Capital One Bank (Europe) plc

Report and Financial Statements

31st December 2006

Registered in England. Number 3879023
Registered office: 350 Euston Road,
London, NW1 3JJ

DIRECTORS' REPORT

The Dırectors present theır report and the financıal statements of Capıtal One Bank (Europe) plc ('the Company') for the year ended 31st December 2006

Results and dividends

The profit for the year, after taxatıon, amounted to £12 1 mıllıon (2005 loss of £6 9 mıllıon) The Dırectors do not recommend payment of a dıvıdend on the ordınary shares (2005 £nil)

Principal activity and review of business

The Company provıdes a range of bankıng, financıal and related servıces ın Europe, prıncıpally ın the UK

The Company ıs ultımately owned by Capıtal One Fınancıal Corporatıon ('the Corporatıon') The Corporatıon started as an ındependent company ın 1995, and has sınce become a Fortune 500 company The Corporatıon has developed ınto a global dıversıfied financıal servıces provıder wıth operatıons ın the US and Canada as well as Europe Over the last two years, the Corporatıon has completed the acquısıtıons of Hıbernıa Corporatıon and North Fork Bancorporatıon and as a result has become the 11th largest bank ın the US, based on deposıts The Corporatıon's managed loans at the end of the year totalled $146 2 bıllıon (2005 $105 5 bıllıon) The Corporatıon's profit after tax for the year ended 31st December 2006 was $2 4 bıllıon (2005 $1 8 bıllıon)

To assess the ongoıng performance and posıtıon of the busıness the Dırectors utılıse a number of key performance ındicators

	2006 £'000	2005 £'000	Change %
Net Interest Income	312,179	301,550	+3 5%
Fees and commıssıons receıvable	307,357	346,147	-11 2%
Provısıons for bad and doubtful debts	(318,495)	(303,971)	-4 8%
Retaıned profit / (loss)	12,097	(6,909)	
Gross loans and advances to customers	4,564,924	4,707,793	-3 0%
Equıty shareholders' funds	388,050	300,953	+28 9%

The changes to Net ınterest ıncome and fees and commıssıons receıvable reflect ıncreased ınterest charges, portfolıo mıx changes and a revıew of fee chargıng structures The contınuıng deterıoratıon ın the general UK credıt market has resulted ın an ıncrease ın the charge for bad and doubtful debts In response to the deterıoratıng credıt market, new customer acceptance crıterıa have been have tıghtened resultıng ın a reductıon ın gross loans and advances to customers of 3 0% ın the year (2005 10 4% ıncrease)

On 8th August 2006 the Company ıssued 33,573,261 ordınary shares to Capıtal One Investments Lımıted, a fellow group undertakıng, for £75,000,000 Thıs combıned wıth the profit for the year contrıbuted to the 28 9% ıncrease ın equıty shareholders' funds to £388 1 mıllıon (2005 £301 6 mıllıon)

The Dırectors consıder the ongoıng level of busıness and the prospects of the Company to be satısfactory

DIRECTORS' REPORT (continued)

Principal risks and uncertainties

The Company has formal processes for identifying, measuring, assessing and monitoring enterprise risk The Company uses various risk categories which represent defined risk groupings that help achieve consistent identification, assessment, measurement and monitoring across risks The principal risk categories facing the Company comprise the following

- Financial instrument risks
The main risks arising from the Company's financial instruments are market risk, liquidity risk and credit risk The Company's financial risk management objectives and policies are disclosed in Treasury Policy and Risk Management (Note 21)

- Operational risks
Operational risk represents the risk of direct or indirect loss from failed or inadequate processes, people or systems, or exposure to external events

- Strategic risks
Strategic risk represents the risk to earnings or capital of operating a business in a competitive environment This includes the impact of competitive and economic factors, as well as adverse consequences of major long term investments and/or major long term resource commitments

- Legal risks
Legal risk represents the risk of loss related to new and changed laws, interpretations of law, legal entity structure, and the drafting of contracts

- Compliance risks
Compliance risk represents the risk of failing to comply with all laws, regulations, rules, codes of conduct and ethical standards of good practice that are applicable to the Company, as well as failure to comply with internal policies or standards adopted to assist the Company with compliance

- Reputation risks
Reputation risk represents the risk to market value, recruitment and retention of talented associates, and maintenance of a loyal customer base due to the negative perceptions of stakeholders regarding the Company's business strategies and activities

Directors

The Directors who served in the year were as follows

Executive Directors	S Yajnik LA Klane (Chairman) G Perlin
Non-Executive Directors	AHC Broadbent TL Jones

Directors' interests

The Directors' interests in share options in the Corporation, the ultimate parent undertaking, are disclosed in Directors' emoluments and transactions (Note 27)

DIRECTORS' REPORT (continued)

Directors' liability

The Capital One Group has indemnified one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 Such qualifying third party indemnity provision was in force during the year

Associate involvement

The Company places considerable value on the involvement of the people it employs ('associates') and continues to keep them informed on matters affecting them as associates and on the various factors affecting the performance of the Capital One Group This is achieved through formal and informal meetings, including an associate representation body, company magazines and other corporate communications Many associates have a financial stake in the success of the Group through the stock purchase and long term incentive programs in the Corporation

