally guarantee that if a payment on the junior subordinated debt securities is made to the trust but, for any reason, the trust does not make the corresponding distribution or redemption payment to the holders of the Enhanced TRuPS, then we will make payments directly to the holders of the Enhanced TRuPS or cause the trust to do so.

The guarantee does not cover payments when the trust does not have sufficient funds available to make payments on the Enhanced TRuPS. Your remedy in such an event is as described in the prospectus under Relationship Among the Trust Preferred Securities, the Junior Subordinated Debt Securities and the Guarantee. Our obligations under the guarantee will be subordinated in right of payment to our senior indebtedness and to all obligations and other indebtedness of our subsidiaries, as described under Description of the Enhanced TRuPS Guarantee in this prospectus supplement.

How will the junior subordinated debt securities and the guarantee rank?

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Our obligations under the junior subordinated debt securities and the guarantee will rank junior to all of our senior indebtedness, including junior subordinated debt securities now or subsequently issued under junior subordinated debt indentures in connection with the issuance of traditional Tier 1 trust preferred securities (other than Enhanced TRUPS of the type described in this prospectus or other securities that by their terms rank junior to or *pari passu* with the Enhanced TRUPS) and will rank *pari passu* with our trade accounts payable and other liabilities as described in Description of the Junior Subordinated Debt Securities Subordination. This means that we cannot make any payments on the junior subordinated debt securities or the guarantee if we default on a payment of senior indebtedness and do not cure the default within the applicable grace period or if the senior

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indebtedness becomes immediately due because of a default and has not yet been paid in full. In addition, our obligations under the junior subordinated debt securities and the guarantee will be structurally subordinated to all existing and future liabilities of our subsidiaries.

The junior subordinated debt securities and the guarantee will rank senior to all of our equity securities, including any preferred stock that we may issue in the future.

When could the junior subordinated debt securities be distributed to you?

We have the right to dissolve the trust at any time. If we dissolve the trust, the trust can be liquidated by distributing the junior subordinated debt securities to holders of the Enhanced TRuPS and the common securities on a proportionate basis. See [Description of the Enhanced TRuPS](#), [Optional Liquidation of Capital One Capital II and Distribution of Junior Subordinated Debt Securities](#) and [Description of the Junior Subordinated Debt Securities](#), [Distribution of the Junior Subordinated Debt Securities](#).

Will the Enhanced TRuPS be listed on a stock exchange?

Application will be made to list the Enhanced TRuPS on the New York Stock Exchange. If approved for listing, we expect the Enhanced TRuPS will begin trading on the New York Stock Exchange within 30 days after they are first issued. If the junior subordinated debt securities are distributed, we will use our best efforts to list those securities on the New York Stock Exchange, or any other exchange on which the Enhanced TRuPS are then listed.

What is the anticipated U.S. federal income tax treatment of the Enhanced TRuPS?

In connection with the issuance of the Enhanced TRuPS, Cleary Gottlieb Steen & Hamilton LLP, our special tax counsel, will render its opinion that, while there is no authority directly on point and the issue is not free from doubt, the junior subordinated debt securities will be treated for United States federal income tax purposes as our indebtedness. This opinion is subject to certain customary conditions. By investing in the Enhanced TRuPS, each beneficial owner of Enhanced TRuPS agrees to treat the subordinated debentures as debt for U.S. federal income tax purposes.

Under that treatment, interest payments on the junior subordinated debt securities will be taxable to U.S. holders as ordinary interest income at the time that such payments are accrued or are received (in accordance with such holders' method of tax accounting). If a deferral of an interest payment occurs, holders will be required to accrue income for U.S. federal income tax purposes in an amount equal to the accumulated interest on the junior subordinated debt securities, in the form of original issue discount, even though cash distributions are deferred and even though such holders may be cash basis taxpayers. See [United States Federal Income Tax Considerations](#).

Do holders of the Enhanced TRuPS have any voting rights?

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Generally, holders of the Enhanced TRuPS do not have any voting rights. See Description of the Enhanced TRuPS Voting Rights.

In what form will the Enhanced TRuPS be issued?

The Enhanced TRuPS will be represented by one or more global certificates that will be deposited with and registered in the name of The Depository Trust Company (DTC) or its nominee. This means that you will not receive a certificate for your Enhanced TRuPS and that your broker will maintain your position in the Enhanced TRuPS.

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RISK FACTORS

Your investment in the Enhanced TRuPS will involve some risks. You should consider carefully the following discussion of the risks and the other information in this prospectus supplement and the accompanying prospectus before deciding whether to make an investment in the Enhanced TRuPS. Also, an investment in the Enhanced TRuPS is an indirect investment in the junior subordinated debt securities because the trust will rely on the payments it receives on the junior subordinated debt securities to fund all payments on the Enhanced TRuPS and, upon any liquidation of the trust, holders of the Enhanced TRuPS may receive junior subordinated debt securities.

The trust may be unable to make distributions on the Enhanced TRuPS if we default on our senior indebtedness because our obligations to make payments on the junior subordinated debt securities and the guarantee are subordinate to our payment obligations under our senior indebtedness.

Because of the subordinated nature of the guarantee and the junior subordinated debt securities, we (i) will not be permitted to make any payments of principal, including redemption payments, or interest payments on the junior subordinated debt securities if we default on our senior indebtedness, as described under **Description of the Junior Subordinated Debt Securities Subordination** in this prospectus supplement and 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 **Description of the Enhanced TRuPS Guarantee** in this prospectus supplement, and (iii) must pay all our senior indebtedness before we make any payments on the junior subordinated debt securities or the guarantee if we become bankrupt, liquidate or dissolve.

None of the Enhanced TRuPS, the junior subordinated debt securities or the guarantee limit our or our subsidiaries' ability to incur additional indebtedness, including indebtedness that ranks senior to the junior subordinated debt securities and the guarantee.

The junior subordinated debt securities and the guarantee will be effectively subordinated to the obligations of our subsidiaries.

As a bank holding company, our primary source of cash flow to make payments on the junior subordinated debt securities and the guarantee will be dividends or distributions from our subsidiaries. As such, the junior subordinated debt securities 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 junior subordinated debt securities, the Enhanced TRuPS or the guarantee.

The guarantee only guarantees payments on the Enhanced TRuPS if the trust has cash available.

If we fail to make payments on the junior subordinated debt securities, the trust will be unable to make the related distribution, redemption or liquidation payments on the Enhanced TRuPS to you. In those circumstances, you cannot rely on the guarantee for payments of those amounts. Instead, if we are in default under the junior subordinated debt securities, you may rely on the institutional trustee of the trust to enforce the trust's rights under the junior subordinated debt securities 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 **Description of the Enhanced TRuPS**.

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Our right to defer interest payments on the junior subordinated debt securities has tax consequences for you.

We can, on one or more occasions, defer interest payments on the junior subordinated debt securities for up to 20 consecutive quarterly periods, or five years. Upon the termination of any deferral period and the payment of

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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 junior subordinated debt securities. If we defer interest payments on the junior subordinated debt securities, the trust also will defer distribution payments on the Enhanced TRuPS and the common securities.

If we defer interest payments on the junior subordinated debt securities and the trust correspondingly defers distributions on the Enhanced TRuPS, you will be required to include accrued interest income for the deferred interest on the junior subordinated debt securities allocable to your share of the Enhanced TRuPS 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 Enhanced TRuPS 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 Enhanced TRuPS. Please read the United States Federal Income Tax Considerations section in this prospectus supplement for more information regarding the tax consequences of holding and selling the Enhanced TRuPS.

You may not receive distributions on the Enhanced TRuPS for a total of up to 10 years if one or more market disruption events or supervisory events occur after the first five years of interest deferral or if we are otherwise unable to issue stock.

If we elect to defer interest payments for 20 consecutive quarterly periods, or five years, we will be prohibited from paying current or accrued and unpaid interest after such deferral period from any source other than the new equity amount, as described under Description of the Junior Subordinated Debt Securities Settlement of Deferred Interest with Proceeds of Equity Sales. In addition, following such five-year deferral period, we may fail to pay interest for up to an additional five years, resulting in a total of up to 10 years without payment of interest on the junior subordinated debt securities and, correspondingly, without payment of distributions on the Enhanced TRuPS, if a supervisory event occurs or if we have notified the trust of the occurrence of one or more market disruption events.

Even in the absence of a supervisory event or our notice to the trust of a market disruption event, our ability to sell our stock will depend on a variety of factors within and beyond our control, including, without limitation, our financial performance, the strength of the equity markets generally, the relative demand for stock of companies within our industry, dilution caused by prior stock offerings and the expectation among investors that future stock offerings may cause additional dilution. It is possible that we may need shareholder approval to sell our stock, for example to approve an amendment to our certificate of incorporation increasing the number of authorized shares or to comply with stock exchange regulation, and we may not be successful in obtaining this approval. If we do not sell sufficient stock to fund interest payments in these circumstances, we will not be permitted to pay interest to the trust, even if we have cash available from other sources.

If interest payments are deferred for more than five consecutive years, we will not be permitted to pay current interest on the junior subordinated debt securities until we have paid all outstanding deferred interest using the proceeds of equity sales, and this could have the effect of extending interest deferral periods.

If we have deferred interest payments on the junior subordinated debt securities for a period of more than five consecutive years, we will be prohibited from paying current interest on the junior subordinated debt securities until all accrued and unpaid interest has been paid using the net proceeds of certain equity sales. As a result, after a deferral of interest payments for more than five consecutive years, we may not be able to pay either current or deferred interest on the junior subordinated debt securities (even though we have available funds) if we do not undertake or complete equity sales that raise sufficient proceeds to satisfy our outstanding deferred interest obligations. Accordingly, the occurrence of a supervisory event or a market disruption event could have the effect of extending interest deferral periods.

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If we fail to pay all accrued and unpaid interest, you will not be able to accelerate payment of the junior subordinated debt securities until 10 years after the commencement of a deferral period.

If we fail to pay all accrued and unpaid interest on the junior subordinated debt securities on or by the next interest payment date following a five-year deferral period, such failure will constitute a default under the indenture; however, prior to the expiration of 10 consecutive years after the commencement of a deferral period, the occurrence of such a default will not entitle the trustee or the holders of the junior subordinated debt securities to declare the principal amount of the junior subordinated debt securities immediately due and payable. Instead, the trustee and the holders of the junior subordinated debt securities will, prior to the expiration of 10 consecutive years after the commencement of such deferral period, only have the right to seek payment of such interest.

You have limited remedies for defaults under the indenture.

Although various events may constitute defaults under the indenture, a default that is not an event of default and acceleration will not trigger the acceleration of principal and interest on the junior subordinated debt securities. Such acceleration of principal and interest will occur only upon our failure to pay in full all interest accrued upon the conclusion of a deferral period of 10 consecutive years or as a result of certain specified events of bankruptcy, insolvency, or reorganization of Capital One Financial Corporation or, under certain circumstances, the dissolution of the trust. See Description of the Junior Subordinated Debt Securities Events of Default Indenture Events of Default and Acceleration.

We must obtain Federal Reserve Board approval before we may pay deferred interest with the proceeds of an equity sale.

The indenture for the junior subordinated debt securities provides that we must notify the Federal Reserve Board if we are required to pay deferred interest with the proceeds of an equity sale and that we may not sell our common stock or qualified preferred stock or apply the net proceeds of such a sale to pay deferred interest if such actions have not been approved by the Federal Reserve Board. Accordingly, if we elect to defer interest for 20 consecutive quarterly interest payment dates, or five years, and do not obtain the prior approval of the Federal Reserve Board thereafter, we will be unable to pay interest and may continue to defer interest pending such approval for an additional period of up to 20 consecutive quarterly interest payment dates without triggering an event of default and acceleration under the indenture. As a result, we could defer interest for up to 40 consecutive quarterly interest payment dates, or 10 years, without being required to sell our common stock to raise a new equity amount, as defined in Description of the Junior Subordinated Debt Securities Settlement of Deferred Interest with Proceeds of Equity Sales.

The Federal Reserve Board may permit us to sell shares while prohibiting us from paying deferred interest.

The indenture for the junior subordinated debt securities requires that the Federal Reserve Board approve both (i) a sale of our common stock or qualified preferred stock and (ii) the application of the net proceeds of such a sale to pay deferred interest on the junior subordinated debt securities. The Federal Reserve Board thus will be able, without triggering an event of default and acceleration under the indenture, to permit us to sell shares of our common stock or qualified preferred stock but to prohibit us from applying the proceeds of such sale to pay deferred interest on the junior subordinated debt securities.

If you waive our covenants to pay deferred interest only with the net proceeds of certain equity sales, our credit rating may be negatively affected.

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The indenture contains covenants that, after 20 consecutive quarters of optional deferral, permit us to pay deferred interest only with net proceeds from the sale of shares of our common stock or, at our option, certain qualified preferred stock, as described in Description of the Junior Subordinated Debt Securities Settlement of Deferred Interest with Proceeds of Equity Sales. These covenants may be amended, and compliance with these

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covenants may be waived, solely by the holders of a majority of the liquidation amount of outstanding trust securities, and no holder of our senior indebtedness will have the right to enforce these covenants. Although, in the short term, you may have an economic incentive to waive these covenants in order to receive current or deferred interest, if such covenants are waived and we pay deferred interest with funds received from any other source, our credit rating may be negatively affected. A negative effect on our credit rating may have an adverse effect on our business or financial condition, which in turn could have an adverse effect on our ability to pay future interest on the junior subordinated debt securities.

You should not rely on the distributions from the Enhanced TRuPS through their maturity date they may be redeemed at our option or if certain changes in tax, investment company or bank regulatory law occur.

The Enhanced TRuPS may be redeemed, in whole, at any time, or in part, from time to time, on or after June 15, 2011 at a redemption price equal to \$25 per trust preferred security plus any accrued and unpaid distributions to the redemption date. You should assume that we will exercise this redemption option if we are able to refinance at a lower interest rate or it is otherwise in our interest to redeem the junior subordinated debt securities. If the junior subordinated debt securities are redeemed, the trust must redeem Enhanced TRuPS and common securities having an aggregate liquidation amount equal to the aggregate principal amount of junior subordinated debt securities to be redeemed. See [Description of the Junior Subordinated Debt Securities Redemption](#) below.

