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March 17, 1997

Via Facsimile and Overnight Delivery

Ms. Blanco Bayo
Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0864

Re: America One Communications, Inc. -- Docket No. 970087-TI

Dear Ms. Bayo:

Pursuant to a letter from the Florida Public Service Commission dated March 4, 1997, America One Communications, Inc. ("America One"), by its attorneys, hereby respectfully supplements its Application for a Certificate of Public Convenience and Necessity. As requested, to demonstrate America One's financial capability, attached as *Exhibits A-C* please find a copy of Capital One Financial Corporation's (America One's parent company) audited financial statements (including balance sheet, income statement and statement of retained earnings) for years 1994, 1995 and 1996 (through September 30, 1996). Also attached as *Exhibit D* is a news release containing an unaudited financial report through December 31, 1996.

Also pursuant to Commission request, America One provides the following statements in support of its financial capabilities:

1. America One is a wholly-owned subsidiary of Oakstone Ventures, Inc. which in turn is a wholly-owned subsidiary of Capital One Financial Corporation ("Capital One"). As a subsidiary of Capital One, America One has access to the financing and capital necessary to provide the

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proposed services in the State of Florida. As of September 30, 1996, Capital One's consolidated net income for the preceding nine months totaled $115 million. This figure represents a 30% increase in net income for the same period in 1995. Moreover, as further described in the *News Release*, Capital One reported record earnings per share for 1996. The Company's earnings represent a 20% increase from 1995. This continuous and record growth demonstrates Capital One's financial stability and its ability to finance America One's provisioning of resold long distance services in the State of Florida.

2. America One has the requisite financial ability to maintain the requested services. As noted above, the attached financial statements indicate that America One has sufficient assets and resources to develop and maintain the proposed services in the State of Florida. 11Significantly, America One owns no transmission facilities in the State of Florida and intends to offer interLATA services by leasing facilities from other certificated facilities-based carriers. Moreover, America One will provide the requested service on a non-presubscribed basis (or "casual calling" basis). Accordingly, the Company will not incur significant costs for network maintenance or customer service normally associated with the provisioning of interexchange telecommunications services.

3. Finally, the financial documents exhibit America One's ability to provide resold long distance service. As noted above, America One does not own and has no plans to invest in transmission facilities to provide long distance services. As a pure reseller, America One's costs of providing service will be limited to the capital necessary to lease facilities from other certificated carriers. Thus, its total investment will be minimal and fully within the Applicant's financial capabilities.

Please do not hesitate to call me if you have further questions.

Respectfully submitted,

Andrea D Pruitt

Brad E. Mutschelknaus
Andrea D. Pruitt

EXHIBIT A

1994 Audited Financial Statements

The accompanying consolidated financial statements, related financial data, and other information in this annual report were prepared by the management of Capital One Financial Corporation. Management is responsible for the integrity and objectivity of the data presented, including amounts that must necessarily be based on judgments and estimates. The consolidated financial statements were prepared in conformity with generally accepted accounting principles and are free of material misstatement. In situations where acceptable alternative accounting principles exist, management selected the method that was appropriate in the circumstance.

Management of Capital One Financial Corporation depends on its accounting systems and internal control structures in meeting its responsibilities for reliable consolidated financial statements. In management's opinion, these systems and structures provide reasonable assurance that assets are safeguarded and that transactions are properly recorded and executed in accordance with management's authorizations. As an integral part of these systems and structures, the Company maintains a professional staff of internal auditors who conduct operational and special audits and coordinate audit coverage with the independent auditors.

The consolidated financial statements have been audited by the Company's independent auditors, Ernst & Young LLP, whose independent professional opinion appears separately. Their audit provides an objective assessment of the degree to which the Company's management meets its responsibility for financial reporting. Their opinion on the financial statements is based on auditing procedures which include reviewing accounting systems and internal control structures and performing selected tests of transactions and records as they deem appropriate. These auditing procedures are designed to provide reasonable assurance that the financial statements are free of material misstatement.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with the internal auditors, the independent auditors and management to review the work of each and ensure that each is properly discharging its responsibilities. The independent auditors have free access to the Committee to discuss the results of their audit work and their evaluations of the adequacy of accounting systems and internal control structure and the quality of financial reporting.

Richard D. Fairbank
Chairman and
Chief Executive Officer

Nigel W. Morris
President and
Chief Operating Officer

James M. Zinn
Senior Vice President and
Chief Financial Officer

Board of Directors and Stockholders
Capital One Financial Corporation

We have audited the accompanying consolidated balance sheets of Capital One Financial Corporation and subsidiary as of December 31, 1994 and 1993, and the related consolidated statements of income, changes in stockholders'/division equity, and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Capital One Financial Corporation and subsidiary at December 31, 1994 and 1993, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

Ernst & Young LLP

Richmond, Virginia
January 24, 1995,
except for Note Q,
as to which the date
is February 28, 1995

(dollars in thousands, except per share data)	December 31 1994	1993
Assets:		
Cash and due from banks	$ 93,880	$ 955
Federal funds sold	300,000	
Interest bearing deposits at other banks	13,000	
Cash and cash equivalents	406,880	955
Securities available for sale	99,070	
Investment securities, at cost which approximates market	13,500	
Credit card loans	2,228,455	1,862,744
Less: Allowance for loan losses	(68,516)	(63,516)
Net loans	2,159,939	1,799,228
Premises and equipment, net	99,684	32,679
Interest receivable	14,615	8,293
Accounts receivable from securitizations	237,015	107,048
Other assets	61,277	43,004
	$3,091,980	$1,991,207
Liabilities:		
Interest bearing deposits	$ 452,201	
Federal funds purchased	686,688	
Other borrowings	1,322,000	
Affiliate borrowings	54,000	$1,791,464
Interest payable	9,264	
Other liabilities	93,270	30,864
Total liabilities	2,617,423	1,822,328
Stockholders'/Division 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 300,000,000 shares, issued and outstanding 66,067,250 shares	661	
Paid in capital, net	462,844	
Retained earnings/division equity	11,052	168,879
Total stockholders'/division equity	474,557	168,879
	$3,091,980	$1,991,207

See notes to consolidated financial statements

	Year Ended December 31		
(dollars in thousands, except per share data)	**1994**	1993	1992
Interest Income:			
Credit card loans, including fees	**$214,100**	$223,594	$120,630
Credit card loans held for securitization	**41,015**	36,263	
Federal funds sold	**2,483**		
Other	**1,074**		
Total interest income	**258,672**	259,857	120,630
Interest Expense:			
Interest on deposits	**2,417**		
Federal funds purchased	**2,927**		
Borrowings from affiliates	**76,265**	67,994	29,888
Other borrowings	**12,086**		
Total interest expense	**93,695**	67,994	29,888
Net interest income	**164,977**	191,863	90,742
Provision for loan losses	**30,727**	34,030	55,012
Net interest income after provision for loan losses	**134,250**	157,833	35,730
Non-Interest Income:			
Credit card servicing income	**312,108**	122,362	82,871
Credit card fees	**46,083**	38,587	21,391
Interchange income	**25,580**	24,635	10,162
Other	**13,131**	9,241	7,218
Total non-interest income	**396,902**	194,825	121,642
Non-Interest Expense:			
Salaries and employee benefits	**94,739**	55,284	33,133
Credit card solicitation	**100,886**	55,815	23,133
Data processing services	**34,932**	23,120	19,649
Communications	**35,152**	17,893	11,273
Occupancy	**6,746**	2,647	1,816
Contract termination	**49,000**		
Other	**62,870**	27,045	19,504
Total non-interest expense	**384,325**	181,804	108,508
Income before income taxes	**146,827**	170,854	48,864
Income taxes	**51,564**	60,369	16,614
Net income	**$ 95,263**	$110,485	$ 32,250
Earnings per share	**$144**	$167	$049
Weighted average shares outstanding	**66,067,250**	66,067,250	66,067,250

See notes to consolidated financial statements.