Employment of disabled persons

The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities It is the Company's policy to provide ongoing employment and appropriate retraining to associates who become disabled, wherever practicable, and to provide training and career development to disabled associates

Charitable Donations

During the year the Company made charitable donations of £158,000 (2005 £123,000) to a wide range of beneficiaries No political donations were made (2005 £nil)

Supplier payment policy

Standard payment terms are by the end of the month following the month of invoice, unless individual contract terms have been agreed As at 31st December 2006, the Company had an average of 13 days' purchases outstanding in trade creditors (2005 21 days)

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Signed by order of the Board

VG Mitchell,
Secretary,
27th February 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial period Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL ONE BANK (EUROPE) PLC

We have audited the Company's financial statements for the year ended 31st December 2006 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, Reconciliation of Shareholders' Funds and the related notes 1 to 30 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL ONE BANK (EUROPE) PLC (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
27th February 2007

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2006

	Notes	2006 £'000	2005 £'000
INTEREST RECEIVABLE			
Interest receivable and similar income arising from debt securities		16,049	15,849
Other interest receivable and similar income		570,959	536,142
INTEREST PAYABLE		(274,829)	(250,441)
NET INTEREST INCOME		312,179	301,550
Income from equity shares in group undertakings		26,095	5,996
Fees and commissions receivable		307,357	346,147
Fees and commissions payable		(3,110)	(3,999)
Other operating income		3,315	716
TOTAL OPERATING INCOME		645,836	650,410
Administrative expenses	2	(318,269)	(356,681)
Depreciation	9	(7,287)	(6,387)
Provisions for bad and doubtful debts	6	(318,495)	(303,971)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,785	(16,629)
Tax credit on ordinary activities	3	10,312	9,720
RETAINED PROFIT / (LOSS) FOR THE YEAR		12,097	(6,909)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31st December 2006

There were no recognised gains or losses other than the profit for the year of £12,097,000 (2005 loss of £6,909,000)

BALANCE SHEET
As at 31st December 2006

	Notes	2006 £'000	2005 £'000
ASSETS			
Cash and balances at central banks		1,072	1,553
Loans and advances to banks	4	270,779	117,163
Loans and advances to customers	5	4,356,196	4,522,485
Debt securities	7	264,634	367,000
Investments	8	41,120	43,295
Tangible fixed assets	9	18,166	11,346
Other assets	10	249,253	181,669
Prepayments and accrued income		29,832	30,875
Total Assets		5,231,052	5,275,386
LIABILITIES			
Deposits by banks	11	3,431	8,801
Customer accounts	12	1,200,559	1,385,620
Debt securities in issue	13	2,968,218	2,846,414
Other liabilities	14	523,526	574,253
Accruals and deferred income	15	66,395	70,449
Provisions for liabilities and charges	16	7,873	15,896
Subordinated liabilities	17	73,000	73,000
Total Liabilities		4,843,002	4,974,433
TOTAL ASSETS LESS LIABILITIES		388,050	300,953
CAPITAL AND RESERVES			
Called up share capital	18	363,487	329,913
Share premium account	19	41,426	-
Profit and loss account	19	(16,863)	(28,960)
Equity Shareholders' Funds		388,050	300,953

These financial statements were approved by the Board of Directors on 27th February 2007 and signed on its behalf by

Sanjiv Yajnik

S Yajnik
Director

NOTES TO THE FINANCIAL STATEMENTS
As at 31st December 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part VII Chapter II of the Companies Act 1985 relating to banking companies, applicable accounting standards and the following Statements of Recommended Practice issued by the British Bankers' Association Advances, Contingent Liabilities and Commitments, Derivatives, Securities, and Segmental Reporting

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Capital One Holdings Limited which prepares consolidated financial statements which are publicly available A cash flow statement has not been included in these financial statements as allowed by Financial Reporting Standard ('FRS') 1, Cash Flow Statements (revised) A consolidated cash flow statement is included in the consolidated financial statements of the Corporation

Loans and advances to customers

The Company recognises finance charges and fee income on loans according to the contractual provisions of the credit agreements When, based on historic performance of the portfolio, payment in full of finance charge and fee income is not expected, the estimated uncollectable portion of previously accrued amounts are reversed against current period income The Company writes off credit card loans at 180 days past due

Certain loans and advances to customers have been securitised Where there is no significant change either in the Company's rights or benefits to those assets, or in the Company's exposure to the risks inherent in these benefits, they continue to be included on a gross basis in accordance with FRS 5, Reporting the Substance of Transactions

Provisions for bad and doubtful debts

The provision for loan losses is maintained at the amount estimated to be sufficient to absorb probable future losses, net of recoveries, inherent in the existing reported portfolio Provisions made during the year are charged to the profit and loss account net of recoveries of amounts previously written off

The levels of specific and general provisions necessary are determined primarily based on a migration analysis of delinquent and current accounts In evaluating the sufficiency of the provision for loan losses, management also takes into consideration the following factors recent trends in delinquencies and write-offs, historical trends in loan volume, forecasting uncertainties and size of credit risks, the degree of risk inherent in the final composition of the loan portfolio, economic conditions, credit evaluations, and underwriting policies

Credit card transactions suspected of being fraudulent are charged to the profit and loss account within 90 days of commencing an investigation