If certain changes, which are more fully described below, in tax, investment company or bank regulatory law or interpretations occur and are continuing, and certain other conditions that are more fully described below are satisfied, the Enhanced TRuPS could be redeemed by the trust at any time within 90 days of the event at a redemption price equal to \$25 per security plus any accrued and unpaid distributions. See [Description of the Junior Subordinated Debt Securities Redemption Redemption Upon a Special Event](#) and [Distribution of the Junior Subordinated Debt Securities](#) below.

Our right to redeem the junior subordinated debt securities is limited by the capital replacement covenant.

We may redeem the junior subordinated debt securities, in whole or in part, before their maturity, on one or more occasions, on or after June 15, 2011, or at any time if certain changes occur in tax or investment company laws and regulations or in the treatment of the Enhanced TRuPS as Tier 1 capital of Capital One Financial Corporation under the capital guidelines of the Federal Reserve Board, or if certain interpretations occur and certain other conditions are satisfied. However, the capital replacement covenant which is described under [Description of the Capital Replacement Covenant](#), will limit our right to redeem or repurchase junior subordinated debt securities. In the capital replacement covenant, we will covenant, for the benefit of holders of a designated series of our indebtedness that ranks senior to the junior subordinated debt securities, that we will not redeem junior subordinated debt securities or Enhanced TRuPS on or before June 15, 2036, subject to certain limitations, unless during the six months prior to the redemption date, we have received proceeds from the sale of specified 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 Enhanced TRuPS be redeemed, and sufficient cash is available for that purpose, but we will be restricted from doing so because we were not able to obtain proceeds from the sale of qualifying securities.

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

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We may elect to dissolve the trust at any time. If that happens, the trust will redeem the Enhanced TRuPS and the common securities by distributing the junior subordinated debt securities 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 junior subordinated debt securities to you on the dissolution of the trust

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would not be a taxable event to you. A change in law, however, could cause a distribution of junior subordinated debt securities on the dissolution of the trust to be a taxable event to you.

Although we may elect to dissolve the trust and cause the distribution of the junior subordinated debt securities 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 junior subordinated debt securities that may be distributed. Accordingly, any junior subordinated debt securities you receive on a distribution, or the Enhanced TRuPS you hold pending that distribution, may trade at a discount to the price you paid to purchase the Enhanced TRuPS.

Because you may receive the junior subordinated debt securities, you should make an investment decision with regard to the junior subordinated debt securities in addition to the Enhanced TRuPS. You should carefully review all the information regarding the junior subordinated debt securities contained in this prospectus supplement and the accompanying prospectus. See **United States Federal Income Tax Considerations** for more information.

The Federal Reserve Board may be able to restrict our ability to pay interest on or to redeem the junior subordinated debt securities or the ability of the trust to make distributions on or redeem the Enhanced TRuPS.

The Federal Reserve Board will have the right to supervise the trust and its activities because it is our subsidiary. Under certain circumstances, including any determination that a payment, distribution, or redemption would constitute or result in an unsafe and unsound banking practice, the Federal Reserve Board may have the authority to issue orders that could restrict our ability to make interest payments on or to redeem the junior subordinated debt securities or the ability of the trust to make distributions on or to redeem the Enhanced TRuPS.

Trading prices of the Enhanced TRuPS may not reflect the value of accumulated but unpaid interest on the junior subordinated debt securities. Our right to defer interest payments on the junior subordinated debt securities may cause the market price of the Enhanced TRuPS to decline.

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

A classification of the Enhanced TRuPS by the National Association of Insurance Commissioners (NAIC) would affect U.S. insurance investors and may affect the value of the Enhanced TRuPS.

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The Securities Valuation Office (the SVO) of the NAIC may from time to time classify securities in U.S. insurers' portfolios as debt, preferred equity or common equity instruments. Under the written guidelines outlined by the SVO, it is not always clear which securities classify as debt, preferred equity or common equity or which features are specifically relevant in making this determination. We understand that the SVO is currently reviewing a number of securities for classification, some of which may have structural features similar to the Enhanced TRUPS offered hereby. We are also aware that the SVO has classified several securities with certain structural features similar to the Enhanced TRUPS, either definitively or preliminarily, as common equity. For this reason, there is a risk that the Enhanced TRUPS may be classified as common equity, if reviewed and classified by the SVO. The NAIC classification of an investment directly affects U.S. insurance company investors because it determines the amount of capital required for such an investment by such investors, but it is

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not determinative in any way in respect of any other tax, accounting or legal considerations for investors generally. If the NAIC were to classify the Enhanced TRuPS as common equity, the willingness of U.S. insurance investors to hold the Enhanced TRuPS could be reduced, which in turn could reduce the price of the Enhanced TRuPS in any available after-market. As of the date hereof, the NAIC has not provided a view on the classification of our Enhanced TRuPS. There can be no assurance of the classification that the SVO may assign to the Enhanced TRuPS in the future.

We cannot assure you that an active trading market for the Enhanced TRuPS will develop.

Prior to this offering, there has been no public market for the Enhanced TRuPS. We will apply to list the Enhanced TRuPS on the New York Stock Exchange. If approved for listing, we expect trading of the Enhanced TRuPS on the New York Stock Exchange to commence within 30-days after the issuance of the Enhanced TRuPS. The underwriters currently plan to make a market in the Enhanced TRuPS, but are not obligated to do so and may discontinue market making at any time. We cannot assure you that an active trading market for the Enhanced TRuPS will develop or be sustained. If a market were to develop, the Enhanced TRuPS could trade at prices that may be higher or lower than their initial public offering price depending upon many factors, including:

prevailing interest rates,

the spread on our debt relative to U.S. Government obligations with comparable maturities,

our operating results, and

the market for similar securities.

There may be no trading market for the junior subordinated debt securities if the trust distributes them to you.

Although we will use our best efforts to list the junior subordinated debt securities on the New York Stock Exchange, or any other exchange on which the Enhanced TRuPS are then listed, if they are distributed, we cannot assure you that the junior subordinated debt securities will be approved for listing or that a trading market will exist for those securities.

You will have limited voting rights as a holder of Enhanced TRuPS.

As a holder of Enhanced TRuPS, you will have limited voting rights relating only, in specified circumstances, to the exercise of the trust's rights as holder of the junior subordinated debt securities 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 junior subordinated debt securities, only we can replace or remove any of the trustees or increase or decrease the number of trustees. See "Description of the Enhanced TRuPS Voting Rights."

RATIO OF EARNINGS TO FIXED CHARGES

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The following table sets forth our consolidated ratio of earnings to fixed charges for the periods indicated:

	Three Months Ended		Years Ended December 31,				
	March 31,						
	2006	2005	2005	2004	2003	2002	2001
Earnings to Fixed Charges:							
Including Interest on Deposits	2.96	2.65	2.37	2.31	2.13	1.98	1.87
Excluding Interest on Deposits	5.87	4.68	4.20	3.99	3.59	3.19	2.89

The ratio of earnings to fixed charges is computed by dividing income before income taxes and fixed charges less interest capitalized during such period, net of amortization of previously capitalized interest, by fixed charges. Fixed charges consist of interest, expensed or capitalized, on borrowings (including or excluding deposits, as applicable), and the portion of rental expense which is deemed representative. As of the date of this prospectus supplement, we have no preferred stock outstanding and accordingly the ratio of earnings to fixed charges and preferred stock dividends is equal to the ratio of earnings to fixed charges and is not disclosed separately.

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CAPITAL ONE CAPITAL II

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 sponsor, 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 Enhanced TRuPS, is referred to in this prospectus supplement as the declaration of trust. The common securities and the Enhanced TRuPS are also referred to together as the trust securities.

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 junior subordinated debt securities 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.

CAPITAL ONE FINANCIAL CORPORATION

We are a bank holding company, incorporated in Delaware on July 21, 1994. Our subsidiaries market a variety of consumer financial products and services. Our principal subsidiary, Capital One Bank, a Virginia state chartered bank and a member of the Federal Reserve System that 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 business 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 the Corporation, see the accompanying prospectus.

In March 2006, we signed a definitive agreement to acquire North Fork Bancorporation, Inc. (North Fork) a regional bank holding company organized under the laws of Delaware, in a stock and cash transaction valued on March 10, 2006 at approximately \$14.6 billion. For further details on this acquisition, see our Current Report on Form 8-K filed on March 13, 2006, which is incorporated by reference into this prospectus supplement. See also our Current Report on Form 8-K filed on May 16, 2006, which incorporates preliminary unaudited pro forma condensed combined financial information giving effect to the merger with North Fork, and our Current Report on Form 8-K filed on May 19, 2006, incorporating certain consolidated financial statements of North Fork.

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All of the net proceeds from the sale of the Enhanced TRuPS will be invested by Capital One Capital II in our junior subordinated debt securities. We will use the proceeds from the sale of the junior subordinated debt securities to Capital One Capital II to pay a portion of the cash acquisition price for North Fork.

CAPITALIZATION

The following table sets forth our consolidated capitalization at March 31, 2006 on an actual basis and as adjusted to give effect to the issuance of the Enhanced TRuPS offered by this prospectus supplement (assuming no exercise of the underwriters' over-allotment option). The table should be read in conjunction with our consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

	March 31, 2006	
	Actual	As Adjusted
(Unaudited, dollars in thousands)		
Debt:		
Non-interest bearing deposits	\$ 4,476,351	\$ 4,476,351
Interest bearing deposits	43,303,134	43,303,134
	<hr/>	<hr/>
Total deposits	47,779,485	47,779,485
Senior and subordinated notes	5,726,109	6,026,109
Other borrowings	16,544,698	16,544,698
	<hr/>	<hr/>
Total debt	70,050,292	70,350,292
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 305,120,628 shares issued and outstanding	3,051	3,051
Paid-in-capital	7,032,073	7,032,073
Retained earnings and cumulative other comprehensive income	8,245,186	8,245,186
Less: Treasury stock, at cost; 2,076,676 shares	(111,064)	(111,064)
	<hr/>	<hr/>
Total stockholders' equity	\$ 15,169,246	\$ 15,169,246
	<hr/>	<hr/>
Total capitalization	\$ 85,219,538	\$ 85,519,538

ACCOUNTING TREATMENT AND REGULATORY CAPITAL

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The trust will not be consolidated on our balance sheet as a result of accounting changes reflected in FASB Interpretation No. 46, Consolidation of Variable Interest Entities, as revised in December 2003. Accordingly, for balance sheet purposes we will recognize the aggregate principal amount, net of discount, of the junior subordinated debt securities we issue to the issuer as a liability and the amount we invest in the issuer's common securities as an asset. The interest paid on the junior subordinated debt securities will be recorded as interest expense on our income statement.

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DESCRIPTION OF THE ENHANCED TRU_{PS}

We have summarized below certain terms of the Enhanced TRU_{PS}. This summary supplements the general description of the Enhanced TRU_{PS} under the caption "Description of Trust Preferred Securities" and elsewhere in the accompanying prospectus. To the extent that this summary is inconsistent with the description in the accompanying prospectus, you should rely on the summary below. This summary is not a complete description of all of the terms and provisions of the Enhanced TRU_{PS}. For more information, we refer you to the certificate of trust, the form of amended and restated declaration of trust and the form of trust preferred security, which we filed as exhibits to the registration statement of which the accompanying prospectus is a part.

The Enhanced TRU_{PS} represent undivided beneficial ownership interests in the assets of Capital One Capital II. The only assets of Capital One Capital II will be the junior subordinated debt securities. The Enhanced TRU_{PS} will rank equally with the common securities except as described below under the caption "Ranking of Common Securities" in this section. The investment in the common securities will represent \$1,000,000.

Distributions

As an undivided beneficial owner of the junior subordinated debt securities, you will receive distributions on the Enhanced TRU_{PS} that are cumulative and will accumulate from the date of issuance at the annual rate of 7.50% of the liquidation amount of \$25 for each Enhanced TRU_{PS}. Interest on the junior subordinated debt securities will accrue and, as a result, distributions on the Enhanced TRU_{PS} will accumulate and will be payable quarterly in arrears on March 15, June 15, September 15, and December 15 of each year, beginning September 15, 2006. The amount of distributions payable for any period will be computed on the basis of a 360-day year comprised of twelve 30-day months. The amount of distributions payable for any period shorter than a full quarterly period will be computed on the basis of a 30-day month and, for periods of less than a month, the actual number of days elapsed per 30-day month.

Interest not paid when due on the junior subordinated debt securities will accrue additional interest at the annual rate of 7.50% (which rate will be equal to the annual interest rate on the junior subordinated debt securities) on the amount of unpaid interest, compounded quarterly, to the extent permitted by applicable law. As a result, distributions not paid when due on the Enhanced TRU_{PS} will accumulate additional distributions at the annual rate of 7.50% on the amount of unpaid distributions, compounded quarterly, to the extent permitted by applicable law. When we refer to any payment of distributions, the term "distributions" includes any such additional accumulated distributions.

If distributions are payable on a date that is not a business day, payment will be made on the next business day and without any interest or other payment as a result of such delay. A business day means any day other than a Saturday, Sunday or any other day on which banking institutions in New York, New York are authorized or obligated by any applicable law or executive order to close.

Capital One Capital II's income available for the payment of distributions will be limited to the payments we make to it on the junior subordinated debt securities. As a result, if we do not make interest payments on the junior subordinated debt securities, then Capital One Capital II will not have funds to make distributions on the Enhanced TRU_{PS}.