(dollars in thousands)	Common Stock	Paid-in Capital	Deferred Compensation	Retained Earnings/ Division Equity	Total Stockholders'/ Division Equity
Balance, December 31, 1991				$ 51,586	$ 51,586
Net income				32,250	32,250
Transfer to Parent				(14,542)	(14,542)
Balance, December 31, 1992				69,294	69,294
Net income				110,485	110,485
Transfer to Parent				(10,900)	(10,900)
Balance, December 31, 1993				168,879	168,879
Net income				**95,263**	**95,263**
Recapitalization and capital contribution from Parent		**$357,875**		**(253,069)**	**104,806**
Issuance of common stock					
Initial public offering	**$656**	**101,259**			**101,915**
Restricted stock grants	**5**	**7,425**	**$(7,430)**		
Amortization of deferred compensation			**3,715**		**3,715**
Change in unrealized losses, net of income taxes of $12				**(21)**	**(21)**
Balance, December 31, 1994	**$661**	**$466,559**	**$(3,715)**	**$ 11,052**	**$474,557**

See notes to consolidated financial statements.

CapitalOne

Capital One Financial Corporation and Subsidiary

(dollars in thousands)	Year Ended December 31 1994	1993	1992
Operating Activities:			
Net income	**$ 95,263**	$ 110,485	$ 32,250
Adjustment to reconcile net income to cash provided by operating activities:			
Provision for loan losses	**30,727**	34,030	55,012
Depreciation and amortization	**16,173**	4,431	2,877
Amortization of deferred compensation	**3,715**		
Increase in interest receivable	**(6,905)**	(1,962)	(1,103)
Increase in accounts receivable from securitization	**(129,967)**	(58,945)	(6,631)
Increase in other assets	**(21,562)**	(15,767)	(5,368)
Increase in interest payable	**9,264**		
Increase in other liabilities	**62,406**	14,863	8,429
Net cash provided by operating activities	**59,114**	87,135	85,466
Investing Activities:			
Purchases of securities available for sale	**(98,519)**		
Purchases of investment securities	**(13,500)**		
Proceeds from securitization of credit card loans	**2,393,937**	2,283,329	
Net increase in loans	**(2,796,465)**	(2,884,040)	(581,778)
Recoveries of loans previously charged-off	**11,090**	16,020	14,106
Additions of premises and equipment	**(58,078)**	(16,069)	(2,067)
Net cash used by investing activities	**(561,535)**	(600,760)	(569,739)
Financing Activities:			
Net increase in interest bearing deposits	**452,201**		
Net increase in other borrowings	**2,008,688**		
Net (decrease) increase in affiliate borrowings	**(1,737,464)**	524,957	494,694
Net proceeds from issuance of common stock	**101,915**		
Capital contributed from (transferred to) Parent	**83,006**	(10,900)	(14,542)
Net cash provided by financing activities	**908,346**	514,057	480,152
Increase (decrease) in cash and cash equivalents	**405,925**	432	(4,121)
Cash and cash equivalents at beginning of year	**955**	523	4,644
Cash and cash equivalents at end of year	**$ 406,880**	$ 955	$ 523

See notes to consolidated financial statements.

(unaudited) *(dollars in thousands)*	1994 Fourth Quarter	1994 Third Quarter	1994 Second Quarter	1994 First Quarter	1993 Fourth Quarter	1993 Third Quarter	1993 Second Quarter	1993 First Quarter
Summary of Operations								
Interest income	$ 63,320	$ 61,905	$72,875	$60,572	$63,087	$79,986	$66,401	$50,383
Interest expense	30,718	21,350	24,194	17,433	15,972	23,251	16,606	12,165
Net interest income	32,602	40,555	48,681	43,139	47,115	56,735	49,795	38,218
Provision for loan losses	6,133	8,162	8,450	7,982	5,876	7,216	7,177	13,761
Net interest income after provision for loan losses	26,469	32,393	40,231	35,157	41,239	49,519	42,618	24,457
Non-interest income	112,050	104,528	92,660	87,664	74,928	45,691	38,959	55,247
Non-interest expense [1]	97,443	138,450	79,658	68,774	53,780	45,975	45,560	56,489
Income (loss) before income taxes	41,076	(1,529)	53,233	54,047	62,387	49,235	36,017	23,215
Income taxes (benefit)	14,551	(535)	18,631	18,917	21,836	17,370	12,245	8,918
Net income (loss)	$ 26,525	$ (994)	$34,602	$35,130	$40,551	$31,865	$23,772	$14,297
Average Balance Sheet Data *(in millions)*								
Loans	$ 2,041	$ 2,133	$ 2,749	$ 2,223	$ 2,240	$ 2,883	$ 2,148	$ 1,583
Allowance for loan losses	(68)	(68)	(65)	(64)	(63)	(52)	(64)	(60)
Securities	251							
Other assets	460	390	300	238	177	127	120	117
Total average assets	$ 2,684	$ 2,455	$ 2,984	$ 2,397	$ 2,354	$ 2,958	$ 2,204	$ 1,640
Interest bearing deposits	$ 148							
Other borrowings	2,100	$ 2,153	$ 2,718	$ 2,175	$ 2,164	$ 2,802	$ 2,084	$ 1,543
Other liabilities	107	68	53	39	36	31	22	18
Common stockholders'/ division equity	329	234	213	183	154	125	98	79
Total average liabilities and equity	$ 2,684	$ 2,455	$ 2,984	$ 2,397	$ 2,354	$ 2,958	$ 2,204	$ 1,640
Per Common Share								
Net income [2]	$ 0.40	$ (0.02)	$ 0.52	$ 0.53	$ 0.61	$ 0.48	$ 0.36	$ 0.22
Market Prices								
High	16⅛							
Low	13⅞							
Average Common Shares and Common Stock Equivalents *(in thousands)* [2]	66,067							

The above schedule is a tabulation of the Company's unaudited quarterly results of operations for the years ended December 31, 1994 and 1993. The Company's common shares are traded on the New York Stock Exchange under the symbol COF. In addition, shares may be traded in the over-the-counter stock market. There were 47 common stockholders of record at December 31, 1994.