Debt Securities

Securities intended for use on a continuing basis in the Company's activities are classified as investment securities Such securities are stated at cost less provision for any permanent diminution in value In those rare instances where an investment security is sold prior to maturity, profits and losses are recognised when realised

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

1. ACCOUNTING POLICIES (continued)

Derivatives

Derivatives are entered into for specifically designated hedging purposes Gains and losses arising from these derivative transactions are recognised in accordance with the accounting treatment of the underlying transactions

Investments

Investments in subsidiaries are shown at cost less any provision for impairment, where relevant

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation Depreciation is charged so as to write off the cost of fixed assets, less their estimated residual values, on a straight-line basis over their expected useful economic lives, being 3 years for computer equipment, 3-10 years for fixtures, fittings and furniture, and the shorter of the remaining leasehold term or 5 years for leasehold improvements

Leased assets

Rentals payable under operating leases are accounted for on a straight-line basis over the period of the lease

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate All differences are taken to the profit and loss account

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pension costs

The Company participates in the Capital One Group Personal Pension Scheme, a defined contribution scheme which is operated by an independent fund manager Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme The assets of the scheme are held separately from those of the Company

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

1. ACCOUNTING POLICIES (continued)

Share-based payments

The Company has applied the requirements of FRS 20, Share-Based Payment In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7th November 2002 that were unvested as at 1st January 2006

The Corporation (Note 30), grants equity-settled and cash-settled share-based payments to certain employees of the Company The cost of equity-settled transactions with employees is measured by reference to the fair value (excluding the effect of non market-based vesting conditions) at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award

For share options, fair value is measured by use of the Black-Scholes pricing model The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

2. ADMINISTRATIVE EXPENSES

Operating profit / (loss) is stated after charging

	2006 £'000	2005 £'000
Staff costs:		
Wages and salaries	43,549	50,597
Social security costs	4,346	8,074
Pension costs	2,400	2,629
	50,295	61,300
Operating lease rentals:		
Property	6,486	6,587
Equipment	14	-
Auditors' remuneration:		
Audit fees	293	210
Other fees to auditors - taxation services	2	5
- corporate finance services	95	38
- other services	137	153

The average number of associates employed by the Company during the year was 1,344 (2005 1,445), all of whom were employed in management and administration

3. TAXATION

(a) Tax credit on ordinary activities

	2006 £'000	2005 £'000
Current tax		
United Kingdom corporation tax	10,230	(3,246)
Adjustments in respect of previous periods	1,000	(307)
Total current tax	11,230	(3,553)
Deferred tax		
Origination and reversal of timing differences	(1,036)	13,189
Adjustment to estimated recoverable deferred tax asset arising in previous periods	118	84
Total deferred tax	(918)	13,273
Total credit on ordinary activities	10,312	9,720

Tax losses have been surrendered by other group companies for which payment will be made at a rate of 30 pence for each £1 surrendered

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31st December 2006

3. TAXATION (continued)

(b) Factors affecting current tax credit

The tax credit for the year is based on a UK corporation tax rate of 30% (2005 30%) The differences between the tax assessed for the year and the standard rate of corporation tax in the UK, are explained as follows

	2006 £'000	2005 £'000
Profit / (loss) on ordinary activities before taxation	1,785	(16,629)
30% of profit / (loss) on ordinary activities	(536)	4,989
Effects of:		
Changes in timing differences		
Capital allowances for the year more / (less) than depreciation	171	(864)
Movements in other timing differences including movements in general provision for bad and doubtful debts	865	(12,325)
Deductible expenses not charged in accounts	2,036	3,364
Expenses not deductible for tax purposes	(135)	(209)
Dividends receivable	7,829	1,799
Adjustment in respect of previous periods	1,000	(307)
	11,230	(3,553)

(c) Deferred Taxation

	2006 £'000 Provided	2006 £'000 Unprovided	2005 £'000 Provided	2005 £'000 Unprovided
Decelerated capital allowances	1,776	-	2,428	-
General provision for bad and doubtful debts	20,798	-	21,477	-
Other provisions	413	-	-	-
	22,987	-	23,905	-

The Directors consider that, recognising current performance and future forecasts, it is more likely than not that there will be sustainable taxable profits from which the future reversal of the underlying timing differences can be deducted

Movement in deferred tax asset	**£'000**
At 1st January 2006	23,905
Deferred tax charge in the profit and loss account	(918)
At 31st December 2006	22,987

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31st December 2006

4. LOANS AND ADVANCES TO BANKS

	2006 £'000	2005 £'000
Repayable on demand or at short notice	270,779	117,163

5. LOANS AND ADVANCES TO CUSTOMERS

(a) **Loans and advances to customers**	2006 £'000	2005 £'000
Repayable on demand or at short notice	4,247,010	4,401,462
Other loans and advances to customers by remaining maturity:		
3 months or less, excluding on demand or short notice	27,843	24,065
1 year or less but over 3 months	80,755	71,144
5 years or less but over 1 year	209,316	211,122
	4,564,924	4,707,793
Provisions for bad and doubtful debts	(208,728)	(185,308)
	4,356,196	4,522,485

There is no fixed term for repayment on credit card loans other than the requirement to pay a minimum monthly amount For the purposes of the above table, these loans are classified as repayable on demand or at short notice