Deferral of Distributions

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If the junior subordinated debt securities are not in default, we can, on one or more occasions, defer the quarterly interest payments on the junior subordinated debt securities for one or more periods (each, an Optional Deferral Period) of up to 20 consecutive quarters, or five years. A deferral of interest payments cannot extend, however, beyond the maturity date of the junior subordinated debt securities. If we defer interest payments on the

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junior subordinated debt securities, Capital One Capital II also will defer distributions on the Enhanced TRuPS. During an Optional Deferral Period, interest on the junior subordinated debt securities will accrue and compound quarterly at the annual rate of 7.50%, to the extent permitted by applicable law, and, as a result, distributions otherwise due to you will continue to accumulate from the date that these distributions were due.

Once we make all deferred interest payments on the junior subordinated debt securities, including all accrued interest, we again can defer interest payments on the junior subordinated debt securities in the same manner as discussed above, but not beyond the maturity date of the junior subordinated debt securities. As a result, there could be multiple periods of varying length during which you would not receive cash distributions from Capital One Capital II. In addition, we will be prohibited from paying interest, except from the net proceeds of certain sales of our common stock or, at our option, certain qualified preferred stock, in the circumstances described under Description of the Junior Subordinated Debt Securities Obligations After Five Years of Optional Deferral. Our use of other sources to fund interest payments would be a breach of our obligations under the junior subordinated debt securities, but would not be an event of default and acceleration under the indenture.

We have no present intention to defer interest payments on the junior subordinated debt securities and we currently believe that the likelihood of our exercising the right to defer interest payments is remote. If we defer such interest payments, however, neither we nor our subsidiaries generally will be permitted to pay dividends on or repurchase shares of our capital stock or the capital stock of our subsidiaries, or to make payments on debt securities or guarantees that rank equal or junior to the junior subordinated debt securities and the guarantee. We describe these limitations in greater detail below under the caption Description of the Junior Subordinated Debt Securities Option to Defer Interest Payments in this prospectus supplement.

If we choose to defer interest payments on the junior subordinated debt securities, then the junior subordinated debt securities would at that time be treated as being issued with original issue discount for United States federal income tax purposes. This means you will be required to include your allocable share of the accrued but unpaid interest on the junior subordinated debt securities in your gross income for United States federal income tax purposes before you receive cash distributions from Capital One Capital II. This treatment will apply as long as you own Enhanced TRuPS. For more information, see below under the caption United States Federal Income Tax Considerations U.S. Holders Interest Income and Original Issue Discount in this prospectus supplement.

We will provide to the trust written notice of any optional deferral of interest at least 10 and not more than 60 business days prior to the applicable interest payment date, and any such notice will be forwarded promptly by the trust to each holder of record of Enhanced TRuPS. In addition, we will be excused from our obligation to pay deferred interest with a new equity amount in respect of any interest payment date if a supervisory event has occurred, or if we provide written certification to the trust (which the trust will promptly forward upon receipt to each holder of record of Enhanced TRuPS) no more than 20 and no fewer than 10 business days in advance of that interest payment date certifying as to the matters regarding the occurrence of a market disruption event described under Description of the Junior Subordinated Debt Securities Settlement of Deferred Interest with Proceeds of Equity Sales.

Unless we have paid all accrued and payable interest on the junior subordinated debt securities, we will not and our subsidiaries will not do any of the following, with certain limited exceptions:

declare or pay any dividends or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of our capital stock or the capital stock of our subsidiaries;

make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any of our debt securities (including other junior subordinated debt securities) that rank equally with or junior in interest to the junior subordinated debt securities; or

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make any guarantee payments on any guarantee of debt securities of any of our subsidiaries (including under other guarantees of junior subordinated debt securities) if the guarantee ranks equally with or junior in interest to the junior subordinated debt securities, except in some circumstances.

Payment of Distributions

Distributions on the Enhanced TRuPS will be payable to holders on the relevant record date. If the Enhanced TRuPS are issued in the form of global securities, as is expected, the record date for determining who will receive distributions on the Enhanced TRuPS will be the business day preceding the payment date for such distributions; otherwise the record date will be the fifteenth day preceding the payment date for such distributions. For more information on global securities, see Global Securities; Book-Entry Issue below, and under the caption Book-Entry Procedures and Settlement in the accompanying prospectus. Distributions payable on any Enhanced TRuPS that are not paid on the scheduled distribution date will cease to be payable to the person in whose name such Enhanced TRuPS are registered on the relevant record date, and such distribution will instead be payable to the person in whose name such Enhanced TRuPS are registered on a special record date set for this purpose.

Payments on the Enhanced TRuPS while they are in book-entry form will be made in immediately available funds to DTC, the depository for the Enhanced TRuPS.

Redemption

As described further below under Description of the Junior Subordinated Debt Securities Redemption, we may redeem the junior subordinated debt securities, in whole or in part, before their maturity at 100% of their principal amount, plus accrued and unpaid interest:

on one or more occasions at any time on or after June 15, 2011; or

at any time if certain changes occur in tax or investment company laws and regulations, or in our ability to treat the Enhanced TRuPS as Tier 1 capital for purposes of the capital guidelines of the Federal Reserve Board, or if certain interpretations occur and certain other conditions are satisfied. These events, which we refer to as Special Events, are described in detail below under the caption Description of the Junior Subordinated Debt Securities Redemption Redemption Upon a Special Event.

We may not redeem the junior subordinated debt securities unless we receive the prior approval of the Federal Reserve Board to do so, if such approval is then required by the Federal Reserve Board.

When we repay the junior subordinated debt securities, either at maturity on June 15, 2066, or upon early redemption (as discussed above), Capital One Capital II will use the cash it receives from the repayment or redemption of the junior subordinated debt securities to redeem a corresponding amount of the Enhanced TRuPS and common securities. The redemption price for the Enhanced TRuPS will be equal to the liquidation amount, \$25 per capital security, plus accumulated but unpaid distributions on the Enhanced TRuPS to the redemption date. For more information, see Description of the Junior Subordinated Debt Securities Redemption.

Redemption Procedures

Capital One Capital II will give you at least 30 days but not more than 60 days notice before any redemption of Enhanced TRuPS. To the extent funds are available for payment, Capital One Capital II will irrevocably deposit with DTC sufficient funds to pay the redemption amount for the Enhanced TRuPS being redeemed. Capital One Capital II also will give DTC irrevocable instructions and authority to pay the redemption amount to its participants. Any distribution to be paid on or before a redemption date for any Enhanced TRuPS called for redemption will be payable to the registered holders on the record date for the distribution.

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Once notice of redemption is given and Capital One Capital II irrevocably deposits the redemption amount, additional distributions on the Enhanced TRuPS will cease to accumulate from and after the redemption date. In addition, all rights of the holders of the Enhanced TRuPS called for redemption will cease, except for the right to receive distributions payable prior to the redemption date and the redemption amount.

If any redemption date is not a business day, the redemption amount will be payable on the next business day, without any interest or other payment in respect of any such delay.

If the redemption amount for any Enhanced TRuPS called for redemption is not paid because the payment of the redemption price on the junior subordinated debt securities is not made, interest on the junior subordinated debt securities will continue to accrue from the originally scheduled redemption date to the actual date of payment, and, as a result, distributions on the Enhanced TRuPS will continue to accumulate.

In addition, we may and our affiliates may, at any time, purchase outstanding Enhanced TRuPS by tender, in the open market or by private agreement.

Optional Liquidation of Capital One Capital II and Distribution of Junior Subordinated Debt Securities

We may dissolve Capital One Capital II at any time, and after satisfying the creditors of Capital One Capital II, may cause the junior subordinated debt securities to be distributed to the holders of the common securities and the Enhanced TRuPS on a proportionate basis. We may not dissolve Capital One Capital II, however, unless we first receive the approval of the Federal Reserve Board to do so, if such approval is then required by the Federal Reserve Board. See below under the caption **Description of the Junior Subordinated Debt Securities** **Distribution of the Junior Subordinated Debt Securities** in this prospectus supplement.

If we elect to dissolve Capital One Capital II, thus causing the junior subordinated debt securities to be distributed to the holders of the common securities and the Enhanced TRuPS on a proportionate basis, we will continue to have the right to redeem the junior subordinated debt securities in certain circumstances as described above.

Ranking of Common Securities

Payment of distributions or any redemption or liquidation amounts by Capital One Capital II regarding the Enhanced TRuPS and the common securities will be made proportionately based on the total liquidation amounts of the securities. However, if we are in default under the junior subordinated debt securities, Capital One Capital II will make no payments on the common securities until all unpaid amounts on the Enhanced TRuPS have been provided for or paid in full.

Trust Enforcement Events

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An event of default and acceleration under the indenture constitutes an event of default under the amended and restated declaration of trust. We refer to such an event as a Trust Enforcement Event. Events of default and acceleration under the indenture are limited to our failure to pay in full all interest accrued upon the conclusion of a deferral period of 10 years, certain specified events of bankruptcy, insolvency, or reorganization of Capital One Financial Corporation or, under certain circumstances, the dissolution of the trust. For more information on events of default and acceleration under the indenture, see Description of the Junior Subordinated Debt Securities Events of Default Indenture Events of Default and Acceleration in this prospectus supplement. Upon the occurrence and continuance of a Trust Enforcement Event the institutional trustee, as the sole holder of the junior subordinated debt securities, will have the right under the indenture to declare the principal amount of the junior subordinated debt securities due and payable. The amended and restated declaration of trust does not provide for any other events of default.

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If the institutional trustee fails to enforce its rights under the junior subordinated debt securities, any holder of Enhanced TRuPS may, to the extent permitted by applicable law, institute a legal proceeding against us to enforce the institutional trustee's rights under the junior subordinated debt securities and the indenture without first instituting legal proceedings against the institutional trustee or any other person. In addition, if a Trust Enforcement Event is due to our failure to pay interest or principal on the junior subordinated debt securities when due, then the registered holder of Enhanced TRuPS may institute a direct action against us on or after the due date for enforcement of payment to that holder of the principal of or interest on the junior subordinated debt securities having a principal amount equal to the total liquidation amount of that holder's Enhanced TRuPS; provided, however, that if the Trust Enforcement Event results from the failure to pay interest on the junior subordinated debt securities on or by the next interest payment date following a five-year Optional Deferral Period, the registered holder may not institute a direct action for the enforcement of payment of principal on the junior subordinated debt securities prior to the earlier of (i) the expiration of 10 consecutive years after the commencement of such Optional Deferral Period, (ii) the redemption of the junior subordinated debt securities or (iii) the maturity of the junior subordinated debt securities. See Description of the Junior Subordinated Debt Securities Events of Default Defaults not Subject to Acceleration. In connection with such a direct action, we will have the right under the indenture to set off any payment made to that holder by us. The holders of Enhanced TRuPS will not be able to exercise directly any other remedy available to the holders of the junior subordinated debt securities.

Pursuant to the amended and restated declaration of trust, the holder of the common securities will be deemed to have waived any Trust Enforcement Event regarding the common securities until all Trust Enforcement Events regarding the Enhanced TRuPS have been cured, waived or otherwise eliminated. Until all Trust Enforcement Events regarding the Enhanced TRuPS have been so cured, waived or otherwise eliminated, the institutional trustee will act solely on behalf of the holders of the Enhanced TRuPS and only the holders of the Enhanced TRuPS will have the right to direct the enforcement actions of the institutional trustee.

Voting Rights

Holders of Enhanced TRuPS will have only limited voting rights. In particular, holders of Enhanced TRuPS may not elect or remove any trustee, except when there is a default under the junior subordinated debt securities. If such a default occurs, a majority in liquidation amount of the holders of the Enhanced TRuPS will be entitled to remove or appoint the institutional trustee and the Delaware trustee. See Description of the Trust Preferred Securities Voting Rights in the accompanying prospectus.

Remedies

So long as any junior subordinated debt securities are held by the institutional trustee, the holders of a majority of all outstanding Enhanced TRuPS will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the institutional trustee, or to direct the exercise of any power conferred upon the institutional trustee under the amended and restated declaration of trust, including the right to direct the institutional trustee, as holder of the junior subordinated debt securities to:

exercise the remedies available to it under the indenture as a holder of the junior subordinated debt securities, including the right to rescind or annul a declaration that the principal of all the junior subordinated debt securities will be due and payable;

consent to any amendment, modification or termination of the indenture or the junior subordinated debt securities, guarantee or other applicable transaction document where consent is required; or

waive any past default that is waivable under the indenture.

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However, where a consent or action under the indenture would require the consent or action of the holders of more than a majority of the total principal amount of junior subordinated debt securities affected by it, only the holders of that greater percentage of the Enhanced TRUPS may direct the institutional trustee to give the consent

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or to take such action. See "Description of the Trust Preferred Securities - Voting Rights" in the accompanying prospectus.

If an event of default and acceleration under the indenture has occurred and is continuing, the holders of 25% of the total liquidation amount of the Enhanced TRuPS may direct the institutional trustee to declare the principal and interest on the junior subordinated debt securities due and payable.

Meetings

Any required approval of holders of Enhanced TRuPS may be given at a meeting of holders of Enhanced TRuPS convened for such purpose or pursuant to written consent. The institutional trustee will cause a notice of any meeting at which holders of Enhanced TRuPS are entitled to vote to be given to each holder of record of Enhanced TRuPS in the manner described in the amended and restated declaration of trust.

No vote or consent of the holders of Enhanced TRuPS will be required for Capital One Capital II to redeem and cancel its Enhanced TRuPS in accordance with the amended and restated declaration of trust.

Global Securities; Book-Entry Issue

We expect that the Enhanced TRuPS will be issued in the form of global securities held by The Depository Trust Company as described under the caption "Book-Entry Procedures and Settlement" in the accompanying prospectus.

Information Concerning the Institutional Trustee

The institutional trustee, other than during the occurrence and continuance of a Trust Enforcement Event, undertakes to perform only the duties that are specifically described in the amended and restated declaration of trust and, after a Trust Enforcement Event which has not been cured or waived, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his own affairs. Subject to this provision, the institutional trustee is under no obligation to exercise any of the powers vested in it by the amended and restated declaration of trust at the request of any holder of Enhanced TRuPS unless it is offered reasonable security and indemnity against the costs, expenses and liabilities that might be incurred in connection with taking that action.

