

Halifax Purchases Bank One's UK Credit Card Business

LONDON and CHICAGO, June 22, 2000 -- Halifax Group plc has purchased the UK retail credit card business of Bank One Corporation, the two companies announced today.

James Corcoran, currently President of Bank One's UK credit card operation, joins the Halifax Executive as Managing Director of Halifax Card Services with responsibilities for the acquired business and Halifax's existing card operations. James has twenty years' experience of financial services world-wide, including Citigroup and American Express. He will be joined by other key personnel from Bank One.

Bank One's strong management team and expertise in marketing, risk and the rapidly growing UK affinity card segment, will boost Halifax's capability in the credit card sector. This provides an excellent opportunity for the Halifax Group to grow one of its major target areas.

Halifax currently has over 1.2 million credit cards in issue, and will integrate Bank One's credit card business with its existing cardholder base, including a smooth transition for existing Bank One card holders and employees. Following the acquisition, given existing plans for growth, Halifax aims to double its credit card base by 2004 and be among the leading providers of credit cards in the UK.

Bank One launched its UK credit card business in December 1998 and has established a growing UK retail and affinity card customer base with over 200,000 new cards.

Bank One's affinity card programmes, with a number of prestigious organisations including Yahoo!, Lycos, Wimbledon Lawn Tennis Championships, Manchester City F.C. and the Welsh Rugby Union, will be combined with Halifax's existing 200,000 affinity card base.

Dick Spelman, Chief Executive of Halifax Retail Financial Services, commented:-

"We are committed to growing our consumer credit business and see this acquisition as a great opportunity to strengthen significantly our management expertise, increase our card holder base and importantly to provide a platform for substantial growth in a key sector."

Corcoran said:

"This is an exciting opportunity, bringing together the power of Halifax brand and its distribution channels with specialist credit card expertise in order to best serve customers in the UK market."

William P. Boardman, Vice Chairman of Bank One and head of its credit card operations, commented:

"As part of our corporate-wide strategic review, we are evaluating all of our businesses and have decided to exit the credit card business in the UK"

Notes for Editors:

Halifax plc - the Halifax is one of the UK's leading personal financial organisations and is the market leader in mortgages and savings. With 21 million customers it has a relationship with 2 out of every 5 households in the UK. The Group, which also includes Clerical Medical and Birmingham Midshires, offers a range of financial services including mortgages, savings, long term savings and investments, home, motor and creditor insurance, retail banking, consumer credit and sharedealing.

Halifax's range of fee-free credit cards includes Halifax Visa, Halifax Gold MasterCard and Visa Balance Card, at rates starting from 9.9%. Halifax's Visa Charity Card is a world record breaking affinity card - having raised over £12 million to date for three of the UK's leading charities (Imperial Cancer Research Fund, British Heart Foundation and Mencap).

Bank One - headquartered in Chicago, USA, is the fifth largest bank holding company in the United States with assets of more than \$270 billion. Bank One offers a full range of financial services to commercial and business customers, and consumers. It is the world's largest Visa issuer.

Bank One's UK credit card operation has net assets of £18 million (U.S.\$27 million) and credit card receivables of £180 million (U.S. \$270 million) Based in Cardiff, it employs around 200 people and is the only provider of all three types of credit card in the UK.