Interest and fees are not suspended on individual customers' accounts but provisions are charged to the profit and loss account, based on a statistical model The principal provision is allocated to specific accounts based on the delinquency of the principal balance The specific provision amount of £139 4 million (2005 £113 7 million) provides for 100% of those accounts in the latter stages of delinquency

(b) Securitisation and loan transfers

During 2006 the Company sold £1,414 million (2005 £1,503 million) of its credit card receivables to a trust vehicle created for the purpose of asset backed securitisations The note holders in these securitisations have a proportionate interest in each balance in the portfolio of securitised receivables and as at 31st December 2006 the value of this interest was £2,976 million (2005 £2,853 million) The funding giving rise to the note holders' interest is included within Debt Securities in Issue (Note 13) The interest payable on the loan notes in the year was £182 1 million (2005 £142 7 million) These securitisations do not qualify for linked presentation under FRS 5, Reporting the Substance of Transactions, and the total portfolio is therefore included within Loans and Advances to Customers

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

6. PROVISIONS FOR BAD AND DOUBTFUL DEBTS

2006	General provision £'000	Specific provision £'000	Total £'000
At 1st January 2006	71,589	113,719	185,308
Charge (credit) to the profit and loss account for the year	(2,263)	320,758	318,495
Amounts written off	-	(380,721)	(380,721)
Recoveries of advances previously written off	-	85,646	85,646
At 31st December 2006	69,326	139,402	208,728

2005	General provision £'000	Specific provision £'000	Total £'000
At 1st January 2005	30,506	75,292	105,798
Charge to the profit and loss account for the year	41,109	262,862	303,971
Adjustments due to exchange rate movements	(26)	-	(26)
Amounts written off	-	(279,006)	(279,006)
Recoveries of advances previously written off	-	54,571	54,571
At 31st December 2005	71,589	113,719	185,308

All of the above provisions relate to loans and advances to customers

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31st December 2006

7. DEBT SECURITIES

Unlisted investment securities due within one year	**Cost and carrying value £'000**
Bank and building society certificates of deposit	
At 1st January 2006	367,000
Additions	1,529,866
Disposals and maturities	(1,757,000)
Amortisation of discounts and premiums	133
At 31st December 2006	139,999
Unamortised discount at balance sheet date	-
Commercial Paper	
At 1st January 2006	-
Additions	671,420
Disposals and maturities	(549,908)
Amortisation of discounts and premiums	3,123
At 31st December 2006	124,635
Unamortised discount at balance sheet date	364
Treasury Bills	
At 1st January 2006	-
Additions	1,000
Disposals and maturities	(1,000)
Amortisation of discounts and premiums	-
At 31st December 2006	-
Unamortised discount at balance sheet date	-
Total unlisted investment securities due within one year	
At 31st December 2006	264,634
At 31st December 2005	367,000

8. INVESTMENTS

2006	**Equity Investments £'000**	**Capital Contribution £'000**	**Total Investments £'000**
At 1st January 2006	43,195	100	43,295
Adjustment to purchase consideration	(2,175)	-	(2,175)
At 31st December 2006	41,020	100	41,120

Equity investments have been reduced by £2,175,000 to recognise a reduction in the purchase consideration paid to acquire Capital One Loans (UK) Limited (previously HFS Group Limited) and its subsidiary undertakings in the prior year

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

8. INVESTMENTS (continued)

The Company holds directly or indirectly a 100% investment in each of the following subsidiary undertakings

	Country of Incorporation	Principal activity
Capital One Securities Limited	England and Wales	Investment company
Capital One Overseas Limited	Cayman Islands	Investment company
Capital One Loans (UK) Limited (previously HFS Group Limited)	England and Wales	Holding company
HFS Insurance Services Limited *	England and Wales	Non trading
Capital One Homeowner Loans Limited (previously HFS Loans Limited) *	England and Wales	Loan brokers
Capital One Mortgages Limited (previously HFS Mortgages Limited) *	England and Wales	Mortgage brokers
Myloan Limited *	England and Wales	Non trading
Support Selling Limited *	England and Wales	Non trading
Myfinance Limited *	England and Wales	Holding company
Ever 2255 Limited *	England and Wales	Non trading
Alipes 15 *	England and Wales	Non trading

* 100% interest held by subsidiary undertakings

Capital One Securities Limited is limited by guarantee and is wholly owned by the Company Capital One Overseas Limited has two classes of share capital with equal nominal value, of which the Company owns 40% of its Class A shares and 100% of its Class B shares The remaining 60% of its Class A shares are owned by Capital One Securities Limited, and therefore indirectly by the Company also

On 1st January 2006 the assets and liabilities of HFS Insurance Services Limited and Myloan Limited were transferred to HFS Loans Limited

On 1st January 2006 the trade, assets and liabilities of Supporting Selling Limited were transferred to HFS Loans Limited

On 10th January 2006 Homeowners Financial Services Limited, previously a subsidiary undertaking, was dissolved

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

8. INVESTMENTS (continued)

The Company is deemed to have dominant influence over the following subsidiary undertakings in which the Company has no equity holding These subsidiaries were incorporated as a result of the securitisation activities of the Company