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DESCRIPTION OF THE JUNIOR SUBORDINATED DEBT SECURITIES

We have summarized below certain terms of the junior subordinated debt securities. This summary supplements the general description of these securities under the caption "Description of Junior Subordinated Debt Securities" and elsewhere in the accompanying prospectus. To the extent that this summary is inconsistent with the description in the accompanying prospectus, you should rely on the summary below. This summary is not a complete description of all of the terms and provisions of the junior subordinated debt securities. For more information, we refer you to the form of junior subordinated debt securities indenture and the form of the junior subordinated debt securities, which were filed as exhibits to the registration statement of which the accompanying prospectus is a part.

The junior subordinated debt securities will be issued pursuant to an indenture between us and The Bank of New York as indenture trustee. The indenture provides for the issuance from time to time of junior subordinated debt securities, such as the junior subordinated debt securities, in an unlimited dollar amount and an unlimited number of series.

Interest Rate and Maturity

The junior subordinated debt securities will bear interest at the annual rate of 7.50% , payable quarterly in arrears on March 15, June 15, September 15, and December 15 of each year, beginning September 15, 2006. Interest payments not paid when due will themselves accrue additional interest at the annual rate of 7.50% (which rate will be equal to the annual interest rate on the junior subordinated debt securities) on the amount of unpaid interest, to the extent permitted by law, compounded quarterly. The amount of interest payable for any period will be computed based on a 360-day year comprised of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period will be computed on the basis of a 30-day month and, for periods of less than a month, the actual number of days elapsed per 30-day month. The distribution provisions of the Enhanced TRuPS correspond to the interest payment provisions for the junior subordinated debt securities because the trust is a pass-through vehicle and the only assets of the trust will be the junior subordinated debt securities.

The junior subordinated debt securities do not have a sinking fund. This means that we are not required to make any principal payments prior to maturity.

The junior subordinated debt securities have a maturity date of June 15, 2066.

Subordination

Our payment obligations under the junior subordinated debt securities and the guarantee will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of our Senior Indebtedness (as defined below). This means that no payment of principal, including redemption payments, or interest on the junior subordinated debt securities may be made if:

any of our Senior Indebtedness has not been paid when due and any applicable grace period relating to such default has ended and such default has not been cured or been waived or ceased to exist; or

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the maturity of any of our Senior Indebtedness has been accelerated because of a default.

Upon any payment by us or distribution of our assets to creditors upon any dissolution, winding-up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other proceedings, all amounts due or to become due on all of our Senior Indebtedness must be paid in full before the holders of junior subordinated debt securities are entitled to receive or retain any payment. Upon satisfaction of all claims related to our Senior Indebtedness then outstanding, the rights of the holders of the junior subordinated debt securities will be subrogated to the rights of the holders of our Senior Indebtedness to receive

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payments or distributions applicable to Senior Indebtedness until all amounts owing on the junior subordinated debt securities are paid in full.

The term Senior Indebtedness means, with respect to us:

- (1) the principal, premium, if any, and interest in respect of (a) indebtedness for money borrowed and (b) indebtedness evidenced by securities, notes, debentures, bonds or other similar instruments issued by us, including our junior subordinated debentures or guarantees issued in connection with any existing and future traditional trust preferred securities, each of which will rank senior to the Enhanced TRuPS issued by Capital One Capital II;
- (2) all of our capital lease obligations;
- (3) all of our obligations issued or assumed as the deferred purchase price of property, all of our conditional sale obligations and all of our obligations under any title retention agreement, but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business;
- (4) all of our obligations, contingent or otherwise, in respect of any letters of credit, bankers acceptances, security purchase facilities, repurchase agreements or similar credit transactions;
- (5) all of our obligations in respect of interest rate swap, cap or other agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts, hedging arrangements and other similar agreements;
- (6) all obligations of the type referred to in clauses (1) through (5) above of other persons for the payment of which we are responsible or liable as obligor, guarantor or otherwise; and
- (7) all obligations of the type referred to in clauses (1) through (6) above of other persons secured by any lien on any of our property or assets, whether or not such obligation is assumed by us;

except that Senior Indebtedness will not include:

- (A) any indebtedness issued under the junior subordinated indenture;
- (B) the Enhanced TRuPS guarantee;
- (C) trade accounts payable and other accrued liabilities arising in the ordinary course of business;
- (D) any indebtedness between or among us and our affiliates; and
- (E) any indebtedness or guarantee that is by its terms subordinated to, or ranks equally with, the junior subordinated debt securities and the issuance of which, in the case of this clause (E) only, (x) has received the concurrence or approval of the staff of the Federal

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Reserve Bank of Richmond or the staff of the Federal Reserve Board or (y) does not at the time of issuance prevent the junior subordinated debt securities from qualifying for Tier 1 capital treatment (irrespective of any limits on the amount of our Tier 1 capital) under the applicable capital adequacy guidelines, regulations, policies or published interpretations of the Federal Reserve Board.

Such Senior Indebtedness shall continue to be Senior Indebtedness and be entitled to the benefits of these subordination provisions irrespective of any amendment, modification or waiver of any term of such Senior Indebtedness.

As a holding company, our assets primarily consist of the equity securities of our subsidiaries. As a result, the ability of holders of the junior subordinated debt securities to benefit from any distribution of assets of any subsidiary upon the liquidation or reorganization of such subsidiary is subordinate to the prior claims of present and future creditors of that subsidiary.

The junior subordinated debt securities will rank senior to all of our equity securities, including any preferred stock we may issue in the future.

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The Enhanced TRuPS, the junior subordinated debt securities and the guarantee do not limit our or our subsidiaries' ability to incur additional debt, including debt that ranks senior in priority of payment to the junior subordinated debt securities and the guarantee. At March 31, 2006, our Senior Indebtedness totaled approximately \$2.5 billion. In addition, the junior subordinated debt securities will be effectively subordinated to all of our subsidiaries' existing and future indebtedness and other obligations, including, but not limited to, obligations to depositors. At March 31, 2006, our subsidiaries had aggregate liabilities (excluding liabilities to us and other subsidiaries) of approximately \$71.6 billion.

Redemption

We may redeem the junior subordinated debt securities in whole or in part before their maturity at 100% of their principal amount plus accrued and unpaid interest:

on one or more occasions at any time on or after June 15, 2011; or

at any time if certain changes occur in tax or investment company laws and regulations, or in our ability to treat the Enhanced TRuPS as Tier 1 capital under the capital guidelines of the Federal Reserve Board, or if certain interpretations occur and certain other conditions are satisfied. These events, which we refer to as Special Events, are described in detail below under the caption Redemption Upon a Special Event.

We may not redeem the junior subordinated debt securities unless we receive the prior approval of the Federal Reserve Board to do so, if such approval is then required by the Federal Reserve Board. Any redemption of the junior subordinated debt securities will also be subject to the terms of our capital replacement covenant. See Description of the Capital Replacement Covenant.

General

When we repay the junior subordinated debt securities, either at maturity on June 15, 2066 or upon early redemption (as discussed above), Capital One Capital II will use the cash it receives from the repayment or redemption of the junior subordinated debt securities to redeem a corresponding amount of the Enhanced TRuPS and common securities. The redemption price for the Enhanced TRuPS will be equal to the liquidation amount, \$25 per capital security, plus accumulated but unpaid distributions on the Enhanced TRuPS to the redemption date.

If less than all of the Enhanced TRuPS and the common securities are redeemed, the total amount of the Enhanced TRuPS and the common securities to be redeemed will be allocated proportionately among the Enhanced TRuPS and common securities, unless an event of default under the junior subordinated debt securities or similar event has occurred, as described above under the caption Description of the Enhanced TRuPS Ranking of Common Securities.

If we do not elect to redeem the junior subordinated debt securities, then the Enhanced TRuPS will remain outstanding until the repayment of the junior subordinated debt securities unless we liquidate Capital One Capital II and distribute the junior subordinated debt securities to you. For more information, see Description of the Enhanced TRuPS Optional Liquidation of Capital One Capital II and Distribution of Junior Subordinated Debt Securities above.

Redemption Upon a Special Event

If a Special Event has occurred and is continuing, and we cannot cure that event by some reasonable action, then we may redeem the junior subordinated debt securities within 90 days following the occurrence of the Special Event. A Special Event means, for these purposes, the occurrence of a Tax Event, a Regulatory Capital Event or an Investment Company Event. We summarize each of these events below.

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A **Tax Event** means that either we or Capital One Capital II will have received an opinion of counsel (which may be our counsel or counsel of an affiliate but not an employee and which must be reasonably acceptable to the institutional trustee) experienced in tax matters stating that, as a result of any:

amendment to, or change (including any announced prospective change) in, the laws (or any regulations under those laws) of the United States or any political subdivision or taxing authority affecting taxation; or

interpretation or application of the laws, enumerated in the preceding bullet point, or regulations by any court, governmental agency (including in the course of an audit) or regulatory authority,

there is more than an insubstantial risk that:

Capital One Capital II is, or will be within 90 days of the date of the opinion of counsel, subject to U.S. federal income tax on interest received on the junior subordinated debt securities;

interest payable by us to Capital One Capital II on the junior subordinated debt securities is not, or will not be within 90 days of the date of the opinion of counsel, deductible, in whole or in part, for U.S. federal income tax purposes; or

Capital One Capital II is, or will be within 90 days of the date of the opinion of counsel, subject to more than a minimal amount of other taxes, duties, assessments or other governmental charges.

A **Regulatory Capital Event** means the reasonable determination by us that, as a result of any:

amendment to, or change (including any announced prospective change) in, the laws or any applicable regulation of the United States or any political subdivision; or

official or administrative pronouncement or action or judicial decision interpreting or applying the laws or regulations, which amendment is effective or announced on or after the date of issuance of the Enhanced TRuPS,

there is more than an insubstantial risk of impairment of our ability to treat the Enhanced TRuPS (or any substantial portion) as Tier 1 capital for purposes of the capital guidelines of the Federal Reserve Board provided, however, that the distribution of the junior subordinated debt securities in connection with the liquidation of the trust shall not in and of itself constitute a Regulatory Capital Event unless such liquidation shall have occurred in connection with a Tax Event or an Investment Company Event.

An **Investment Company Event** means the receipt by us and Capital One Capital II of an opinion of counsel experienced in matters relating to investment companies to the effect that, as a result of any:

change in law or regulation; or

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change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority;

there is a more than insubstantial risk that Capital One Capital II is or will be considered an investment company that is required to be registered under the Investment Company Act, which change becomes effective on or after the original issuance of the Enhanced TRUPS.

Redemption Procedures

Notices of any redemption of the junior subordinated debt securities and the procedures for that redemption will be the same as those described for the redemption of the Enhanced TRUPS under Description of the Enhanced TRUPS Redemption Redemption Procedures above. Notice of any redemption will be given at least 30 days but not more than 60 days before the redemption date to each holder of junior subordinated debt securities at its registered address.

Distribution of the Junior Subordinated Debt Securities

If the institutional trustee distributes the junior subordinated debt securities to the holders of the Enhanced TRUPS and the common securities upon the liquidation of Capital One Capital II, we will cause the junior

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subordinated debt securities to be issued in denominations of \$25 principal amount and integral multiples thereof. We anticipate that the junior subordinated debt securities would be distributed in the form of one or more global securities and that DTC would act as depository for the junior subordinated debt securities. The depository arrangements for the junior subordinated debt securities would be substantially the same as those in effect for the Enhanced TRUPS.

For a description of DTC and the terms of the depository arrangements relating to payments, transfers, voting rights, redemption and other notices and other matters, see *Book-Entry Procedures and Settlement* in the accompanying prospectus.

Option to Defer Interest Payments

We can defer quarterly interest payments on the junior subordinated debt securities for one or more Optional Deferral Periods for up to 20 consecutive quarters, or five years, if the junior subordinated debt securities are not in default. A deferral of interest payments cannot extend, however, beyond the maturity date of the junior subordinated debt securities. During the Optional Deferral Period, interest will continue to accrue on the junior subordinated debt securities, compounded quarterly, and deferred interest payments will accrue additional interest at 7.50% (which rate will be equal to the annual interest rate on the junior subordinated debt securities) to the extent permitted by applicable law. No interest will be due and payable on the junior subordinated debt securities until the end of the Optional Deferral Period except upon a redemption of the junior subordinated debt securities.

During an Optional Deferral Period, we may pay at any time all or any portion of the interest accrued to that point with cash from any source. At the end of the deferral period or on any redemption date, we will be obligated to pay all accrued and unpaid interest (subject to the provisions described under *Obligations After Five Years of Optional Deferral* and *Settlement of Deferred Interest with Proceeds of Equity Sales* below).

Once we pay all accrued and unpaid interest on the junior subordinated debt securities, we again can defer interest payments on the junior subordinated debt securities as described above, provided that a deferral period cannot extend beyond the maturity date of the junior subordinated debt securities.

Certain Limitations During a Deferral Period

During any deferral period, we will not and our subsidiaries will not be permitted to:

declare or pay any dividends or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of our capital stock or the capital stock of our subsidiaries;

make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any of our debt securities (including other junior subordinated debt securities or other junior subordinated debt) that rank equally with or junior in interest to the junior subordinated debt securities; or

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make any guarantee payments on any guarantee of debt securities of any of our subsidiaries (including under other guarantees of junior subordinated debt securities or other junior subordinated debt) if the guarantee ranks equally with or junior in interest to the junior subordinated debt securities.

However, at any time, including during a deferral period, we will be permitted to:

pay dividends or distributions in additional shares of our capital stock;

make payments under the guarantee of the Enhanced TRuPS and the common securities;

declare or pay a dividend in connection with the implementation of a shareholders' rights plan, or issue stock under such a plan or repurchase such rights;

purchase common stock for issuance pursuant to any employee benefit plans; and

solely in the case of any of our controlled subsidiaries, dividends or distributions on the capital stock of such subsidiary to us or one of our affiliates.

