

Registered Number 2132959

HALIFAX SAVINGS BANK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998



HALIFAX SAVINGS BANK LIMITED
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HALIFAX SAVINGS BANK LIMITED
DIRECTORS AND COMPANY INFORMATION

DIRECTORS

M S Lodge
D J McPherson

SECRETARY

M S Lodge

REGISTERED OFFICE

Trinity Road
Halifax
West Yorkshire
HX1 2RG

HALIFAX SAVINGS BANK LIMITED

DIRECTORS' REPORT

The directors present their Report and Financial Statements for the year ended 31 December 1998.

PRINCIPAL ACTIVITY, RESULTS AND DIVIDEND

The company has not traded during the year and has therefore received no income and incurred no expenditure. Consequently, the company made neither a profit nor a loss. The directors do not recommend the payment of a dividend.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were as follows:

M S Lodge
D J McPherson

No director at the year end had any interest in the share capital of the company or any group undertaking other than the holding company and no rights to subscribe for such interests were granted.

The interests of the directors in the shares of the holding company, Halifax plc, were as follows:-

	At 31 December 1998	At 1 January 1998
M S Lodge (as Trustee)	14,432,826	9,393,346
(beneficial)	640	640
D J McPherson	854	854

Under the terms of the Halifax plc Sharesave Scheme 1997, options in Halifax plc shares were granted in the year to the following directors:-

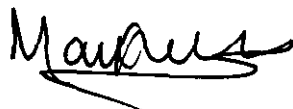
	Number of options granted in year
M S Lodge	336
D J McPherson	595

During the year, no options in Halifax plc shares were exercised by the directors.

AUDITORS

Having satisfied the provisions of Section 250 of the Companies Act 1985 relating to dormant companies the company has not appointed auditors.

By order of the board

A handwritten signature in black ink, appearing to read 'M S Lodge', with a long horizontal flourish extending from the end.

M S LODGE
SECRETARY

Trinity Road
HALIFAX
HX1 2RG

17 February 1999

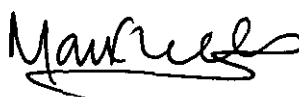
HALIFAX SAVINGS BANK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1998

	Note	1998 £	1997 £
CURRENT ASSETS			
Debtors: amounts owed by parent undertaking		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES	2		
Called up share capital		<u>2</u>	<u>2</u>

The company was dormant throughout the year.

These Financial Statements were approved by the Board of Directors on 17 February 1999 and were signed on its behalf by:



M S LODGE
DIRECTOR

The notes on page 6 form part of these Financial Statements.

HALIFAX SAVINGS BANK LIMITED

PROFIT AND LOSS ACCOUNT

During the financial year and the preceding financial period the company received no income and incurred no expenditure and consequently there is neither a profit nor a loss to report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

These Financial Statements have been prepared in accordance with applicable accounting standards and have been drawn up under the historical cost convention.

2. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

3. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of Halifax plc, which is registered in England and Wales and operates in the United Kingdom. Copies of the Financial Statements of Halifax plc can be obtained from Trinity Road, Halifax, West Yorkshire, HX1 2RG, which is its principal place of business.