	Country of Incorporation	Principal activity
Castle Receivables Trust Limited	Jersey	Securitisation of credit card receivables
Castle Credit Card Securitisation Funding Limited	Jersey	Holding company for investor beneficiaries in a trust vehicle
Carlisle Castle Funding Group Limited	Jersey	Investor beneficiary in trust vehicle
Tenby Castle Funding Group Limited	Jersey	Investor beneficiary in trust vehicle
Dover Castle Funding Group Limited	Jersey	Investor beneficiary in trust vehicle
Sherwood Funding Options Limited	Jersey	Acquirer of options
Sherwood Funding Issuer Limited	Jersey	Securitisation of credit card receivables
Sherwood Castle Holdings Limited	England and Wales	Holding investments in subsidiary companies
Sherwood Castle Funding Series 2002-1 plc	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2002-2 plc	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2003-1 plc	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2003-2 plc	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2004-1 plc	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2004-2 plc	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2004-3 plc	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2005-1 plc	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2006-1 plc	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2003-A Limited	England and Wales	Securitisation of credit card receivables
Sherwood Castle Funding Series 2003-B Limited	England and Wales	Securitisation of credit card receivables
Sherwood Castle Options Limited	England and Wales	Acquirer of options

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Equipment, fixtures & fittings £'000	Total £'000
Cost			
At 1st January 2006	1,710	27,353	29,063
Additions	37	14,352	14,389
Disposals	-	(830)	(830)
At 31st December 2006	1,747	40,875	42,622
Depreciation			
At 1st January 2006	(882)	(16,835)	(17,717)
Charge for the year	(334)	(6,953)	(7,287)
Disposals	-	548	548
At 31st December 2006	(1,216)	(23,240)	(24,456)
Net book value			
At 31st December 2006	531	17,635	18,166
Net book value			
At 31st December 2005	828	10,518	11,346

Future capital expenditure contracted but not provided in the financial statements was £0 2 million (2005 £0 2 million) The Company made a loss on disposal of fixed assets of £0 1 million in the year

10. OTHER ASSETS

	2006 £'000	2005 £'000
Due from the trust (Note 5b)	123,753	74,643
Amounts owed by group undertakings	53,927	40,418
Corporation tax recoverable	10,486	5,829
Corporation tax – Group relief	6,947	-
Deferred taxation (Note 3c)	22,987	23,905
Other assets	31,153	36,874
	249,253	181,669

Amounts owed by group undertakings includes £nil (2005 £33 0 million) receivable after more than one year

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31st December 2006

11. DEPOSITS BY BANKS

	2006 £'000	2005 £'000
Repayable on demand	3,431	2,608
With agreed maturity dates or periods of notice, by remaining maturity:		
3 months or less, excluding on demand	-	6,193
	3,431	8,801

12. CUSTOMER ACCOUNTS

	2006 £'000	2005 £'000
Repayable on demand	643,747	564,620
With agreed maturity dates or periods of notice, by remaining maturity:		
3 months or less, excluding on demand	120,860	123,451
1 year or less but over 3 months	187,667	295,428
5 years or less but over 1 year	248,285	402,121
	1,200,559	1,385,620

13. DEBT SECURITIES IN ISSUE

	2006 £'000	2005 £'000
Medium term notes		
1 year or less	866,916	-
5 years or less but over 1 year	1,042,599	1,826,467
over 5 years	1,066,824	1,027,014
	2,976,339	2,853,481
Unamortised issue costs	(8,121)	(7,067)
	2,968,218	2,846,414

The above funding was raised from the securitisation of credit card receivables (Note 5b)

14. OTHER LIABILITIES

	2006 £'000	2005 £'000
Trade creditors	6,235	8,483
Amounts owed to group undertakings	470,866	514,192
Other taxation and social security	7,606	9,312
Other liabilities	38,819	42,266
	523,526	574,253

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

15. ACCRUALS AND DEFERRED INCOME

	2006 £'000	2005 £'000
Accruals	56,958	53,660
Deferred income	9,437	16,789
	66,395	70,449

Accruals include £1 4 million relating to contributions outstanding at 31st December 2006 (2005 £2 0 million) to the Capital One Group Personal Pension Scheme, arising as a result of the normal monthly investment cycle

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Provisions for liabilities and charges £'000
At 1st January 2006	15,896
Additional provisions made in the year	5,946
Provisions utilised in the year	(11,180)
Unused provisions reversed in the year	(2,789)
At 31st December 2006	7,873

The provisions of £7 9 million (2005 £15 9 million) relate to various claims and potential claims against the Company The claims are at various stages and accordingly the Directors cannot determine the timing of use of the provision and cannot disclose other information because such disclosure might be prejudicial to the outcome

17. SUBORDINATED LIABILITIES

	2006 £'000	2005 £'000
Undated loan capital		
Perpetual subordinated loan	40,000	40,000
Dated loan capital		
Subordinated loan	33,000	33,000
	73,000	73,000

The loan capital is denominated in Sterling and any claims in respect of it are subordinated to the claims of all other creditors of the Company The subordinated liabilities are redeemable at the option of the Company provided certain conditions are met

During the year the maturity date of the dated loan capital was extended such that the loan matures in August 2015

All subordinated liabilities were issued to other group undertakings During the year both the dated and undated loan capital agreements were updated such that they now pay rates of interest related to the three month London inter-bank offer rate The loan interest charged to the profit and loss account in the year was £2 0 million (2005 £nil)