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Notice

We will provide to Capital One Capital II written notice of any optional deferral of interest at least 10 and not more than 60 business days prior to the applicable interest payment date, and any such notice will be forwarded promptly by the trust to each holder of record of Enhanced TRuPS.

If we defer interest for a period of five consecutive years from the commencement of an Optional Deferral Period, we will be required to pay all accrued and unpaid interest from the proceeds of the issuance of common stock or, at our option, certain qualified preferred stock, as described below under **Obligations After Five Years of Optional Deferral**. We may pay the accrued and unpaid interest with cash from any source at any time during an Optional Deferral Period.

Obligations After Five Years of Optional Deferral

If we fail to pay all accrued and unpaid interest on the junior subordinated debt securities for a period of five consecutive years following the commencement of an Optional Deferral Period, we will notify the Federal Reserve Board and

unless we notify the trust that a market disruption event (as defined below) has occurred, or a supervisory event (as defined below) has occurred, we will be required to use commercially reasonable efforts to sell our common stock or, at our option, certain qualified preferred stock, and use the net proceeds of those sales to pay all accrued and unpaid interest on the junior subordinated debt securities on or prior to the next interest payment date, in each case as described under **Settlement of Deferred Interest with Proceeds of Equity Sales**, *provided* that we will not in any event be required to pay interest on the junior subordinated debt securities at a time when the payment of such interest would violate the terms of any securities issued by us or one of our subsidiaries or the terms of a contract binding on us or one of our subsidiaries; and

we will be prohibited from paying interest on the junior subordinated debt securities from any other source until all accrued and unpaid interest has been paid using the net proceeds of the equity sales.

Our use of other sources to fund interest payments would be a breach of our obligations under the junior subordinated debt securities, but would not be an event of default and acceleration under the indenture. In addition, our failure to pay interest on the junior subordinated debt securities for an additional period of up to five consecutive years following an Optional Deferral Period will not constitute an event of default and acceleration under the indenture if a supervisory event has occurred or if we notify the trust that a market disruption event has occurred. See below under the caption **Settlement of Deferred Interest with Proceeds of Equity Sales** in this section. However, an event of default and acceleration under the indenture will occur, notwithstanding the occurrence of any market disruption event, if we fail to pay all accrued and unpaid interest 30 days after the tenth anniversary of the commencement of an Optional Deferral Period.

In the absence of a supervisory event or our notice to the trust of a market disruption event, if we fail to pay all accrued and unpaid interest on the junior subordinated debt securities on or by the next interest payment date following a five-year Optional Deferral Period, such failure shall constitute a default under the indenture; however, prior to the expiration of 10 consecutive years after the commencement of an Optional Deferral Period, the occurrence of such a default shall not entitle the trustee or the holders of the junior subordinated debt securities to declare the principal amount of the junior subordinated debt securities immediately due and payable. Instead, the trustee and the holders of the junior subordinated debt securities shall, prior to the expiration of 10 consecutive years after the commencement of such Optional Deferral Period, only have the right to seek payment of such interest, unless the junior subordinated debt securities reach their maturity prior to that time.

Settlement of Deferred Interest with Proceeds of Equity Sales

Subject to the exclusions described in **Market Disruption Events** and **Supervisory Events** below, if we have optionally deferred interest payments on the junior subordinated debt securities for a period of more

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than five consecutive years, we will be required continuously to use commercially reasonable efforts to sell our common stock or, at our option, certain qualified preferred stock, until we have raised a new equity amount at least equal to the aggregate amount of interest on the junior subordinated debt securities that will be accrued and unpaid as of the next interest payment date. We have agreed to pay all accrued and unpaid interest on the junior subordinated debt securities on the next interest payment date to the extent, and only to the extent, of the new equity amount, although our use of other sources of funds to pay interest payments would not, by itself, be an event of default under the indenture that would permit the trust or holders of Enhanced TRuPS to accelerate the junior subordinated debt securities. At maturity of the junior subordinated debt securities, or in the case of an event of default and acceleration under the indenture, we will be required to pay the principal amount of the junior subordinated notes, as well as any accrued and unpaid interest, without regard to the source of funds.

For each interest payment date, new equity amount means the net proceeds (after underwriters or placement agents fees, commissions or discounts and other expenses relating to the issuances) we have received during the 180-day period prior to that interest payment date from the sale or offering of any combination of the following equity securities to persons that are not our subsidiaries:

shares of our common stock, including treasury shares and shares of common stock sold pursuant to our dividend reinvestment plan and employee benefit plans; and/or

shares of our qualified preferred stock that we may sell at our sole discretion;

provided, in each case, that we have obtained the prior approval of the Federal Reserve Board for the issuance and sale of such securities.

Qualified preferred stock means any preferred stock that (1) is perpetual with no prepayment obligation on the part of the issuer thereof, whether at the election of the holders or otherwise, and (2) distributions on which may be skipped by the issuer thereof for any number of distribution periods.

The indenture defines commercially reasonable efforts in this context to mean commercially reasonable efforts on our part to complete the sale of shares of our common stock, including treasury shares and shares of common stock sold pursuant to our dividend reinvestment plan and employee benefit plans, or, at our option, certain qualified preferred stock, to third parties that are not our subsidiaries. We will not be considered to have used our commercially reasonable efforts to effect a sale of stock if we determine not to pursue or complete such sale due to pricing or dilution considerations.

The sale of qualified preferred stock is an option that may be exercised at our sole discretion. No class of investors of our securities, or any other party, may require us to issue qualified preferred stock.

We will not be required to apply the proceeds of equity sales to the payment of our deferred interest obligations on the junior subordinated debt securities prior to the fifth anniversary of the commencement of an Optional Deferral Period, but we may elect to do so. Following such fifth anniversary, we will be required to apply the net proceeds received from sales of shares of our common stock, on the next interest payment date, to the payment of all amounts owing in respect of deferred interest, until all deferred interest has been paid in full; provided, that we shall not be obligated to apply the proceeds from sales of our common stock to the payment of deferred interest on the junior subordinated debt securities if a supervisory event has occurred and is continuing.

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The indenture provides that we must notify the Federal Reserve Board (1) of the commencement of any Optional Deferral Period and (2) of the fifth anniversary of the commencement of an Optional Deferral Period that is continuing. In addition, under the indenture, at any time after the commencement of an Optional Deferral Period, we may not sell our common stock or qualified preferred stock and apply the net proceeds of such sale to pay deferred interest on the junior subordinated debt securities except with the prior written concurrence or approval of the Federal Reserve Board. After the fifth anniversary of the commencement of an Optional Deferral Period, if we have requested but have not received such concurrence or approval, such request and the absence of

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such concurrence or approval will constitute a supervisory event that will excuse us from our obligation to use commercially reasonable efforts to sell shares of our common stock and to apply proceeds from such sale to pay deferred interest on the junior subordinated debt securities.

If, due to a market disruption event or for any other reason, we are able to raise some, but not all, of the new equity amount required in respect of an interest payment date, we will apply any available new equity amount to pay accrued and unpaid interest on the applicable interest payment date, and you will be entitled to receive your *pro rata* share of any amounts received by the trust on the junior subordinated debt securities; provided, however, that if we have outstanding securities in addition to the junior subordinated debt securities under which we are obligated to sell shares of common stock and apply the net proceeds to the payment of deferred interest, then on any date and for any period the amount of net proceeds received by us from those sales and available for payment of the deferred interest shall be applied to the junior subordinated debt securities and those other securities on a *pro rata* basis, or on such other basis as the Federal Reserve Board may approve.

Market Disruption Events

A market disruption event means the occurrence or existence of any of the following events or sets of circumstances:

trading in securities generally on the principal exchange on which our securities are then listed and traded (currently, the New York Stock Exchange) shall have been suspended or its settlement generally shall have been materially disrupted;

we would be required to obtain the consent or approval of a regulatory body (including, without limitation, any securities exchange, but excluding the Federal Reserve Board) or governmental authority to issue shares of our common stock, and we fail to obtain that consent or approval notwithstanding our commercially reasonable efforts to obtain that consent or approval; or

an event occurs and is continuing as a result of which the offering document for the offer and sale of our common stock would, in our reasonable judgment, contain an untrue statement of a material fact or omit to state a material fact required to be stated in that offering document or necessary to make the statements in that offering document not misleading and either (a) the disclosure of that event at the time the event occurs, in our reasonable judgment, would have a material adverse effect on our business or (b) the disclosure relates to a previously undisclosed proposed or pending material business transaction, the disclosure of which would impede our ability to consummate that transaction, provided that no single suspension period contemplated by this bullet may exceed 90 consecutive days and multiple suspension periods contemplated by this bullet may not exceed an aggregate of 180 days in any 360-day period.

We will be excused from our obligation to pay in full all deferred interest with a new equity amount in respect of any interest payment date if we provide written certification to the trust (which the trust will promptly forward upon receipt to each holder of record of Enhanced TRuPS) no more than 20 and no fewer than 10 business days in advance of that interest payment date certifying that:

a market disruption event was existing after the immediately preceding interest payment date; and

either (a) the market disruption event continued for the entire period from the business day immediately following the preceding interest payment date to the business day immediately preceding the date on which that certification is provided or (b) the market disruption event continued for only part of this period, but we were unable after commercially reasonable efforts to raise a sufficient new equity amount during the rest of that period to pay in full all accrued and unpaid interest. In the case of clause (b) of this bullet, partial payments will be made on a *pro rata* basis, as described above.

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Our certification of a market disruption event will identify which type of market disruption event has occurred with respect to the applicable interest payment date, and the date(s) on which that event occurred or

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existed. Our obligation to sell our common stock to pay all deferred interest on the junior subordinated debt securities shall resume at such time as no market disruption event or supervisory event exists or is continuing.

Supervisory Events

A supervisory event will exist at any time following the fifth anniversary of the commencement of an Optional Deferral Period if we have requested but have not received the prior written concurrence or approval of the Federal Reserve Board both (1) to sell shares of our common stock and/or qualified preferred stock and (2) to apply the net proceeds of such sale to pay deferred interest on the junior subordinated debt securities. The occurrence or continuation of a supervisory event will excuse us from our obligation to use commercially reasonable efforts to sell shares of our common stock or, at our option, certain qualified preferred stock, and to apply the net proceeds of such sale to pay deferred interest on the junior subordinated debt securities. Because a supervisory event may exist unless the Federal Reserve Board concurs with or approves both requests, the Federal Reserve Board will be able, without triggering an event of default and acceleration under the indenture, to permit us to sell shares of our common or qualified preferred stock but to prohibit us from applying the proceeds to pay deferred interest on the junior subordinated debt securities.

Events of Default

Indenture Events of Default and Acceleration

The following are events of default and acceleration under the indenture:

our failure to pay interest when due and payable, following a period of 10 consecutive years (representing our right to defer interest payments for up to five years, described above under *Option to Defer Interest Payments*, and the exclusion from our obligation to pay deferred interest with the proceeds of equity sales upon a supervisory event or upon giving the trust notice of a market disruption event, for up to five additional years, as described above under *Settlement of Deferred Interest with Proceeds of Equity Sales*) and continuance of such failure to pay for a period of 30 days;

Capital One Capital II shall have voluntarily or involuntarily dissolved, wound-up its business or otherwise terminated its existence, except in connection with (i) the distribution of the junior subordinated debt securities to holders of the Enhanced TRuPS, (ii) the redemption of all of the outstanding Enhanced TRuPS or (iii) certain mergers, consolidations or amalgamations; or

certain events in bankruptcy, insolvency or reorganization.

If an event of default and acceleration consisting of certain events of bankruptcy occurs under the indenture, the principal amount of all the outstanding junior subordinated debt securities will automatically, and without any declaration or other action on the part of the trustee or any holder, become immediately due and payable. If any other event of default and acceleration occurs under the indenture, the trustee or the holders of 25% of the principal amount of the junior subordinated debt securities shall have the right to declare the principal amount of the junior subordinated debt securities and any accrued interest thereon, immediately due and payable.

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For example, an event of default and acceleration under the indenture will occur if we fail to pay all accrued and unpaid interest 30 days after the tenth anniversary of the commencement of an Optional Deferral Period. In this instance, the trustee or the holders of 25% of the principal amount of the junior subordinated debt securities, may declare the principal amount of the junior subordinated debt securities and any accrued interest thereon, immediately due and payable. A registered holder of Enhanced TRUPS also may institute a direct action against us for enforcement of payment to that holder of the principal of and interest on the junior subordinated debt securities having a principal amount equal to the total liquidation amount of that holder's Enhanced TRUPS. For information on the rights of holders of Enhanced TRUPS in the case of an event of default and acceleration, see Description of the Enhanced TRUPS Trust Enforcement Events. For more information on events of default and acceleration, see Description of Junior Subordinated Debt Securities Indenture Events of Default in the accompanying prospectus.

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Defaults Not Subject to Acceleration

In the absence of a supervisory event or our notice to the trust of a market disruption event, if we fail to pay all accrued and unpaid interest on the junior subordinated debt securities on or by the next interest payment date following a five-year Optional Deferral Period, such failure shall constitute a default under the indenture; however, prior to the expiration of 10 consecutive years after the commencement of an Optional Deferral Period, or the prior redemption or maturity of the junior subordinated debt securities, the occurrence of such a default shall not entitle the trustee or the holders of the junior subordinated debt securities to declare the principal amount of the junior subordinated debt securities immediately due and payable. Instead, the trustee and the holders of the junior subordinated debt securities shall, prior to the expiration of 10 consecutive years after the commencement of such Optional Deferral Period, only have the right to seek payment of such interest, unless the junior subordinated debt securities are redeemed or reach their maturity prior to that time. Upon redemption or maturity, a registered holder of Enhanced TRUPS may institute a direct action against us for payment of a principal amount of junior subordinated debt securities equal to the total liquidation amount of that holder's Enhanced TRUPS, as well as any accrued and unpaid interest on such junior subordinated debt securities. Upon a default that is not an event of default and acceleration, a registered holder of Enhanced TRUPS may institute a direct action against us for payment of interest only on the junior subordinated debt securities having a principal amount equal to the total liquidation amount of that holder's Enhanced TRUPS.