[1] *Non-interest expense includes a $49.0 million ($31.9 million after tax) nonrecurring charge for computer services contract termination expense in the third quarter of 1994.*

[2] *Assumes shares outstanding for all periods presented.*

EXHIBIT B

1995 Audited Financial Statements

Management's Report on Consolidated Financial Statements and Internal Control

The accompanying consolidated financial statements, related financial data and other information in this annual report were prepared by the management of Capital One Financial Corporation. Management is responsible for the integrity and objectivity of the data presented, including amounts that must necessarily be based on judgments and estimates. The consolidated financial statements were prepared in conformity with generally accepted accounting principles and are free of material misstatement. In situations where acceptable alternative accounting principles exist, management selected the method that was appropriate in the circumstance.

Management of Capital One Financial Corporation depends on its accounting systems and internal control structures in meeting its responsibilities for reliable consolidated financial statements. In management's opinion, these systems and structures provide reasonable assurance that assets are safeguarded and that transactions are properly recorded and executed in accordance with management's authorizations. As an integral part of these systems and structures, the Company maintains a professional staff of internal auditors that conducts operational and special audits and coordinates audit coverage with the independent auditors.

The consolidated financial statements have been audited by the Company's independent auditors, Ernst & Young LLP, whose independent professional opinion appears separately. Their audit provides an objective assessment of the degree to which the Company's management meets its responsibility for financial reporting. Their opinion on the financial statements is based on auditing procedures which include reviewing accounting systems and internal control structures and performing selected tests of transactions and records as they deem appropriate. These auditing procedures are designed to provide reasonable assurance that the financial statements are free of material misstatement.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with the internal auditors, the independent auditors and management to review the work of each and ensure that each is properly discharging its responsibilities. The independent auditors have free access to the Committee to discuss the results of their audit work and their evaluations of the adequacy of accounting systems and internal control structure and the quality of financial reporting.

Richard D. Fairbank

Richard D. Fairbank
Chairman and
Chief Executive Officer

Nigel W Morris

Nigel W. Morris
President and
Chief Operating Officer

James M. Zinn

James M. Zinn
Senior Vice President and
Chief Financial Officer

Report of Independent Auditors

Board of Directors and Stockholders
Capital One Financial Corporation

We have audited the accompanying consolidated balance sheets of Capital One Financial Corporation as of December 31, 1995 and 1994, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Capital One Financial Corporation at December 31, 1995 and 1994, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

Ernst & Young LLP

Washington, D.C.
January 23, 1996

Consolidated Balance Sheets

(dollars in thousands, except per share data)	December 31 1995	1994
Assets:		
Cash and due from banks	$ 51,680	$ 93,880
Federal funds sold	465,000	300,000
Interest-bearing deposits at other banks	355,780	13,000
Cash and cash equivalents	872,460	406,880
Securities available for sale	413,016	99,070
Credit card loans held for securitization	400,000	
Credit card loans	2,521,679	2,228,455
Less: Allowance for loan losses	(72,000)	(68,516)
Net loans	2,449,679	2,159,939
Premises and equipment, net	139,074	99,684
Interest receivable	55,573	14,615
Accounts receivable from securitizations	359,379	237,015
Other assets	70,140	74,777
Total assets	$4,759,321	$3,091,980
Liabilities:		
Interest-bearing deposits	$ 696,037	$ 452,201
Federal funds purchased	709,803	686,688
Bank facility	100,000	1,300,000
Bank notes	2,491,869	22,000
Affiliate borrowings		54,000
Interest payable	73,931	9,264
Other liabilities	88,490	93,270
Total liabilities	4,160,130	2,617,423
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 300,000,000 shares, 66,174,567 and 66,067,250 issued and outstanding at December 31, 1995 and 1994, respectively	662	661
Paid-in capital, net	469,830	462,844
Retained earnings	128,699	11,052
Total stockholders' equity	599,191	474,557
Total liabilities and stockholders' equity	$4,759,321	$3,091,980

See notes to consolidated financial statements.

Consolidated Statements of Income

(in thousands, except per share data)	1995	1994	1993
	Year Ended December 31		
Interest Income:			
Credit card loans, including fees	$351,786	$214,100	$223,594
Credit card loans held for securitization	45,868	41,015	36,263
Federal funds sold	26,832	2,483	
Other	32,923	1,074	
Total interest income	457,409	258,672	259,857
Interest Expense:			
Deposits	49,547	2,364	
Federal funds purchased	45,878	2,927	
Bank facility	20,173	12,086	
Bank notes	133,635	53	
Affiliate borrowings	163	76,265	67,994
Total interest expense	249,396	93,695	67,994
Net interest income	208,013	164,977	191,863
Provision for loan losses	65,895	30,727	34,030
Net interest income after provision for loan losses	142,118	134,250	157,833
Non-Interest Income:			
Credit card servicing	409,927	312,108	122,362
Credit card service charges	86,029	46,083	38,587
Interchange	33,457	25,580	24,635
Other	23,630	13,131	9,241
Total non-interest income	553,043	396,902	194,825
Non-Interest Expense:			
Salaries and associate benefits	135,833	94,739	55,284
Solicitation	146,810	100,886	55,815
Communications and data processing	61,508	70,084	41,013
Supplies and equipment	42,081	21,794	8,778
Occupancy	13,655	6,746	2,647
Contract termination		49,000	
Other	97,543	41,076	18,267
Total non-interest expense	497,430	384,325	181,804
Income before income taxes	197,731	146,827	170,854
Income taxes	71,220	51,564	60,369
Net income	$126,511	$ 95,263	$110,485
Earnings per share	$ 1.90	$ 1.44	$ 1.67
Weighted average common and common equivalent shares outstanding	66,593	66,067	66,067

See notes to consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

(dollars in thousands, except per share data)	Common Stock Shares	Common Stock Amount	Paid-in Capital	Deferred Compensation	Retained Earnings/ Division Equity	Total Stockholders'/ Division Equity
Balance, December 31, 1992					$ 69,294	$ 69,294
Net income					110,485	110,485
Transfer to Signet					(10,900)	(10,900)
Balance, December 31, 1993					168,879	168,879
Net income					95,263	95,263
Recapitalization and capital contribution from Signet			$357,875		(253,069)	104,806
Issuance of common stock						
Initial public offering	65,602,850	$656	101,259			101,915
Restricted stock grants	464,400	5	7,425	$(7,430)		
Amortization of deferred compensation				3,715		3,715
Change in unrealized losses on securities available for sale, net of income taxes of $12					(21)	(21)
Balance, December 31, 1994	66,067,250	661	466,559	(3,715)	11,052	474,557
Net income					126,511	126,511
Cash dividends – $.24 per share					(15,883)	(15,883)
Issuance of common stock	65,645	1	1,256			1,257
Exercise of stock options	6,582		132			132
Tax benefit from vesting of 464,400 restricted shares of common stock			1,578			1,578
Restricted stock grants, net of cancellations	35,090		637	(637)		
Amortization of deferred compensation				4,020		4,020
Change in unrealized gains on securities available for sale, net of income taxes of $3,780					7,019	7,019
Balance, December 31, 1995	66,174,567	$662	$470,162	$ (332)	$128,699	$599,191

See notes to consolidated financial statements.