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

18. CALLED UP SHARE CAPITAL

	2006 Number of shares	2006 £'000	2005 Number of shares	2005 £'000
Authorised				
Ordinary shares of £1 each	600,000,000	600,000	350,000,000	350,000
Issued, allotted and fully paid				
Ordinary shares of £1 each	363,486,510	363,487	329,913,249	329,913

On 8th August 2006 the authorised share capital was increased to 600,000,000 ordinary shares of £1 each

On 8th August 2006 the Company issued 33,573,261 ordinary shares to Capital One Investments Limited, a fellow group undertaking, for £75,000,000

19. RESERVES

	Share Premium £'000	Profit and loss account £'000
At 1st January 2006	-	(28,960)
Retained profit for the year	-	12,097
Premium on issue of ordinary shares	41,426	-
At 31st December 2006	41,426	(16,863)

20. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2006 £'000	2005 £'000
Profit / (loss) for the financial year	12,097	(6,909)
Issue of ordinary shares	33,574	-
Premium on issue of ordinary shares	41,426	-
Net addition / (reduction) to equity shareholders' funds	87,097	(6,909)
Opening equity shareholders' funds	300,953	307,862
Closing equity shareholders' funds	388,050	300,953

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31st December 2006

21. TREASURY POLICY AND RISK MANAGEMENT

The Company's financial instruments, other than derivatives, comprise borrowings to finance its operations, loans and advances to banks and customers, and customer accounts which arise directly from the Company's operations All short-term debtors and creditors have been included in the following disclosures

Derivative financial instruments are held by the Company for non-trading purposes only to manage risks arising from its operations and sources of finance The derivatives used for this purpose are principally foreign exchange swaps and interest rate swaps

The main risks arising from the Company's financial instruments are market risk, liquidity risk and credit risk The Board of Directors approves policy and limits with respect to these risks, and has delegated its monitoring and control responsibilities to the Company's Chief Financial Officer for market risk, liquidity and wholesale credit matters, and to the Company's Chief Credit Officer for retail credit matters Any material change in the nature of the Company's use of derivatives is subject to Board approval

Market risk
Market risk is the potential adverse change in Company income or the value of the Company's net worth resulting from movements in interest rates and exchange rates The Company's exposure to market risk is governed by policies approved by the Board of Directors These policies set out the nature of the risk which may be taken, the types of financial instrument which may be used and the ways in which risk is controlled

Overall risk limits have been assigned by the Company's Chief Financial Officer, who monitors compliance with the limits The Company measures and monitors market risk by applying a series of stress tests to measure the Company's sensitivity to changes in interest rates and by generating a distribution of outcomes based on foreign exchange rate paths which are generated from an industry-accepted term structure model Market risk is subject to independent measurement, reporting and control The Company considers that the two most significant aspects of market risk it faces are exchange rate risk and interest rate risk

Exchange rate risk arises due to the impact of foreign exchange movements on transactions conducted in the Euro and the US dollar The exposure is managed by natural hedging techniques such as funding assets with liabilities in the same currency or by the use of foreign exchange swaps

Interest rate risk arises from mismatches between the Company's fixed and variable rate funding and assets The Company manages and mitigates its interest rate sensitivity through several techniques which include, but are not limited to, changing the maturity, repricing and distribution of assets and liabilities, and by entering into interest rate swaps

The table below shows the actual on-balance sheet amounts and summarises the re-pricing mismatch as at 31st December 2006 For the major categories of asset and liability, this gap table shows the volumes maturing in selected maturity bands

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

21. TREASURY POLICY AND RISK MANAGEMENT (continued)

Interest rate re-pricing as at 31st December 2006	**Not more than 3 months £'m**	**Over 3 months but not more than 6 months £'m**	**Over 6 months but not more than 1 year £'m**	**Over 1 year but not more than 5 years £'m**	**Over 5 years £'m**	**Non-interest bearing £'m**	**Total £'m**
Assets:							
Loans & advances to banks	272	-	-	-	-	-	272
Loans & advances to customers	3,251	131	420	510	44	-	4,356
Debt securities	265	-	-	-	-	-	265
Other assets	53	-	-	-	-	285	338
Total Assets	3,841	131	420	510	44	285	5,231
Liabilities:							
Deposits by banks	3	-	-	-	-	-	3
Customer accounts	765	65	123	248	-	-	1,201
Debt securities in issue	2,968	-	-	-	-	-	2,968
Other liabilities	453	-	9	-	-	136	598
Subordinated liabilities	73	-	-	-	-	-	73
Equity shareholders' funds	-	-	-	-	-	388	388
Total Liabilities	4,262	65	132	248	-	524	5,231
Balance sheet sensitivity gap	(421)	66	288	262	44	(239)	-
Off-balance sheet items	250	-	-	(250)	-	-	-
Interest rate sensitivity gap	(171)	66	288	12	44	(239)	-
Cumulative gap	(171)	(105)	183	195	239	-	-