Agreement by Purchasers of Certain Tax Treatment

Each holder of the junior subordinated debt securities will, by accepting the junior subordinated debt securities or a beneficial interest therein, be deemed to have agreed that the holder intends that the junior subordinated debt securities constitute debt and will treat the junior subordinated debt securities as debt for United States federal, state and local tax purposes.

Miscellaneous

Under the indenture, we will pay most of the costs, expenses or liabilities of Capital One Capital II, other than obligations of Capital One Capital II under the terms of the Enhanced TRUPS or other similar interests or with respect to the common securities.

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DESCRIPTION OF THE CAPITAL REPLACEMENT COVENANT

We have summarized below certain terms of the capital replacement covenant. This summary is not a complete description of the capital replacement covenant and is qualified in its entirety by the terms and provisions of the full document.

We will covenant in the capital replacement covenant for the benefit of persons that buy, hold or sell a specified series of our long-term indebtedness that ranks senior to the junior subordinated debt securities, or in certain limited cases persons that buy, hold or sell a specified series of long-term indebtedness of certain of our subsidiaries, including Capital One Bank, Capital One F.S.B., and Capital One, National Association, that we will not redeem or repurchase, and we will cause the trust not to redeem or repurchase, junior subordinated debt securities or Enhanced TRuPS on or before June 15, 2036, unless:

subject to certain limitations, during the 180 days prior to the date of that redemption or repurchase we have received proceeds from the sale of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the junior subordinated debt securities at the time of redemption or repurchase; and

we have obtained the prior approval of the Federal Reserve Board, if such approval is then required by the Federal Reserve Board.

Our obligations under the capital replacement covenant run only to the benefit of holders of the designated series of our long-term indebtedness or the long-term indebtedness of certain of our subsidiaries, including Capital One Bank, Capital One F.S.B., and Capital One, National Association, as applicable. The capital replacement covenant is not intended for the benefit of holders of the junior subordinated debt securities or Enhanced TRuPS and may not be enforced by them, and the capital replacement covenant is not a term of the indenture, the declaration of trust, the junior subordinated debt securities or the Enhanced TRuPS.

Our ability to raise proceeds from qualifying securities during the six months prior to a proposed redemption or repurchase of the junior subordinated debt securities or Enhanced TRuPS will depend on, among other things, market conditions at that time as well as the acceptability to prospective investors of the terms of those qualifying securities.

The capital replacement covenant may be terminated if the holders of at least 51% by principal amount of the then existing covered debt agree to terminate the capital replacement covenant, or if we no longer have outstanding any indebtedness that qualifies as covered debt, and will be terminated on June 15, 2036 if not so terminated earlier.

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DESCRIPTION OF THE ENHANCED TRU_UPS GUARANTEE

Under the guarantee, we will guarantee certain payment obligations of the trust. For a description of the terms of our guarantee, see Description of the Trust Preferred Guarantees in the attached prospectus. The declaration of trust provides that, by the holder's acceptance of the trust preferred securities, such holder agrees to the provisions of the guarantee and the junior subordinated indenture.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

General

The following discussion summarizes certain U.S. federal income tax considerations that may be relevant to you if you purchase Enhanced TRU_UPS in the initial offering at the original issue price and will hold the Enhanced TRU_UPS as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects mark-to-market treatment, person that will hold Enhanced TRU_UPS as a hedge against currency risk or as a position in a straddle or conversion transaction, tax-exempt organization, partnership or partner therein, or a person (other than a Non-U.S. Holder, as defined below) whose functional currency is not the U.S. dollar.

This summary is based on laws, regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary. The authorities on which this summary is based are subject to various interpretations, and it is therefore possible that the federal income tax treatment of the purchase, ownership and disposition of the Enhanced TRU_UPS may differ from the treatment described below.

You should consult your tax adviser about the tax consequences of holding Enhanced TRU_UPS, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local, non-U.S. or other tax laws.

Classification of the Junior Subordinated Debt Securities

In connection with the issuance of the junior subordinated debt securities, Cleary Gottlieb Steen & Hamilton LLP will render its opinion generally to the effect that, while there is no authority directly on point and the issue is not free from doubt, under current law and assuming full compliance with the terms of the indenture (and certain other documents), and based on certain facts and assumptions contained in such opinion, the junior subordinated debt securities held by the trust will be classified for U.S. federal income tax purposes as our indebtedness. An opinion of counsel is not binding on the IRS or a court, and it is possible that the IRS or a court would reach a different conclusion as to the proper characterization of the junior subordinated debt securities for U.S. federal income tax purposes. Prospective investors should also note that no rulings have been or are expected to be sought from the IRS with respect to any of the issues addressed by such opinion.

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We agree, and by acceptance of an Enhanced TRuPS, each beneficial owner of an Enhanced TRuPS agrees, to treat the junior subordinated debt securities as our debt for U.S. federal income tax purposes, and the remainder of this discussion assumes this to be the case.

Classification of the Trust

In connection with the issuance of the Enhanced TRuPS, Cleary Gottlieb Steen & Hamilton LLP will render its opinion generally to the effect that, under then current law and assuming full compliance with the terms of the declaration of trust, the indenture and other relevant documents, and based on the facts and assumptions contained in such opinion, the trust will be classified for U.S. federal income tax purposes as a grantor trust and not as an association taxable as a corporation. Accordingly, for U.S. federal income tax purposes, each holder of Enhanced TRuPS generally will be considered the owner of an undivided interest in the junior subordinated debt

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securities. Each U.S. holder will be required to include in its gross income all interest or original issue discount (*OID*) and any gain recognized relating to its allocable share of those junior subordinated debt securities.

U.S. Holders

For purposes of the discussion under this heading *U.S. Holders*, you will be a U.S. holder if you are the beneficial owner of an Enhanced TRuPS and are an individual who is a citizen or resident of the United States, a U.S. domestic corporation, or any other person that is subject to U.S. federal income tax on a net income basis in respect of an investment in the Enhanced TRuPS.

Interest Income and Original Issue Discount. Under applicable Treasury regulations, a *remote* contingency that stated interest will not be timely paid will be ignored in determining whether a debt instrument is issued with *OID*. We believe that the likelihood of us exercising our option to defer payments is *remote* within the meaning of the Treasury regulations. Based on the foregoing, we believe that, although the matter is not free from doubt, the junior subordinated debt securities will not be considered to be issued with *OID* at the time of their original issuance. Accordingly, each U.S. holder of Enhanced TRuPS should include in gross income such U.S. holder's allocable share of interest on the junior subordinated debt securities in accordance with such U.S. holder's method of tax accounting.

Under the regulations, if the option to defer any payment of interest was determined not to be *remote*, or if the option was properly determined to be *remote* but we subsequently exercised such option, the junior subordinated debt securities would be treated as issued with *OID* at the time of issuance or at the time of such exercise, as the case may be. Then, all stated interest on the junior subordinated debt securities would thereafter be treated as *OID* as long as the junior subordinated debt securities remained outstanding. In such event, all of a U.S. holder's taxable interest income relating to the junior subordinated debt securities would constitute *OID* that would have to be included in income on an economic accrual basis before the receipt of the cash attributable to the interest, regardless of such U.S. holder's method of tax accounting, and actual distributions of stated interest would not be reported as taxable income. Consequently, a U.S. holder of Enhanced TRuPS would be required to include *OID* in gross income even though we would not make any actual cash payments during an extension period.

No rulings or other interpretations have been issued by the IRS which have addressed the meaning of the term *remote* as used in the applicable Treasury regulations, and it is possible that the IRS could take a position contrary to the interpretation in this prospectus supplement.

Because income on the Enhanced TRuPS will constitute interest or *OID*, corporate holders of Enhanced TRuPS will not be entitled to a dividends-received deduction with respect to any distributions on the Enhanced TRuPS, and individual holders will not be entitled to the lower income tax rate that applies to certain dividends in respect of the Enhanced TRuPS.

Sale, Exchange or Other Disposition of Enhanced TRuPS. Upon the sale, exchange, retirement or other taxable disposition (collectively, a *disposition*) of an Enhanced TRuPS, a U.S. holder will be considered to have disposed of all or part of its ratable share of the junior subordinated debt securities. Such U.S. holder will recognize gain or loss equal to the difference between its adjusted tax basis in the Enhanced TRuPS and the amount realized on the disposition of such Enhanced TRuPS. Assuming that we do not exercise our option to defer payment of interest on the junior subordinated debt securities and that the junior subordinated debt securities are not deemed to be issued with *OID*, a U.S. holder's adjusted tax basis in the Enhanced TRuPS generally will be its initial purchase price. If the junior subordinated debt securities are deemed to be issued with *OID*, a U.S. holder's tax basis in the Enhanced TRuPS generally will be its initial purchase price, increased by *OID* previously includible in such U.S. holder's gross income to the date of disposition and decreased by distributions or other payments received on the Enhanced TRuPS since and including the date that the junior subordinated debt securities were deemed to be issued with *OID*. Such gain or loss generally will be a capital

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gain or loss, except to the extent of any accrued interest relating to such U.S. holder's ratable share of the junior subordinated debt securities required to be included in income, and generally will be a long-term capital gain or loss if the Enhanced TRuPS have been held for more than one year. Net long-term capital gain recognized by an individual U.S. holder generally will be subject to tax at a lower rate than net short-term capital gain or ordinary income. The ability of U.S. holders to offset capital losses against ordinary income is limited.

Receipt of Junior Subordinated Debt Securities or Cash Upon Liquidation of the Trust. Under the circumstances described in this prospectus supplement, junior subordinated debt securities may be distributed to holders in exchange for Enhanced TRuPS upon the liquidation of the trust. Under current law, such a distribution, for U.S. federal income tax purposes, would be treated as a non-taxable event to each U.S. holder, and each U.S. holder would receive an aggregate tax basis in the junior subordinated debt securities equal to such holder's aggregate tax basis in its Enhanced TRuPS. A U.S. holder's holding period in the junior subordinated debt securities received in liquidation of the trust would include the period during which the Enhanced TRuPS were held by such holder. See "Description of the Enhanced TRuPS - Optional Liquidation of Capital One Capital II and Distribution of Junior Subordinated Debt Securities" in this prospectus supplement.

Under the circumstances described in this prospectus supplement, the junior subordinated debt securities may be redeemed by us for cash and the proceeds of such redemption distributed by the trust to holders in redemption of their Enhanced TRuPS. Under current law, such a redemption would, for U.S. federal income tax purposes, constitute a taxable disposition of the redeemed Enhanced TRuPS. Accordingly, a U.S. holder could recognize gain or loss as if it had sold such redeemed Enhanced TRuPS for cash. See "Description of the Enhanced TRuPS - Redemption" in this prospectus supplement and "Sale, Exchange or Other Disposition of Enhanced TRuPS" above.

Non-U.S. Holders

The following discussion is a summary of certain United States federal income tax consequences that may apply to you if you are a Non-U.S. Holder of the Enhanced TRuPS. The term "Non-U.S. Holder" means a beneficial owner of an Enhanced TRuPS that is not a U.S. holder.

Under current U.S. federal income and estate tax law, while not free from doubt,

- (a) payment on an Enhanced TRuPS by us or any paying agent to a holder that is a Non-U.S. Holder will not be subject to withholding of U.S. federal income tax, provided that, with respect to interest payments, (i) the holder does not actually or constructively own 10 percent or more of the combined voting power of all classes of our stock and is not a controlled foreign corporation related to us through stock ownership and (ii) the beneficial owner provides a statement signed under penalty of perjury that includes its name and address and certifies that it is a Non-U.S. Holder in compliance with applicable requirements (or satisfies certain documentary evidence requirements for establishing that it is a Non-U.S. Holder);
- (b) a holder of an Enhanced TRuPS that is a Non-U.S. Holder will not be subject to U.S. federal income tax on gain realized on the sale, exchange or redemption of the Enhanced TRuPS, unless, in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the sale and either (A) such gain or income is attributable to an office or other fixed place of business maintained in the United States by such holder or (B) such holder has a tax home in the United States; and
- (c) an Enhanced TRuPS will not be subject to U.S. federal estate tax as a result of the death of a holder who is not a citizen or resident of the United States at the time of death, provided that such holder did not at the time of death actually or constructively own 10 percent or more of the combined voting power of all classes of our stock and, at the time of such holder's death, interest payments on such

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Enhanced TRUPS would not have been effectively connected with the conduct by such holder of a trade or business in the United States.