Net cash provided by financing activities	[illegible]	[illegible]	[illegible]
Increase in cash and cash equivalents	465,580	405,925	432
Cash and cash equivalents at beginning of year	406,880	955	523

Selected Quarterly Financial Data

(unaudited)	1995 Fourth Quarter	1995 Third Quarter	1995 Second Quarter	1995 First Quarter	1994 Fourth Quarter	1994 Third Quarter	1994 Second Quarter	1994 First Quarter
Summary of Operations (in thousands)								
Interest income	$134,997	$128,913	$104,432	$ 89,067	$ 63,320	$ 61,905	$72,875	$60,572
Interest expense	69,941	69,252	59,210	50,993	30,718	21,350	24,194	17,433
Net interest income	65,056	59,661	45,222	38,074	32,602	40,555	48,681	43,139
Provision for loan losses	21,347	18,652	17,260	8,636	6,133	8,162	8,450	7,982
Net interest income after provision for loan losses	43,709	41,009	27,962	29,438	26,469	32,393	40,231	35,157
Non-interest income	151,234	136,860	134,789	130,160	112,050	104,528	92,660	87,664
Non-interest expense[1]	135,834	124,808	116,432	120,356	97,443	138,450	79,658	68,774
Income (loss) before income taxes	59,109	53,061	46,319	39,242	41,076	(1,529)	53,233	54,047
Income taxes (benefit)	21,301	19,113	16,673	14,133	14,551	(535)	18,631	18,917
Net income (loss)	$ 37,808	$ 33,948	$ 29,646	$ 25,109	$ 26,525	$ (994)	$34,602	$35,130
Average Balance Sheet Data (in millions)								
Loans	$ 3,166	$ 3,333	$ 2,883	$ 2,365	$ 2,041	$ 2,133	$ 2,749	$ 2,223
Allowance for loan losses	(74)	(70)	(68)	(67)	(68)	(68)	(65)	(44)
Securities	1,248	926	853	805	251			
Other assets	704	775	494	473	460	390	300	238
Total average assets	$ 5,044	$ 4,964	$ 4,162	$ 3,576	$ 2,684	$ 2,455	$ 2,984	$ 2,397
Interest-bearing deposits	$ 843	$ 899	$ 741	$ 591	$ 145			
Bank facility	30	100	157	836	701			
Bank notes	2,492	2,322	1,854	1,008	3			
Other borrowings	905	856	686	548	1,399	$ 2,153	$ 2,718	$ 2,175
Other liabilities	183	232	196	95	107	68	53	39
Stockholders'/Division equity	591	555	528	498	329	234	213	183
Total average liabilities and equity	$ 5,044	$ 4,964	$ 4,162	$ 3,576	$ 2,684	$ 2,455	$ 2,984	$ 2,397
Per Common Share								
Net income[2]	$ .57	$ .51	$ .45	$ .38	$ .40	$ (.02)	$ .52	$ .53
Dividends	.08	.08	.08					
Market prices								
High	29¾	29⅝	22½	20	16⅜			
Low	22¾	19½	18¼	15⅝	13¾			
Average common and common equivalent shares (in thousands)[2]	66,710	66,727	66,466	66,251	66,067			

The above schedule is a tabulation of the Company's unaudited quarterly results of operations for the years ended December 31, 1995 and 1994. The Company's common shares are traded on the New York Stock Exchange under the symbol COF. In addition, shares may be traded in the over-the-counter stock market. There were 13,247 common stockholders of record at December 31, 1995.

[1] Non-interest expense includes a $49.0 million ($31.9 million after-tax) nonrecurring charge for computer services contract termination expense in the third quarter of 1994.

[2] Assumes 66,067 shares outstanding prior to November 22, 1994.

EXHIBIT C

1996 (Third Quarter) 10-Q

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

FORM 10-Q

(Mark One)

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 1996

OR

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ________ to ________.

Commission file number 1-13300

CAPITAL ONE FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	54-1719854
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2980 Fairview Park Drive, Suite 1300, Falls Church, Virginia	22042-4525
(Address of principal executive offices)	(Zip Code)

(703) 205-1000
(Registrant's telephone number, including area code)

(Not Applicable)
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes _X_ No ___

As of October 31, 1996, there were 66,297,405 shares of the registrant's Common Stock, par value $.01 per share, outstanding.

CAPITAL ONE FINANCIAL CORPORATION

FORM 10-Q

INDEX

September 30, 1996

Item 1.

CAPITAL ONE FINANCIAL CORPORATION

Condensed Consolidated Balance Sheets

(dollars in thousands, except per share data) (unaudited)

	September 30 1996	December 31 1995
ASSETS		
Cash and due from banks	$ 155,474	$ 51,680
Federal funds sold	250,000	465,000
Interest-bearing deposits at other banks	376,050	355,780
Cash and cash equivalents	781,524	872,460
Securities available for sale	684,989	413,016
Consumer loans held for securitization	1,300,000	400,000
Consumer loans	3,162,008	2,521,679
Less: Allowance for loan losses	(92,500)	(72,000)
Net loans	3,069,508	2,449,679
Premises and equipment, net	164,630	139,074
Interest receivable	40,694	55,573
Accounts receivable from securitizations	483,239	359,379
Other assets	68,510	70,140
Total assets	$ 6,593,094	$ 4,759,321
LIABILITIES		
Interest-bearing deposits	$ 1,294,695	$ 696,037
Other short-term borrowings	716,492	809,803
Bank notes	3,363,123	2,491,869
Deposit notes	299,996	
Interest payable	56,696	73,931
Other liabilities	160,813	88,490
Total liabilities	5,891,815	4,160,130
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 300,000,000 shares, 66,286,645 and 66,174,567 issued and outstanding at September 30, 1996 and December 31, 1995, respectively	663	662
Paid-in capital, net	476,921	469,830
Retained earnings	223,695	128,699
Total stockholders' equity	701,279	599,191
Total liabilities and stockholders' equity	$ 6,593,094	$ 4,759,321

See notes to condensed consolidated financial statements.