Interest rate re-pricing as at 31st December 2005	**Not more than 3 months £'m**	**Over 3 months but not more than 6 months £'m**	**Over 6 months but not more than 1 year £'m**	**Over 1 year but not more than 5 years £'m**	**Over 5 years £'m**	**Non-interest bearing £'m**	**Total £'m**
Assets:							
Loans & advances to banks	119	-	-	-	-	-	119
Loans & advances to customers	3,582	159	83	593	105	-	4,522
Debt securities	317	50	-	-	-	-	367
Other assets	33	-	-	-	-	234	267
Total Assets	4,051	209	83	593	105	234	5,275
Liabilities:							
Deposits by banks	9	-	-	-	-	-	9
Customer accounts	688	94	202	402	-	-	1,386
Debt securities in issue	2,631	-	-	215	-	-	2,846
Other liabilities	495	-	-	-	-	165	660
Subordinated liabilities	-	-	-	-	-	73	73
Equity shareholders' funds	-	-	-	-	-	301	301
Total Liabilities	3,823	94	202	617	-	539	5,275
Balance sheet sensitivity gap	228	115	(119)	(24)	105	(305)	-
Off-balance sheet items	(215)	-	-	215	-	-	-
Interest rate sensitivity gap	13	115	(119)	191	105	(305)	-
Cumulative gap	13	128	9	200	305	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31st December 2006

21. TREASURY POLICY AND RISK MANAGEMENT (continued)

Liquidity risk
It is Company policy to ensure that resources are always available to meet the Company's obligations arising from the withdrawal of customer deposits and asset expansion The development, implementation and monitoring of this policy is the responsibility of the Company's Chief Financial Officer The exposure is managed by ensuring that the maturity profile of liabilities avoids a concentration of funding requirements at any one time or from any one source The Company also holds a liquid assets portfolio and has access to committed facilities Daily cash needs are met by borrowings from other group undertakings and general overdraft and bank borrowing facilities

Credit risk
Credit risk arises primarily from loans and advances to customers and banks The quality of all retail lending is monitored and measured using portfolio management tools and proactive quality assurance measures These are supplemented with credit risk related management information The arrears management process ensures that the impact of delinquent loans on the Company's performance is minimised Wholesale lending and counterparty credit exposure is tightly controlled with specific limits applied to counterparties depending on an internal assessment of their credit quality Any investment activity undertaken by the Company is limited to instruments authorised by the Company's Chief Financial Officer

Derivatives
A derivative is an off-balance sheet agreement which defines certain financial rights and obligations which are contractually linked to interest rates, exchange rates or other market prices Derivatives allow the Company to modify the re-pricing or maturity characteristics of assets and liabilities, to manage market risk and to limit counterparty exposures in an efficient and cost effective manner As such, they are an important element of risk management

Underlying principal amounts are used to express the volume of derivative transactions, but the amounts potentially subject to credit risk are much smaller Replacement cost provides a better indication of the credit risk exposures facing a bank Replacement cost is the gross cost of replacing all contracts that have a positive fair value

The fair values of derivatives fluctuate as market rates rise and fall just as the fair values of on-balance sheet assets and liabilities fluctuate Since the derivatives are purchased or sold as hedges of balance sheet items, the appreciation or depreciation in fair value of the derivatives, as market rates change, will generally be offset by the unrealised appreciation or depreciation of the hedged on-balance sheet item

As at 31st December 2006, the Company had interest rate swap contracts, which mature after more than one year, but less than five years, with an underlying principal amount of £250 million (2005 £215 0 million), a book value of £nil (2005 £nil) and a fair value of £0 9 million (2005 £1 6 million)

Gains and losses on instruments used for hedging are recognised in line with the underlying items which are being hedged The unrecognised net gain on these instruments as at 31st December 2006 was £0 9 million (2005 £1 6 million)

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

22. FUNCTIONAL CURRENCY OF ASSETS AND LIABILITIES

The monetary assets and liabilities of the Company that are not denominated in the operating currency of the operating unit involved as at 31st December 2006 were as follows

Functional currency of operation	Net foreign currency monetary assets/(liabilities) Euro	US Dollar	Other	Total
	£'000	£'000	£'000	£'000
Sterling	1,055	(1,338)	(5)	(288)

The corresponding monetary assets and liabilities as at 31st December 2005 for comparison purposes were as follows

Functional currency of operation	Net foreign currency monetary assets/(liabilities) Euro	US Dollar	Other	Total
	£'000	£'000	£'000	£'000
Sterling	4,081	(158)	(22)	3,901

23. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

	2006 £'000	2005 £'000
Assets		
Denominated in sterling	5,202,308	5,247,435
Denominated in currencies other than sterling	28,744	27,951
	5,231,052	5,275,386
Liabilities		
Denominated in sterling	5,202,020	5,251,336
Denominated in currencies other than sterling	29,032	24,050
	5,231,052	5,275,386

24. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company does not trade in financial instruments Other than those disclosed in Note 21, there were no material differences at 31st December 2006 or 31st December 2005 between the recorded values of all assets and liabilities of the Company and their estimated fair values

25. SEGMENTAL ANALYSIS

No segmental analysis has been provided as the Company operates solely in Europe and has only one class of business, being the issue of credit cards and other ancillary banking services

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

26. COMMITMENTS

Operating lease commitments	2006		2005	
	Land and buildings	Other	Land and buildings	Other
Annual commitments under non-cancellable operating leases expiring:	£'000	£'000	£'000	£'000
within 1 year	39	-	3	-
between 1 and 5 years	167	14	120	14
over 5 years	6,307	-	6,307	-
	6,513	14	6,430	14