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Backup Withholding and Information Reporting

Generally, income on the Enhanced TRuPS will be reported to the IRS and to holders on Forms 1099-INT, which forms should be mailed to holders of Enhanced TRuPS by January 31 following each calendar year of payment. In the event income on the Enhanced TRuPS constitutes OID, the income will be reported to the IRS and to holders on Forms 1099-OID. In addition, certain U.S. Holders may be subject to United States backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the relevant paying agent, fail to certify that they are not subject to backup withholding tax, or otherwise fail to comply with applicable backup withholding tax rules. U.S. Holders may also be subject to information reporting and backup withholding tax with respect to the proceeds from a disposition of the Enhanced TRuPS. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against your United States federal income tax liability, provided that you furnish the required information to the United States Internal Revenue Service. For individual taxpayers, deductions for trust expenses may be subject to limitations or may not be allowed for purposes of the alternative minimum tax.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors in determining the tax consequences to them of the purchase, ownership and disposition of the Enhanced TRuPS, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

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ERISA CONSIDERATIONS

Each fiduciary of any of the following, which we collectively refer to as Plans :

an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA),

a plan described in Section 4975(e)(1) of the Internal Revenue Code (the Code) (including an individual retirement account and a Keogh plan) or a plan subject to one or more provisions under other applicable federal, state, local, non-U.S. or other laws or regulations that contain one or more provisions that are similar to the provisions of Title I of ERISA or Section 4975 of the Code (Similar Laws), and

any entity whose underlying assets include plan assets by reason of any such plan s investment in that entity or otherwise,

should consider the fiduciary standards and the prohibited transaction provisions of ERISA, applicable Similar Laws and Section 4975 of the Code in the context of the Plan s particular circumstances before authorizing an investment in the Enhanced TRuPS. Among other factors, the fiduciary should consider whether the investment would satisfy the applicable prudence and diversification requirements of ERISA or any Similar Law and would be consistent with the documents and instruments governing the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans subject to Title I of ERISA or Section 4975 of the Code (each, an ERISA Plan) from engaging in certain transactions involving plan assets with persons who are parties in interest under ERISA or disqualified persons under the Code (collectively, Parties in Interest). A violation of these prohibited transaction rules may result in an excise tax, penalty or other liability under ERISA and/or Section 4975 of the Code, unless exemptive relief is available under an applicable statutory or administrative exemption. In the case of an individual retirement account, the occurrence of a prohibited transaction involving the individual who established the individual retirement account, or his or her beneficiaries, would cause the individual retirement account to lose its tax exempt status, unless exemptive relief is available. Employee benefit plans that are governmental plans, as defined in Section 3(32) of ERISA, certain church plans, as defined in Section 3(33) of ERISA, and foreign plans, as described in Section 4(b)(4) of ERISA, are not subject to the requirements of ERISA or Section 4975 of the Code, but may be subject to Similar Laws.

Under a regulation issued by the U.S. Department of Labor (the DOL), which we refer to as the Plan Assets Regulation, the assets of the trust would be deemed to be plan assets of an ERISA Plan for purposes of ERISA and Section 4975 of the Code if plan assets of the ERISA Plan were used to acquire an equity interest in the trust and no exception were applicable under the Plan Assets Regulation. The Plan Assets Regulation defines an equity interest as any interest in an entity, other than an instrument that is treated as indebtedness under applicable local law and has no substantial equity features, and specifically includes a beneficial interest in a trust.

Under exceptions contained in the Plan Assets Regulation, the assets of the trust would not be deemed to be plan assets of investing ERISA Plans if:

immediately after the most recent acquisition of an equity interest in the trust, less than 25% of the value of each class of equity interests in the trust were held by Benefit Plan Investors , which we define as Plans and other employee benefit plans whether or not subject to ERISA, Section 4975 of the Code or Similar Laws (including governmental, church and foreign plans) and entities whose underlying assets are deemed to include plan assets under the Plan Assets Regulation or otherwise; or

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the Enhanced TRuPS were publicly-offered securities for purposes of the Plan Assets Regulation. Publicly-offered securities are securities which are widely held, freely transferable, and either (i) part of a class of securities registered under Section 12(b) or 12(g) of the Exchange Act or (ii) sold as part of an offering pursuant to an effective registration statement under the Securities Act and then timely registered under the Exchange Act.

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No assurance can be given that Benefit Plan Investors will hold less than 25% of the total value of the Enhanced TRuPS at the completion of the initial offering or thereafter, and we do not intend to monitor or take any other measures to assure satisfaction of the conditions to this exception. It is currently anticipated that the Enhanced TRuPS will be offered in a manner consistent with the requirements of the publicly-offered securities exception described above and therefore the trust should qualify for the exception so that the assets of the trust should not be plan assets of any ERISA Plan investing in the Enhanced TRuPS. However, no assurance can be given that the Enhanced TRuPS would be considered to be publicly-offered securities under the Plan Assets Regulation.

Certain transactions involving the trust could be deemed to constitute direct or indirect prohibited transactions under ERISA and/or Section 4975 of the Code with respect to an ERISA Plan if the Enhanced TRuPS (or junior subordinated debt securities) were acquired with plan assets of the ERISA Plan or the assets of the trust were deemed to be plan assets of ERISA Plans investing in the trust. For example, if we were a Party in Interest with respect to an ERISA Plan, either directly or by reason of our ownership of subsidiaries, extensions of credit between us and the trust (or the ERISA Plan), including the junior subordinated debt securities and the guarantees, could be prohibited by Section 406(a)(1)(B) of ERISA and Section 4975(c)(1)(B) of the Code, unless exemptive relief were available under an applicable administrative exemption.

The DOL has issued prohibited transaction class exemptions (PTCEs) that may provide exemptive relief for direct or indirect prohibited transactions that may arise from the purchase or holding of the Enhanced TRuPS. Those class exemptions include:

PTCE 96-23 (for certain transactions determined by in-house asset managers);

PTCE 95-60 (for certain transactions involving insurance company general accounts);

PTCE 91-38 (for certain transactions involving bank collective investment funds);

PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts); and

PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers).

Such class exemptions may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an ERISA Plan's investment in the Enhanced TRuPS. Because of the possibility that direct or indirect prohibited transactions could occur as a result of the purchase, holding or disposition of the Enhanced TRuPS (or junior subordinated debt securities), the Enhanced TRuPS may not be purchased or held by any ERISA Plan or any person investing plan assets of any ERISA Plan, unless the purchase and holding is eligible for the exemptive relief available under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or another applicable exemption.

By directly or indirectly purchasing or holding Enhanced TRuPS or any interest in them you will be deemed to have represented that either:

you are not a Plan and are not purchasing the Enhanced TRuPS on behalf of or with plan assets of any Plan; or

your purchase, holding and disposition of Enhanced TRuPS (or junior subordinated debt securities) will not violate any applicable Similar Laws and will not result in a non-exempt prohibited transaction under ERISA or the Code by reason of PTCE 96-23, 95-60,

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91-38, 90-1 or 84-14 or another applicable exemption.

Due to the complexity of the above rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Enhanced TRU_{PS} on behalf of or with plan assets of any ERISA Plan consult with their counsel regarding the potential consequences of its purchase, holding and disposition of the Enhanced TRU_{PS} and regarding the availability of exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or any other applicable exemption. In addition, fiduciaries of Plans not subject to Title I of ERISA or Section 4975 of the

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Code, in consultation with their advisors, should consider the impact of their respective applicable Similar Laws on their investment in Enhanced TRuPS, and the considerations discussed above, to the extent applicable.

Nothing herein shall be construed as, and the sale of Enhanced TRuPS to a Plan is in no respect, a representation by us or the underwriters that any investment in the Enhanced TRuPS would meet any or all of the relevant legal requirements with respect to investment by, or is appropriate for, Plans generally or any particular Plan.

UNDERWRITING

Pursuant to the terms and conditions of the underwriting agreement dated May 24, 2006, each underwriter named below has severally agreed to purchase from the trust, and the trust has agreed to sell to such underwriter, the number of Enhanced TRuPS set forth opposite the name of such underwriter below.

Underwriters	Number of Enhanced TRuPS
Citigroup Global Markets Inc.	1,752,000
J.P. Morgan Securities Inc.	1,752,000
Morgan Stanley & Co. Incorporated	1,752,000
Wachovia Capital Markets, LLC	1,752,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1,746,000
UBS Securities LLC	1,746,000
Banc of America Securities LLC	120,000
Barclays Capital Inc.	120,000
Credit Suisse Securities (USA) LLC	120,000
Deutsche Bank Securities Inc.	120,000
Lehman Brothers Inc.	120,000
RBC Dain Rauscher Inc.	120,000
Bear, Stearns & Co. Inc.	60,000
KeyBanc Capital Markets, a division of McDonald Investments Inc.	60,000
Oppenheimer & Co. Inc.	60,000
Piper Jaffray & Co.	60,000
Wells Fargo Securities, LLC	60,000
B.C. Ziegler and Company	30,000
BB&T Capital Markets, a division of Scott & Stringfellow, Inc.	30,000
D.A. Davidson & Co.	30,000
Davenport & Company LLC	30,000
Ferris, Baker Watts, Incorporated	30,000
Guzman & Company	30,000
Janney Montgomery Scott LLC	30,000
Keefe, Bruyette & Woods, Inc.	30,000
Mesirow Financial, Inc.	30,000
Morgan Keegan & Company, Inc.	30,000
Pershing LLC	30,000
Ryan Beck & Co., Inc.	30,000

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Sandler, O'Neill & Partners, L.P.	30,000
Stifel, Nicolaus & Company, Incorporated	30,000
Wedbush Morgan Securities Inc.	30,000
William Blair & Company, L.L.C.	30,000
	<hr/>
Total	12,000,000

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The underwriters are obligated to take and pay for all of the Enhanced TRuPS if any are purchased. In the event of default by any underwriter, the underwriting agreement provides that, in certain circumstances, purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We have granted an option to the underwriters to purchase up to an additional 1,800,000 Enhanced TRuPS at the public offering price. The underwriters may exercise this option for 15 days from the date of this prospectus supplement solely to cover any over-allotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional Enhanced TRuPS proportionate to that underwriter's initial amount reflected in the table above.

Underwriters, dealers and agents may be entitled, under agreements with the trust and us, to indemnification by us against liabilities relating to material misstatements and omissions. Underwriters, dealers and agents may be customers of, engage in transactions with or perform services for, the trust and us and affiliates of the trust and us in the ordinary course of business.

We and the trust have agreed, during the period beginning on the date of the underwriting agreement and continuing to and including the date that is 30 days after the closing date for the purchase of the Enhanced TRuPS, not to offer, sell, contract to sell or otherwise dispose of any Enhanced TRuPS or any other securities, including any backup undertakings of such Enhanced TRuPS or other securities, of us or of the trust, in each case that are substantially similar to the Enhanced TRuPS, except securities in the offering or with the prior written consent of Citigroup.

The following table summarizes the commissions to be paid by us to the underwriters:

	Per Enhanced TRuPS	Total (1)
Public offering price	\$ 25.00	\$ 300,000,000
Underwriting commissions to be paid by us	\$ 0.7875(2)	\$ 9,335,000(2)
Proceeds (before expenses)	\$ 24.2125(2)	\$ 290,665,000

- (1) Total amounts have been calculated assuming no exercise of the underwriters' over-allotment option.
- (2) For sales to certain institutions, the underwriting discount will be \$0.50 per Enhanced TRuPS and the proceeds to us will be \$24.50 per enhanced TRuPS.

We estimate that our total expenses for the offering, excluding underwriting commissions, will be approximately \$300,000.

The underwriters propose to offer the Enhanced TRuPS, in part, directly to the public at the initial public offering price set forth on the cover page of this prospectus. The underwriters may also offer the Enhanced TRuPS to dealers at a price that represents a concession not in excess of \$0.50, provided that such concession for sales to certain institutions will not be in excess of \$0.30 per Enhanced TRuPS. The underwriters may allow, and such dealers may reallocate, a concession not in excess of \$0.45 per Enhanced TRuPS to brokers and dealers. After the Enhanced TRuPS are released for sale to the public, the offering price and other selling terms may from time to time be varied by the representatives of the underwriters.

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Application will be made to list the Enhanced TRU^{PS} on the New York Stock Exchange. If approved for listing, we expect the Enhanced TRU^{PS} will begin trading on the New York Stock Exchange within 30 days after they are first issued.

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In connection with this offering and in accordance with applicable law and industry practice, the underwriters may over-allot or effect transactions that stabilize, maintain or otherwise affect the market price of the Enhanced TRuPS at levels above those that might otherwise prevail in the open market, including by entering stabilizing bids, effecting syndicate covering transactions or imposing penalty bids, each of which is described below.

A stabilizing bid means the placing of any bid, or the effecting of any purchase, for the purpose of pegging, fixing or maintaining the price of a security.

A syndicate covering transaction means the placing of any bid on behalf of the underwriting syndicate or the effecting of any purchase to reduce a short position created in connection with the offering.

A penalty bid means an arrangement that permits the managing underwriter to reclaim a selling concession from a syndicate member in connection with the offering when Enhanced TRuPS originally sold by the syndicate member are purchased in syndicate covering transactions.

These transactions may be effected on the New York Stock Exchange, in the over-the-counter market, or otherwise. The underwriters are not required to engage in any of these activities, or continue such activities if commenced.

The underwriters and their affiliates have performed investment banking, commercial banking and advisory services for us from time to time for which they have received customary fees and expenses. The underwriters may, from time to time, engage in transactions with, and perform services for us, in the ordinary course of their business. In particular, J.P. Morgan Securities Inc. and Citigroup Corporate and Investment Banking acted as financial advisors to us in our acquisition of North Fork and Sandler O'Neill & Partners, L.P. acted as financial adviser to North Fork in connection with the acquisition.

CERTAIN LEGAL MATTERS

Cleary Gottlieb Steen & Hamilton LLP will pass upon certain legal matters in connection with the securities and Richards, Layton, & Finger, P.A. will pass upon certain legal matters in connection with Delaware law. Morrison & Foerster LLP will pass upon certain legal matters for the underwriters.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement (File No. 333-133943) we have filed with the SEC under the Securities Act of 1933, as amended, or the Securities Act. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and the securities described in this prospectus. The SEC's rules and regulations allow us to omit certain information included in the registration statement from this prospectus. The registration statement may be inspected by anyone without charge at the SEC's principal office at 100 F Street, N.E., Washington, D.C. 20549.

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In addition, we file annual, quarterly and special reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act. You may read and copy this information at the following SEC location:

Public Reference Room

100 F Street, N.E.

Washington, D.C. 20549

You may also obtain copies of this information by mail from the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549, at rates determined by the SEC. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also inspect reports,

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proxy statements and other information that we have filed electronically with the SEC at the SEC's web site at <http://www.sec.gov>. These documents can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC's rules allow us to incorporate by reference information into this prospectus supplement. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus supplement. Any information incorporated by reference in this prospectus supplement that we file with the SEC after the date of this prospectus supplement will automatically update and supersede information contained in this prospectus supplement. Our SEC file number is 001-13300.

