

Capital One Bank (Europe) plc

Accounts 31 July 2000
with directors' reports

Company number: 3879023



Directors, Secretary and Advisors

DIRECTORS

Adam Broadbent
Fergus Brownlee
Jan Gesmar-Larson
Nigel Morris
Alan Wolfson

SECRETARY

Victoria Mitchell

REGISTERED OFFICE

18 Hanover Square
London
W1S 1HX

BANKERS

Barclays Bank PLC
Correspondent Banking Branch
St. Swithin's House
St. Swithin's Lane
London
EC4N 8JA

AUDITORS

Ernst and Young
Becket House
1 Lambeth Palace Road
London
SE1 7EU

SOLICITORS

Denton Wilde Sapte
One Fleet Place
London
EC4M 7WS

Directors' report

For the period ended 31 July 2000

The directors present their annual report on the affairs of the company, together with the accounts, at 31 July 2000.

Change of Name

The company was originally incorporated as Stormfield Systems Limited on 17 November 1999. On 21 June 2000 the name was changed to Capital One Financial Services plc. On 14th July 2000, the company was renamed Capital One Bank (Europe) plc.

Principal activities

The company has remained dormant since its incorporation.

Directors

The directors who served during the period were as follows:

Company Directors Ltd (Resigned 13 June 2000)

Nigel Morris (Appointed 13 June 2000)

Matthew Cooper (Appointed 13 June 2000, Resigned 30 January 2001)

Alan Wolfson (Appointed 19 July 2000)

Adam Broadbent (Appointed 12 September 2000)

Jan Gesmar-Larson (Appointed 12 September 2000)

Fergus Brownlee (Appointed 30 January 2001)

Directors' interests

The interests of the directors in the shares of the ultimate parent company, Capital One Financial Corporation, are disclosed in the accounts of that company.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which 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 accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Directors' report (continued)

Auditors

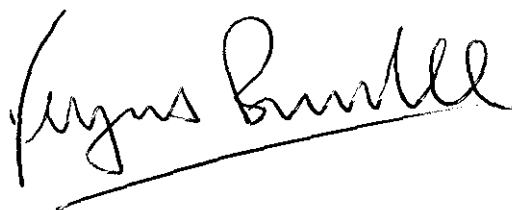
The company has remained dormant since its incorporation and under Section 250 of the Companies Act 1985 is exempt from appointing auditors.

Post balance sheet events

Details of post balance sheet events are given in the notes to the accounts on page 5.

By order of the board

Fergus Brownlee
Director

A handwritten signature in black ink, appearing to read 'Fergus Brownlee', is written over a horizontal line.

30 January 2001

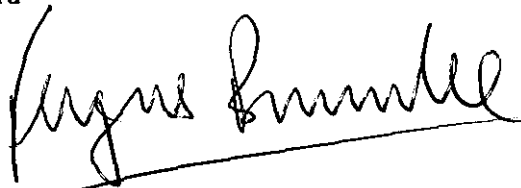
Balance sheet

31 July 2000

	Notes	2000 £
Current assets		
Other debtors		50,000
Net assets		<u>50,000</u>
Capital and reserves		
Called-up share capital	2	<u>50,000</u>
Shareholders' funds		<u>50,000</u>

The company was dormant throughout the financial year.

Signed on behalf of the Board



Fergus Brownlee
Director

30 January 2001

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

31 July 2000

1 Accounting policies

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

2 Called-up share capital

	2000 £
<i>Authorised</i>	
250,000,000 Ordinary shares of £1 each	<u>250,000,000</u>
<i>Allotted, called-up and fully paid</i>	
50,000 Ordinary shares of £1 each	<u>50,000</u>

3 Ultimate parent company

The directors regard Capital One Financial Corporation, a company incorporated in the United States of America and registered in the United States of America as the company's ultimate parent undertaking and controlling party. Copies of the group accounts for the period ended 31 December 1999 are available from, 18 Hanover Square, London W1S 1HX.

5 Post balance sheet events

Since the year end, there have been three significant transactions:

- a) On 17 August 2000, Capital One Bank subscribed for a further 187,300,000 shares in Capital One Bank (Europe) plc. All 187,349,999 shares in Capital One Bank (Europe) plc were then transferred to Capital One Holdings Limited on 17 August 2000 with Matthew Cooper holding one ordinary share in trust for Capital One Holdings Limited.
- b) On 1 September 2000, Capital One Bank (Europe) plc issued an additional 6,608,028 shares in consideration for the transfer of Capital One S.A from Capital One Financial Corporation. This gave a total of 193,958,028 shares held by Capital One Holdings Ltd.
- c) On 1st September 2000, a business sale agreement was executed between Capital One Bank and Capital One Bank (Europe) plc. Pursuant to the terms of this agreement, Capital One Bank transferred the credit card business and related activities carried on by it in the United Kingdom through its registered branch, to Capital One Bank (Europe) plc; in consideration for the payment of cash and the assumption of certain liabilities by Capital One Bank (Europe) plc.