CAPITAL ONE FINANCIAL CORPORATION
Condensed Consolidated Statements of Income
(dollars in thousands, except per share data) (unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
Interest Income:				
Consumer loans, including fees	$ 170,593	$ 114,093	$ 408,107	$ 281,848
Federal funds sold	3,885	6,035	16,349	19,300
Other	13,757	8,785	34,674	21,264
Total interest income	188,235	128,913	459,130	322,412
Interest expense:				
Deposits	16,569	14,360	40,143	36,293
Other short-term borrowings	7,535	14,765	21,450	52,072
Bank and deposit notes	57,477	40,127	145,622	91,090
Total interest expense	81,581	69,252	207,215	179,455
Net interest income	106,654	59,661	251,915	142,957
Provision for loan losses	53,933	18,652	104,211	44,548
Net interest income after provision for loan losses	52,721	41,009	147,704	98,409
Non-interest income:				
Servicing	109,549	98,193	346,850	299,488
Service charges	72,983	23,555	141,641	60,816
Interchange	14,847	9,449	37,264	23,652
Other	9,337	5,663	22,708	17,853
Total non-interest income	206,716	136,860	548,463	401,809
Non-interest expense:				
Salaries and associate benefits	57,562	36,648	151,493	98,090
Solicitation	60,177	34,267	154,434	109,474
Communications and data processing	20,251	15,438	55,070	46,913
Supplies and equipment	15,486	11,388	42,269	29,713
Occupancy	5,692	3,246	14,711	9,812
Other	37,655	23,821	94,630	67,594
Total non-interest expense	196,823	124,808	512,607	361,596
Income before income taxes	62,614	53,061	183,560	138,622
Income taxes	23,793	19,113	68,543	49,919
Net income	$ 38,821	$ 33,948	$ 115,017	$ 88,703
Earnings per share	$ .58	$ .51	$ 1.72	$ 1.33
Weighted average common and common equivalent shares outstanding	67,058,129	66,726,983	67,021,722	66,701,943
Dividends paid per share	$ .08	$ .08	$ .24	$ .16

See notes to condensed consolidated financial statements.

CAPITAL ONE FINANCIAL CORPORATION
Condensed Consolidated Statements of Changes in Stockholders' Equity
(dollars in thousands, except per share data) (unaudited)

	Common Stock Shares	Common Stock Amount	Paid-in Capital, Net	Retained Earnings	Total Stockholders' Equity
Balance, December 31, 1994	66,067,250	$ 661	$ 462,844	$ 11,052	$ 474,557
Net income				88,703	88,703
Cash dividends - $.16 per share				(10,586)	(10,586)
Issuance of common stock	40,621	1	780		781
Exercise of stock options	6,582		132		132
Restricted stock grants	35,715				
Amortization of deferred compensation			2,997		2,997
Change in unrealized gains on securities available for sale, net of income taxes of $2,342				4,349	4,349
Balance, September 30, 1995	66,150,168	$ 662	$ 466,753	$ 93,518	$ 560,933
Balance, December 31, 1995	66,174,567	$ 662	$ 469,830	$ 128,699	$ 599,191
Net income				115,017	115,017
Cash dividends - $.24 per share				(15,397)	(15,397)
Issuance of common stock	104,126	1	2,179		2,180
Exercise of stock options	8,616		139		139
Tax benefit from stock awards			261		261
Restricted stock, net	(664)		162		162
Common stock issuable under incentive plan			4,350		4,350
Other				(8)	(8)
Change in unrealized gains on securities available for sale, net of income taxes of $2,486				(4,616)	(4,616)
Balance, September 30, 1996	66,286,645	$ 663	$ 476,921	$ 223,695	$ 701,279

See notes to condensed consolidated financial statements.

CAPITAL ONE FINANCIAL CORPORATION
Condensed Consolidated Statements of Cash Flows
(dollars in thousands) (unaudited)

	Nine Months Ended September 30	
	1996	1995
Operating Activities:		
Net income	$ 115,017	$ 88,703
Adjustments to reconcile net income to cash provided by operating activities:		
Provision for loan losses	104,211	44,548
Depreciation and amortization	31,214	23,438
Stock compensation plans	4,512	2,997
Decrease (increase) in interest receivable	14,879	(16,729)
Increase in accounts receivable from securitizations	(123,860)	(251,685)
Increase in other assets	(1,901)	(9,931)
(Decrease) increase in interest payable	(17,235)	38,782
Increase in other liabilities	72,323	90,693
Net cash provided by operating activities	199,160	10,816
Investing Activities:		
Purchases of securities available for sale	(516,884)	(403,218)
Proceeds from maturities of securities available for sale	240,040	100,000
Proceeds from securitization of credit card loans	1,445,000	2,775,000
Net increase in consumer loans	(3,079,014)	(3,610,944)
Recoveries of loans previously charged off	9,974	9,533
Additions of premises and equipment, net	(52,731)	(44,589)
Net cash used for investing activities	(1,953,615)	(1,174,218)
Financing Activities:		
Net increase in interest-bearing deposits	598,658	477,833
Net decrease in other short-term borrowings	(93,311)	(1,095,385)
Issuances of bank and deposit notes	1,757,750	2,469,869
Maturities of bank and deposit notes	(586,500)	
Proceeds from exercise of stock options	139	132
Net proceeds from issuance of common stock	2,180	781
Dividends paid	(15,397)	(10,586)
Net cash provided by financing activities	1,663,519	1,842,644
(Decrease) increase in cash and cash equivalents	(90,936)	679,242
Cash and cash equivalents at beginning of period	872,460	406,880
Cash and cash equivalents at end of period	$ 781,524	$ 1,086,122

See notes to condensed consolidated financial statements.

Table 3 provides average balance sheet data, an analysis of net interest income, net interest spread (the difference between the yield on earning assets and the cost of interest-bearing liabilities) and net interest margin for the three and nine months ended September 30, 1996 and 1995.

TABLE 3 - STATEMENTS OF AVERAGE BALANCES, INCOME AND EXPENSE, YIELDS AND RATES

	Three Months Ended September 30					
(dollars in thousands)	1996			1995		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Assets:						
Earning assets						
Consumer loans (1)	$3,955,121	$ 170,593	17.25 %	$3,333,680	$ 114,093	13.69 %
Federal funds sold	281,598	3,885	5.52	406,256	6,035	5.94
Other securities	946,158	13,757	5.82	519,922	8,785	6.76
Total earning assets	5,182,877	$ 188,235	14.53 %	4,259,858	$ 128,913	12.10 %
Cash and due from banks	30,405			9,178		
Allowance for loan losses	(80,830)			(70,396)		
Premises and equipment, net	160,140			118,845		
Other assets	799,109			646,804		
Total assets	$6,091,701			$4,964,289		
Liabilities and Equity:						
Interest-bearing liabilities						
Deposits	$1,234,066	$ 16,569	5.37 %	$ 899,706	$ 14,360	6.38 %
Other short-term borrowings	465,596	7,535	6.47	956,075	14,765	6.18
Bank and deposit notes	3,434,769	57,477	6.69	2,321,784	40,127	6.91
Total interest-bearing liabilities	5,134,431	$ 81,581	6.36 %	4,177,565	$ 69,252	6.63 %
Other liabilities	259,028			231,984		
Total liabilities	5,393,459			4,409,549		
Equity	698,242			554,740		
Total liabilities and equity	$6,091,701			$4,964,289		
Net interest spread			8.17 %			5.47 %
Interest income to average earning assets			14.53 %			12.10 %
Interest expense to average earning assets			6.30			6.50
Net interest margin			8.23 %			5.60 %

(1) Interest income includes past-due fees on loans of $30,198 and $13,371 for the three months ended September 30, 1996 and 1995, respectively.