27. DIRECTORS' EMOLUMENTS AND TRANSACTIONS

The amount of emoluments paid to the Directors is

	2006	2005
	£'000	£'000
Aggregate emoluments	875	2,459
Aggregate pension contributions	-	78

The total remuneration of the highest paid Director was £660,000 (2005 £380,000) The amount of Company contributions paid to the pension scheme on behalf of the highest paid Director was £nil (2005 £nil) One Director exercised share options in the Corporation in the year (2005 2) No Directors who served during the year were members of the Capital One Group Personal Pension Scheme (2005 1) The number and total amount outstanding of loans to Directors, connected persons and officers as at 31st December 2006 were 5 (2005 2) and £7,743 (2005 £1,982) respectively

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

28. SHARE BASED PAYMENTS

The Corporation has two active share-based compensation plans Under the plans, the Corporation reserves common shares for issuance as either incentive share options or restricted share awards The exercise price of each share option or value of each restricted share award will equal the fair market value of the Corporation's shares on the date of grant, the maximum term will be ten years, and vesting will be determined at the time of grant The vesting for most options is 33 3% per year beginning with the first anniversary of the grant date For restricted shares, the vesting is usually 25% on the first and second anniversaries of the grant date and 50 percent on the third anniversary date or three years from the date of grant

The Corporation also issues cash equity units and share appreciation right which are classified as liabilities They are not issued out of the Corporation's share-based compensation plans because, instead of shares, they are settled with a cash payment for each unit vested equal to the fair market value of the Corporation's share on the vesting date These units vest 25 percent on the first and second anniversaries of the grant date and 50 percent on the third anniversary date or three years from the date of grant

All awards are forfeited if the employee leaves the Corporation before they have vested The Company is charged by the Corporation for the awards granted to employees serving their vesting period with the Company The Company recognises an expense over the vesting period

(a) Equity settled share based payments

Incentive stock options

Details of the share options outstanding are explained as follows

	2006 Number of share options	2006 Weighted average exercise price £	2005 Number of share options	2005 Weighted average exercise price £
Outstanding at 1st January 2006	491,271	28 23	809,542	28 68
Granted during the period	36,550	45 35	98,338	46 22
Forfeited during the period	(85,420)	34 87	(12,201)	28 82
Exercised during the period	(295,903)	25 53	(404,318)	28 76
Expired during the period	(463)	40 20	(90)	37 36
Outstanding at 31st December 2006 *	146,035	34 08	491,271	32 13
Exercisable at 31st December 2006	51,629	28 59	303,818	27 53

* Included within this balance are options over 78,111 (2005 134,273) shares that have not been recognised in accordance with FRS 20 as granted on or before 7th November 2002

The weighted average share price at the date of exercise for share options exercised during the year was £44 29 (2005 £48 60) The options outstanding at 31st December 2006 have an exercise price of between £7 91 and £45 35 (2005 £7 89 and £48 06), and a weighted average remaining contractual life of 6 04 years (2005 5 79 years).

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31st December 2006

28. SHARE BASED PAYMENTS (continued)

The inputs into the Black-Scholes option pricing model are as follows

	2006	2005
Weighted average share price (£)	48 48	43 69
Weighted average exercise price (£)	48 48	43 69
Expected volatility (%) *	0 29	0 47
Expected dividends (%)	0 13	0 14
Expected life (years)	4 00	4 22
Risk-fee rate (%)	4 72	4 12

* In December 2005 the Corporation commenced using the implied volatility of publicly traded and over-the-counter stock options as a basis for the expected volatility assumption Previously, expected volatility was based on historical stock price observations

The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioural considerations

Restricted share awards
The number of shares awarded in the year was 24,850 (2005 50,970) with a weighted average fair value of £48 18 (2005 £43 20) The fair value is based on the market price of the Corporation's shares at the grant date

The Company recognised total expenses of £2,346,451 (2005 £2,574,943) related to equity-settled share-based payment transactions

(b) Cash settled share based payments

Share appreciation rights
The Corporation issued share appreciation rights (SARs) to certain employees of the Company that require the Corporation to pay the intrinsic value of the SARs to the employee at the date of exercise The fair value of the SARs is determined by using the intrinsic value at the reporting date The total intrinsic value of vested SARs at the year end was £80,132 (2005 £97,613)

Cash settled awards
The Corporation issued cash settled share awards to certain employees of the Company These are recorded at fair value based on market price at the reporting date

The Company recognised total expenses of £244,428 (2005 £152,291) related to cash-settled share-based payment transactions

29. RELATED PARTIES

Transactions with other companies within the Capital One Group are not disclosed due to the exemption allowed by FRS 8 'Related Party Disclosures' (Note 30)

NOTES TO THE FINANCIAL STATEMENTS (continued)

As at 31st December 2006

30. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company and immediate controlling party is Capital One Holdings Limited, a company incorporated in the United Kingdom The Company's ultimate parent company and ultimate controlling party is Capital One Financial Corporation, which is incorporated in the United States of America The consolidated financial statements of Capital One Holdings Limited and Capital One Financial Corporation, both of which include the Company, are available from the Company's registered office