We are incorporating by reference in this prospectus supplement the documents listed below and any future filings that we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of this offering, provided, however, that we are not incorporating by reference any information furnished (but not filed) under Item 2.02 or Item 7.01 of any Current Report on Form 8-K:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, filed on March 2, 2006 and an Amendment to the Annual Report on Form 10-K/A, filed on April 12, 2006;

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2006, filed on May 4, 2006;

our Current Reports on Form 8-K filed on January 9, 2006, January 19, 2006, February 16, 2006, March 13, 2006, March 16, 2006, April 20, 2006, May 3, 2006 and May 12, 2006;

our Current Report on Form 8-K filed on May 16, 2006, which incorporates preliminary unaudited pro forma condensed combined financial information giving effect to the merger with North Fork;

our Current Report on Form 8-K filed on May 19, 2006, incorporating certain consolidated financial statements of North Fork;

our definitive proxy statement¹ filed on March 23, 2006; and

the description of our common stock on amendment no. 1 to Form 8-A, dated October 17, 1994.

¹ The information referred to in Item 402(a)(8) of Regulation S-K and paragraph (d)(3) of Item 7 of Schedule 14A promulgated by the SEC shall not be deemed to be specifically incorporated by reference into this prospectus supplement.

You can obtain copies of documents incorporated by reference in this prospectus supplement, without charge, by requesting them in writing or by telephone from us at Capital One Financial Corporation, Investor Relations Department, 1680 Capital One Drive, McLean, Virginia 22102, telephone (703) 720-2455.

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PROSPECTUS

Capital One Financial Corporation

Debt Securities

Preferred Stock

Depository Shares

Common Stock

Purchase Contracts

Units

Capital One Capital II

Capital One Capital III

Capital One Capital IV

Trust Preferred Securities

Fully and unconditionally guaranteed, as described in this prospectus, by

Capital One Financial Corporation

Capital One Financial Corporation from time to time may offer to sell debt securities, preferred stock, either separately or represented by depository shares, common stock and purchase contracts, either individually or in units. Capital One Capital II, Capital One Capital III and

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Capital One Capital IV from time to time may offer to sell trust securities and use the proceeds of these sales to purchase junior subordinated debt securities from Capital One Financial Corporation.

We will provide specific terms of these securities in supplements to this prospectus.

You should read this prospectus and the accompanying prospectus supplement carefully before you make your investment decision.

This prospectus may not be used to sell any of the securities unless it is accompanied by a prospectus supplement.

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

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

The date of this prospectus is May 9, 2006.

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ABOUT THIS PROSPECTUS

In this prospectus, we, our, us, or the Corporation, each refer to Capital One Financial Corporation, and trust or trusts refer to one or all of trusts.

This prospectus is part of a registration statement (No. 333-133943) that we and the trusts have filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. This prospectus provides you with a general description of the securities we and the trusts may issue and sell. Each time we or the trusts issue and sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may add, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and the prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and the prospectus supplement applicable to any offering, together with the additional information described under the heading **Where You Can Find More Information** below.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus contain forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements include information relating to our future earnings per share, growth in managed loans outstanding, product mix, segment growth, managed revenue margin, funding costs, operations costs, employment growth, marketing expense, delinquencies and charge-offs. Forward-looking statements also include statements using words such as expect, anticipate, hope, intend, plan, believe, estimate or similar expressions. We have based our forward-looking statements on our current plans, estimates and projections, and you should not unduly rely on them.

Numerous factors could cause our actual results to differ materially from those described in forward-looking statements, including, among other things:

we face intense competition, including competitive product and pricing pressures, from many other providers of credit cards and other consumer financial products and services, in all of our markets, including in our credit card activities, auto financing, small business lending, home lending and installment loan activities as well as in our international markets;

we face strategic risks in sustaining our growth and pursuing diversification;

we may experience increased delinquencies and credit losses, including due to customers' bankruptcies;

we face risk from economic downturns;

reputational risk and social factors may impact our results;

we face risk related to the strength of our operational, technology and organizational infrastructure;

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we may face limited availability of financing, variation in our funding costs and uncertainty in our securitization financing;

we may experience changes in our debt ratings;

we face exposure from our unused customer credit lines;

we face market risk of interest rate and exchange rate fluctuations;

we face the risk of a complex and changing regulatory and legal environment, including changes in law, changes in fiscal, monetary, regulatory and tax policies and concerning the gaining of regulatory approvals when required;

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fluctuations in our expenses and other costs may hurt our financial results;

we face risks related to acquisitions and integrations of acquired businesses; and

other factors listed from time to time in reports we file with the SEC, including, but not limited to, factors set forth under the caption Risk Factors in any prospectus supplement and our Annual Report on Form 10-K for the year ended December 31, 2005.

You should carefully consider the factors referred to above in evaluating these forward-looking statements.

We caution you that any such forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, including the risk factors referred to above. Our future performance and actual results may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement we have filed with the SEC under the Securities Act of 1933, as amended, or the Securities Act. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us and the securities described in this prospectus. The SEC's rules and regulations allow us to omit certain information included in the registration statement from this prospectus. The registration statement may be inspected by anyone without charge at the SEC's principal office at 100 F Street, N.E., Washington, D.C. 20549.

In addition, we file annual, quarterly and special reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act. You may read and copy this information at the following SEC location:

Public Reference Room

100 F Street, N.E.

Washington, D.C. 20549

You may also obtain copies of this information by mail from the SEC's Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549, at rates determined by the SEC. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also inspect reports, proxy statements and other information that we have filed electronically with the SEC at the SEC's web site at <http://www.sec.gov>. These documents can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

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The SEC's rules allow us to incorporate by reference information into this prospectus and any prospectus supplement. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus and any prospectus supplement. Any information incorporated by reference in this prospectus that we file with the SEC after the date of this prospectus and any information incorporated by reference in any prospectus supplement will automatically update and supersede information contained in this prospectus and any prospectus supplement. Our SEC file number is 001-13300.

We are incorporating by reference in this prospectus the documents listed below and any future filings that we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the

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termination of this offering, provided, however, that we are not incorporating by reference any information furnished (but not filed) under Item 2.02 or Item 7.01 of any Current Report on Form 8-K:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, filed on March 2, 2006, and an Amendment to the Annual Report on Form 10-K/A, filed on April 12, 2006;

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2006, filed on May 4, 2006;

our Current Reports on Form 8-K filed on January 9, 2006, January 19, 2006, February 16, 2006, March 13, 2006, March 16, 2006 and April 20, 2006;

our definitive proxy statement¹ filed on March 23, 2006; and

the description of our common stock on amendment no. 1 to Form 8-A, dated October 17, 1994.

¹ The information referred to in Item 402(a)(8) of Regulation S-K and paragraph (d)(3) of Item 7 of Schedule 14A promulgated by the SEC shall not be deemed to be specifically incorporated by reference into this prospectus.

You can obtain copies of documents incorporated by reference in this prospectus, without charge, by requesting them in writing or by telephone from us at Capital One Financial Corporation, Investor Relations Department, 1680 Capital One Drive, McLean, Virginia 22102, telephone (703) 720-2455.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. Neither we nor the trusts have authorized anyone else to provide you with different information. Neither we nor the trusts are making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus, any prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of the applicable document.

Our common stock is listed on the New York Stock Exchange under the symbol **COF**. Our principal executive office is located at 1680 Capital One Drive, McLean, Virginia 22102 (telephone number (703) 720-1000). We maintain a website at www.capitalone.com. The information on our website is not part of this prospectus nor is it incorporated by reference. Documents available on our website include our (i) Code of Business Conduct and Ethics, (ii) Corporate Governance Principles; and (iii) charters for the Audit and Risk, Compensation, Finance, and Governance and Nominating Committees.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our consolidated ratio of earnings to fixed charges for the periods indicated:

	Three Months Ended		Years Ended December 31,				
	March 31,		2005	2004	2003	2002	2001
Ratio of Earnings to Fixed Charges:							
Including Interest on Deposits	2.96	2.65	2.37	2.31	2.13	1.98	1.87
Excluding Interest on Deposits	5.87	4.68	4.20	3.99	3.59	3.19	2.89

The ratio of earnings to fixed charges is computed by dividing income before income taxes and fixed charges less interest capitalized during such period, net of amortization of previously capitalized interest, by fixed charges. Fixed charges consist of interest, expensed or capitalized, on borrowings (including or excluding deposits, as applicable), and the portion of rental expense which is deemed representative. As of the date of this prospectus, we have no preferred stock outstanding and accordingly, the ratio of earnings to fixed charges and preferred stock dividends is equal to the ratio of earnings to fixed charges and is not disclosed separately.

USE OF PROCEEDS

Except as otherwise described in the applicable prospectus supplement, we intend to use the net proceeds from the sale of our securities for general corporate purposes in the ordinary course of our business, including the reduction of short term debt, possible acquisitions, investments in, or extensions of credit to, our subsidiaries and investments in securities. Each of the trusts will invest all proceeds received from the sale of its trust preferred and common securities to acquire a series of corresponding junior subordinated debt securities issued by us, which we call the junior subordinated debt securities.

We may temporarily invest any funds not required immediately for purposes described above in short-term marketable securities. Based upon our historical and anticipated future growth and our financial needs, we may engage in additional financings (in addition to our funding activities in the ordinary course of business) of a character and amount to be determined as the need arises. For current information, look at our current filings with the SEC. See [Where You Can Find More Information](#).

DESCRIPTION OF DEBT SECURITIES

We may from time to time issue and sell debt securities which will be our direct unsecured general obligations. These debt securities are described below and will be senior debt securities or subordinated debt securities and any senior or subordinated debt securities that may be part of a unit, all of which are called debt securities. The senior debt securities and the subordinated debt securities will be issued under one or more separate indentures between us and BNY Midwest Trust Company (as successor to Harris Trust and Savings Bank), as trustee, or another

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indenture trustee named in the applicable prospectus supplement. Senior debt securities will be issued under a senior indenture and subordinated debt securities will be issued under a subordinated indenture, and in some cases pursuant to a supplemental indenture thereto. Together, the senior indenture and the subordinated indenture are called the indentures, and the senior indenture trustee and the subordinated indenture trustee are called the indenture trustees.

We have summarized selected provisions of the indentures below. The summary is not complete and does not describe every aspect of the indentures. A copy of the senior indenture and the form of subordinated indenture have been filed as exhibits to the registration statement of which this prospectus is a part and have been qualified or will be qualified as indentures under the Trust Indenture Act of 1939, as amended, or the Trust

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Indenture Act. You should read the more detailed provisions of the applicable indenture, including the defined terms, for provisions that may be important to you. You should also consider applicable provisions of the Trust Indenture Act. In the summary below, we have included references to section numbers so that you can easily locate these provisions. The particular terms of any debt securities we offer will be described in the related prospectus supplement, along with any applicable modifications of or additions to the general terms of the debt securities described below and in the indentures. For a description of the terms of any series of debt securities, you should also review both the prospectus supplement relating to that series and the description of the debt securities set forth in this prospectus before making an investment decision. Capitalized terms used in the summary have the meanings specified in the applicable indenture.

As of the date of this prospectus, we have a total of \$2,287,500,000 in aggregate principal amount of debt securities outstanding under the senior indenture.

As of the date of this prospectus, we have not issued any series of debt securities under the subordinated indenture.

General

The debt securities will be our direct unsecured obligations. The indentures do not significantly limit our operations. In particular, they do not:

limit the amount of debt securities that we can issue under the indentures;

limit the number of series of debt securities that we can issue from time to time;

limit or otherwise restrict the total amount of debt that we or our subsidiaries may incur or the amount of other securities that we may issue;

require us or an acquiror to repurchase debt securities in the event of a change in control ; or

contain any covenant or other provision that is specifically intended to afford any holder of the debt securities any protection in the event of highly leveraged transactions or similar transactions involving us or our subsidiaries.

The senior debt securities will rank equally with all of our other unsecured unsubordinated indebtedness. The subordinated debt securities will have a position junior to all of our senior indebtedness.

Because we are a holding company, dividends and fees from our subsidiaries are our principal source of revenues from which to repay the debt securities. Our subsidiaries engaged in the banking or credit card business can only pay dividends if they are in compliance with applicable United States federal and state regulatory requirements. Our right to participate in any asset distribution of any of our subsidiaries, including the Bank and the Savings Bank, on liquidation, reorganization or otherwise, will rank junior to the rights of all creditors of that subsidiary (except to the extent that we may ourselves be an unsubordinated creditor of that subsidiary). As a result the rights of holders of debt securities to benefit from those distributions will also be junior to the rights of all creditors of our subsidiaries. Consequently, the debt securities will be effectively

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subordinated to all liabilities of our subsidiaries. The Bank and the Savings Bank are subject to claims by creditors for long-term and short-term debt obligations, including deposit liabilities, obligations for federal funds purchased and securities sold under repurchase agreements. There are also various legal limitations on the extent to which the Bank and the Savings Bank may pay dividends or otherwise supply funds to us or our other affiliates.

Terms

A prospectus supplement relating to the offering of any series of debt securities will include specific terms relating to the offering. These terms will include some or all of the following:

the title, series, form and type of the offered debt securities;

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whether the offered debt securities will be senior or subordinated debt;

the indenture under which the offered debt securities are being issued;

whether the offered debt securities are to be issued in registered form, bearer form or both;

the aggregate principal amount of the offered debt securities and any limit upon the aggregate principal amount of the debt securities of such title or series;

the date or dates (including the maturity date) or method, if any, for determining such dates, on which the principal of the offered debt securities will be payable (and any provisions relating to extending or shortening the date on which the principal of the offered debt securities is payable);

the interest rate, or method, if any, for determining the interest rate, the date or dates from which interest will accrue, or method, if any, for determining such dates, the interest payment dates, if any, on which interest will be payable, and whether and under what circumstances additional amounts on the offered debt securities will be payable; the manner in which payments with respect to the offered debt securities will be made; and the place or places where principal or, premium, if any, interest and additional amount, if any, will be payable;

whether the offered debt securities are redeemable at our option, and if so, the periods, prices, and other terms regarding such optional redemption;