	Nine Months Ended September 30					
(dollars in thousands)	1996			1995		
	Average Balance	**Income/ Expense**	**Yield/ Rate**	**Average Balance**	**Income/ Expense**	**Yield/ Rate**
Assets:						
Earning assets						
Consumer loans (1)	$3,317,532	$ 408,107	16.40 %	$2,863,985	$ 281,848	13.12 %
Federal funds sold	404,953	16,349	5.38	432,999	19,300	5.94
Other securities	768,517	34,674	6.02	420,092	21,264	6.75
Total earning assets	4,491,002	$ 459,130	13.63 %	3,717,076	$ 322,412	11.57 %
Cash and due from banks	14,590			5,086		
Allowance for loan losses	(76,264)			(68,541)		
Premises and equipment, net	151,845			113,592		
Other assets	640,089			464,122		
Total assets	$5,221,262			$4,231,335		
Liabilities and Equity:						
Interest-bearing liabilities						
Deposits	$ 961,515	$ 40,143	5.57 %	$ 745,160	$ 36,293	6.49 %
Other short-term borrowings	449,256	21,450	6.37	1,059,408	52,072	6.55
Bank and deposit notes	2,941,689	145,622	6.60	1,732,747	91,090	7.01
Total interest-bearing liabilities	4,352,460	$ 207,215	6.35 %	3,537,315	$ 179,455	6.76 %
Other liabilities	211,059			166,737		
Total liabilities	4,563,519			3,704,052		
Equity	657,743			527,283		
Total liabilities and equity	$5,221,262			$4,231,335		
Net interest spread			7.28 %			4.81 %
Interest income to average earning assets			13.63 %			11.57 %
Interest expense to average earning assets			6.15			6.44
Net interest margin			7.48 %			5.13 %

(1) Interest income includes past-due fees on loans of $65,208 and $34,445 for the nine months ended September 30, 1996 and 1995, respectively.

Exhibit 11

Capital One Financial Corporation
Computation of Per Share Earnings
Three and Six Months Ended September 30, 1996 and 1995
(dollars in thousands, except per share data)

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
Primary				
Net income	$ 38,821	$ 33,948	$ 115,017	$ 88,703
Weighted average common and common equivalent shares outstanding				
Average common shares outstanding	66,249,581	65,641,117	66,207,452	65,624,029
Net effect of dilutive restricted stock (1)	5,623	359,926	8,543	327,958
Net effect of dilutive stock options (1)	768,893	539,121	691,826	333,706
Weighted average common and common equivalent shares	67,024,097	66,540,164	66,907,821	66,285,693
Earnings per share	$ 0.58	$ 0.51	$ 1.72	$ 1.34
Fully diluted				
Net income	$ 38,821	$ 33,948	$ 115,017	$ 88,703
Weighted average common and common equivalent shares outstanding				
Average common shares outstanding	66,249,581	65,641,117	66,207,452	65,624,029
Net effect of dilutive restricted stock (2)	6,118	371,081	11,840	363,129
Net effect of dilutive stock options (2)	802,430	714,785	802,430	714,785
Weighted average common and common equivalent shares	67,058,129	66,726,983	67,021,722	66,701,943
Earnings per share	$ 0.58	$ 0.51	$ 1.72	$ 1.33

(1) *Based on the treasury stock method using average market price.*

(2) *Based on the treasury stock method using the higher of ending or average market price.*

The calculations of common and common equivalent earnings per share and fully diluted earnings per share are submitted in accordance with Securities Exchange Act of 1934 Release No. 9083 although both calculations are not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because there is dilution of less than 3%. The Registrant has elected to show fully diluted earnings per share in its financial statements.

Exhibit 12

Capital One Financial Corporation
Computation of Ratio of Earnings to Fixed Charges
For the Nine Months Ended September 30, 1996 and 1995

	Nine Months Ended September 30	
	1996	1995
Earnings	$ 183,560	$ 138,622
Fixed Charges	210,045	180,952
	394,605	319,574
Fixed Charges	211,045	180,952
Ratio	1.87	1.77

EXHIBIT D

News Release (Containing Unaudited 1996 Financial Statements)

[redacted]

Capital One

News Release

Capital One Financial Corporation
2980 Fairview Park Drive
Suite 1400
Falls Church, VA 22042-4525

FOR IMMEDIATE RELEASE:
January 22, 1997

Contact: Paul Paquin
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(703) 205-1039

Diana Sun
Director, Media Relations
(703) 205-1184

Capital One Reports Record Earnings
Earnings Per Share Increased 21 Percent in 1996

FALLS CHURCH, Va. (January 22, 1997) -- Capital One Financial Corporation (NYSE: COF) today announced record earnings for 1996. Earnings were $155.3 million, or $2.30 per share, compared with earnings of $126.5 million, or $1.90 per share, in 1995. For the fourth quarter 1996, earnings were $40.3 million, or $.60 per share, versus earnings of $38.8 million, or $.58 per share for the third quarter of 1996 and $37.8 million, or $.57 per share, for the comparable period in the prior year.

"We are pleased with our success in delivering earnings growth and return on equity in excess of 20 percent," said Richard D. Fairbank, Capital One's Chairman and Chief Executive Officer. "We continue to see the successes of our information-based strategy in the company's revenue power, which allows us to maintain our margins in a softening consumer credit environment. We believe that our strategy of delivering customized products and services will continue to provide strong results."

For the year, the Company increased managed receivables by $2.4 billion, or 23 percent, and added 2.4 million net new accounts, a 40 percent increase over 1995. During the fourth quarter, Capital One increased its managed portfolio by $663 million to $12.8 billion in outstanding receivables and added 354,000 net new accounts, bringing the total number of accounts to 8.6 million. Revenue for the year, defined as managed net interest income and non-interest income, rose to almost $1.5 billion, a 63 percent increase from revenues of $906 million in 1995. For the fourth quarter, total revenue rose to $437 million versus $401 million in the third quarter and $264 million for the comparable period in the prior year.

"By all measures, we had another solid year of growth," said Nigel W. Morris, Capital One's President and Chief Operating Officer. "Our 1996 account growth, managed loan growth

-more-

[redacted]

and revenue growth led to record profits. Our associates continue to harness the information-based strategy to build the platform for future growth."

Managed net interest margin for the full year 1996 increased by 188 basis points to 8.16 percent from 6.28 percent in the prior year. The fourth quarter managed net interest margin declined slightly to 8.29 percent from 8.35 percent in the third quarter; this compares to 6.49 percent for the comparable period of 1995.

Managed non-interest income for 1996 increased by 67 percent to $460.5 million from $276.3 million in 1995. Managed non-interest income increased to $154.3 million in the fourth quarter from $133.4 million in the third quarter of 1996 and $76.8 million in the comparable quarter in 1995.

The managed net charge-off rate for 1996 was 4.24 percent compared to 2.25 percent for 1995. The managed net charge-off rate increased to 5.11 percent in the fourth quarter versus 4.19 percent in the third quarter. The year-end managed delinquency rate increased to 6.42 percent versus 5.31 percent at September 30, 1996 and 4.20 percent at December 31, 1995. These increases are due to continued softening of consumer credit, an ongoing shift in the product mix to higher-yielding products for underserved segments and slower portfolio growth.

Solicitation (marketing) expense for 1996 increased to a record $206.6 million, up 41 percent from $146.8 million in 1995. Fourth quarter solicitation expense of $52.2 million represents the second largest quarterly marketing level to date. This amount compares to $60.2 million in the third quarter of 1996 and $37.3 million in the comparable period of the prior year.

The allowance for loan losses was increased by $26.0 million during the fourth quarter and as a percentage of on-balance sheet receivables was 2.73 percent at year-end. Capital ratios were strong at quarter-end at 11.45 percent of reported assets and 4.96 percent of managed assets.

Headquartered in Falls Church, Virginia, Capital One Financial Corporation is a financial services company whose principal subsidiaries, Capital One Bank, and Capital One, F.S.B., offer consumer lending products. Capital One's subsidiaries collectively had 8.6 million customers and $12.8 billion in managed loans outstanding at December 31, 1996, and are among the largest providers of MasterCard and Visa credit cards in the United States.

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[Note: This release and financial statements are available on the Internet on Capital One's home page (address: http://www.capitalone.com). Click on "Financial Information" to view/download the release and financial information.]

CAPITAL ONE FINANCIAL CORPORATION (COF)
FINANCIAL & STATISTICAL SUMMARY

(in millions, except per share data and as noted)	96 Q4	96 Q3	96 Q2	96 Q1	95 Q4
Earnings (Managed Basis)					
Net Interest Income	$ 282.6	$ 267.2	$ 231.6	$ 232.1	$ 186.9
Non-Interest Income	154.3	133.4	96.1	76.6	76.8
Total Revenue	436.9	400.6	327.7	308.7	263.7
Provision for Loan Losses	171.5	141.2	107.7	92.0	68.8
Marketing Expenses	52.2	60.2	42.7	51.5	37.3
Operating Expenses	148.4	136.6	116.6	104.9	98.5
Income Before Taxes	64.9	62.6	60.6	60.3	59.1
Tax Rate	38.0 %	38.0 %	37.0 %	37.0 %	36.0 %
Net Income	$ 40.3	$ 38.8	$ 38.2	$ 38.0	$ 37.8
Common Share Statistics					
EPS	$ 0.60	$ 0.58	$ 0.57	$ 0.57	$ 0.57
Dividends Per Share	$ 0.08	$ 0.08	$ 0.08	$ 0.08	$ 0.08
Book Value Per Share (period end)	$ 11.16	$ 10.58	$ 10.03	$ 9.51	$ 9.05
Stock Price Per Share (period end)	$ 36.00	$ 29.88	$ 28.50	$ 27.50	$ 23.88
Total Market Capitalization (period end)	$ 2,387.7	$ 1,980.3	$ 1,888.1	$ 1,820.9	$ 1,579.9
Shares Outstanding (period end)	66.3	66.3	66.2	66.2	66.2
Shares Used to Compute EPS	67.6	67.0	66.9	66.8	66.7
Managed Loan Statistics (period avg.)					
Average Loans	$ 12,471	$ 11,581	$ 10,740	$ 10,265	$ 10,275
Average Earning Assets	$ 13,635	$ 12,809	$ 11,673	$ 11,567	$ 11,523
Average Assets	$ 14,459	$ 13,718	$ 12,392	$ 12,214	$ 12,152
Average Stockholders' Equity	$ 733	$ 698	$ 644	$ 631	$ 591
Net Interest Margin	8.29 %	8.35 %	7.94 %	8.03 %	6.49 %
Return on Average Assets (ROA)	1.11 %	1.13 %	1.23 %	1.24 %	1.24 %
Return on Average Equity (ROE)	21.95 %	22.24 %	23.73 %	24.10 %	25.59 %
Charge-Off Rate	5.11 %	4.19 %	3.97 %	3.53 %	2.58 %
Net Charge-Offs	$ 159.2	$ 121.4	$ 106.6	$ 90.6	$ 66.1
Managed Loan Statistics (period end)					
Reported Loans	$ 4,344	$ 4,462	$ 3,570	$ 2,592	$ 2,922
Securitized Loans	8,460	7,679	7,609	7,524	7,523
Total Loans	$ 12,804	$ 12,141	$ 11,179	$ 10,116	$ 10,445
Delinquency Rate (over 30 days)	6.42 %	5.31 %	4.59 %	4.51 %	4.20 %
Number of Accounts (000's)	8,586	8,232	7,758	6,661	6,149
Total Assets	$ 14,926	$ 14,272	$ 13,285	$ 11,666	$ 12,283
Stockholders' Equity	$ 740.4	$ 701.3	$ 664.3	$ 629.8	$ 599.2
Equity to Managed Assets Ratio	4.96 %	4.91 %	5.00 %	5.31 %	4.88 %
Percent Introductory Rate Loans	27 %	27 %	28 %	26 %	44 %
Employees (FTE)	5,740	5,232	4,760	3,883	3,559

CAPITAL ONE FINANCIAL CORPORATION
Consolidated Balance Sheets
(in thousands)(unaudited)

	December 31 1996	September 30 1996	December 31 1995
ASSETS			
Cash and due from banks	$ 48,724	$ 155,474	$ 51,680
Federal funds sold	450,000	250,000	465,000
Interest-bearing deposits at other banks	30,252	376,050	355,780
Cash and cash equivalents	528,976	781,524	872,460
Securities available for sale	865,001	684,989	413,016
Consumer loans held for securitization		1,300,000	400,000
Consumer loans	4,343,902	3,162,008	2,521,679
Less: Allowance for loan losses	(118,500)	(92,500)	(72,000)
Net loans	4,225,402	3,069,508	2,449,679
Premises and equipment, net	174,661	164,630	139,074
Interest receivable	78,590	40,694	55,573
Accounts receivable from securitizations	502,520	483,239	359,379
Other assets	92,295	68,510	70,140
Total assets	$ 6,467,445	$ 6,593,094	$ 4,759,321
LIABILITIES			
Interest-bearing deposits	$ 943,022	$ 1,294,695	$ 696,037
Other short-term borrowings	530,983	716,492	809,803
Senior notes	3,694,237	3,363,123	2,491,869
Deposit notes	299,996	299,996	
Interest payable	80,362	56,696	73,931
Other liabilities	178,454	160,813	88,490
Total liabilities	5,727,054	5,891,815	4,160,130
STOCKHOLDERS' EQUITY			
Common stock	663	663	662
Paid-in capital, net	481,383	476,921	469,830
Retained earnings	258,345	223,695	128,699
Total stockholders' equity	740,391	701,279	599,191
Total liabilities and stockholders' equity	$ 6,467,445	$ 6,593,094	$ 4,759,321

CAPITAL ONE FINANCIAL CORPORATION
Consolidated Statements of Income
(in thousands, except per share data)(unaudited)

	Three Months Ended December 31 1996	Three Months Ended September 30 1996	Three Months Ended December 31 1995	Year Ended December 31 1996	Year Ended December 31 1995
Interest income:					
Consumer loans, including fees	$ 183,981	$ 170,583	$ 115,806	$ 592,088	$ 397,654
Federal funds sold	4,944	3,885	7,532	21,293	26,832
Other	12,428	13,757	11,659	47,102	32,923
Total interest income	201,353	188,235	134,997	660,483	457,409
Interest expense:					
Deposits	16,129	16,569	13,254	56,272	49,547
Other short-term borrowings	7,059	7,535	14,142	28,509	66,214
Senior and deposit notes	64,596	57,477	42,545	210,218	133,635
Total interest expense	87,784	81,581	69,941	294,999	249,396
Net interest income	113,569	106,654	65,056	365,484	208,013
Provision for loan losses	63,035	53,933	21,347	167,246	65,895
Net interest income after provision for loan losses	50,534	52,721	43,709	198,238	142,118
Non-interest income:					
Servicing income	112,983	109,549	110,439	459,833	409,927
Service charges	77,347	72,983	25,213	218,988	86,029
Interchange	14,135	14,847	9,805	51,399	33,457
Other	10,496	9,337	5,777	33,204	23,630
Total non-interest income	214,961	206,716	151,234	763,424	553,043
Non-interest expense:					
Salaries and associate benefits	63,662	57,562	37,743	215,155	135,833
Solicitation	52,186	60,177	37,336	206,620	146,810
Communications and data processing	21,771	20,251	14,595	76,841	61,508
Supplies and equipment	17,784	15,486	12,368	60,053	42,081
Occupancy	7,619	5,692	3,843	22,330	13,655
Other	37,553	37,655	29,949	132,183	97,543
Total non-interest expense	200,575	196,823	135,834	713,182	497,430
Income before income taxes	64,920	62,614	59,109	248,480	197,731
Income taxes	24,670	23,793	21,301	93,213	71,220
Net income	$ 40,250	$ 38,821	$ 37,808	$ 155,267	$ 126,511
Earnings per share	$ .60	$ .58	$ .57	$ 2.30	$ 1.90
Dividends paid per share	$ .08	$ .08	$ .08	$ .32	$ .24

CAPITAL ONE FINANCIAL CORPORATION
Statements of Average Balances, Income and Expense, Yields and Rates
(dollars in thousands)(unaudited)

Managed (1)	Quarter Ended 12/31/96 Average Balance	Quarter Ended 12/31/96 Income/ Expense	Quarter Ended 12/31/96 Yield/ Rate	Quarter Ended 9/30/96 Average Balance	Quarter Ended 9/30/96 Income/ Expense	Quarter Ended 9/30/96 Yield/ Rate	Quarter Ended 12/31/95 Average Balance	Quarter Ended 12/31/95 Income/ Expense	Quarter Ended 12/31/95 Yield/ Rate
Assets:									
Earning assets									
Consumer loans	$ 12,471,141	$ 464,469	14.90%	$ 11,581,054	$ 438,280	15.14%	$ 10,275,160	$ 343,509	13.37%
Federal funds sold	365,112	4,944	5.42%	281,598	3,885	5.52%	515,513	7,532	5.84%
Other securities	799,039	12,428	6.22%	946,158	13,757	5.82%	732,182	11,659	6.37%
Total earning assets	13,635,292	481,841	14.14%	12,808,810	455,922	14.24%	11,522,855	362,700	12.59%
Cash and due from banks	60,715			30,405			21,840		
Allowance for loan losses	(105,497)			(80,830)			(74,087)		
Premises and equipment, net	170,127			160,140			152,790		
Other assets	698,346			799,109			528,910		
Total assets	$ 14,458,983			$ 13,717,634			$ 12,152,308		
Liabilities and Equity:									
Interest-bearing liabilities									
Deposits	$ 1,298,103	$ 16,129	4.97%	$ 1,234,066	$ 16,569	5.37%	$ 842,472	$ 13,254	6.29%
Other short-term borrowings	471,708	7,059	5.99%	465,596	7,535	6.47%	935,098	14,142	6.05%
Senior and deposit notes	3,842,830	64,596	6.72%	3,434,769	57,477	6.69%	2,491,868	42,545	6.83%
Securitization liability	7,823,379	111,421	5.70%	7,625,933	107,107	5.62%	7,108,769	105,873	5.96%
Total interest-bearing liabilities	13,436,020	199,205	5.93%	12,760,364	188,688	5.91%	11,378,207	175,814	6.18%
Other liabilities	289,567			259,028			183,018		
Total liabilities	13,725,587			13,019,392			11,561,225		
Equity	733,396			698,242			591,083		
Total liabilities and equity	$ 14,458,983			$ 13,717,634			$ 12,152,308		
Net interest spread			8.21%			8.33%			6.41%
Interest income to average earning assets			14.14%			14.24%			12.59%
Interest expense to average earning assets			5.85%			5.89%			6.10%
Net interest margin			8.29%			8.35%			6.49%

(1) The information in this table reflects the adjustment to add back the effect of securitized loans.

CAPITAL ONE FINANCIAL CORPORATION

Statements of Average Balances, Income and Expense, Yields and Rates

(dollars in thousands)(unaudited)

Reported

	Quarter Ended 12/31/96			Quarter Ended 9/30/96			Quarter Ended 12/31/95		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Assets:									
Earning assets									
Consumer loans	$ 4,647,762	$ 183,981	15.83%	$ 3,955,121	$ 170,593	17.25%	$ 3,166,392	$ 115,806	14.63%
Federal funds sold	365,112	4,944	5.42%	281,598	3,885	5.52%	515,513	7,532	5.84%
Other securities	799,039	12,428	6.22%	946,158	13,757	5.82%	732,182	11,659	6.37%
Total earning assets	5,811,913	201,353	13.86%	5,182,877	188,235	14.53%	4,414,087	134,997	12.23%
Cash and due from banks	60,715			30,405			21,840		
Allowance for loan losses	(105,497)			(80,830)			(74,087)		
Premises and equipment, net	170,127			160,140			152,790		
Other assets	698,346			799,109			528,909		
Total assets	$ 6,635,604			$ 6,091,701			$ 5,043,539		
Liabilities and Equity:									
Interest-bearing liabilities									
Deposits	$ 1,298,103	$ 16,129	4.97%	$ 1,234,066	$ 16,569	5.37%	$ 842,472	$ 13,254	6.29%
Other short-term borrowings	471,708	7,059	5.99%	465,596	7,535	6.47%	935,098	14,142	6.05%
Senior and deposit notes	3,842,830	64,596	6.72%	3,434,769	57,477	6.69%	2,491,868	42,545	6.83%
Total interest-bearing liabilities	5,612,641	87,784	6.26%	5,134,431	81,581	6.36%	4,269,438	69,941	6.55%
Other liabilities	289,567			259,028			183,018		
Total liabilities	5,902,208			5,393,459			4,452,456		
Equity	733,396			698,242			591,083		
Total liabilities and equity	$ 6,635,604			$ 6,091,701			$ 5,043,539		
Net interest spread			7.60%			8.17%			5.68%
Interest income to average earning assets			13.86%			14.53%			12.23%
Interest expense to average earning assets			6.04%			6.30%			6.33%
Net interest margin			7.82%			8.23%			5.90%