

Financial Supervision Commission

Alliance & Leicester PLC

Schedule I - Conditions

The following conditions are imposed in respect of the regulated activities undertaken.

- I. The licenceholder shall not open or maintain any customer accounts in the Isle of Man.

_____ Commissioner

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1st January 2009

Alliance & Leicester PLC

Schedule 2 - Exceptions and Modifications

Pursuant to section 7(3) (b) of the Financial Services Act 2008, the Rule Book applies with the following exceptions -

Part 2 – Administration

- (a) Rule 2.19 – Contents of annual financial return
- (b) Rule 2.28 – Deposit taking returns
- (c) Rule 2.29 – Publication of annual financial statements

Part 5 – Audit

- (a) Rule 5.14 – Management letter
- (b) Rule 5.16 – Auditor’s report on returns

Part 6 – Conduct of business

- (a) Rule 6.15 – Display of licence

Part 8 – Risk Management and Internal Controls

- (a) Rule 8.21 – Isle of Man Resident Officer
- (b) Rule 8.29(1)(a) and Rule 8.29(4) - Complaints
- (c) Rule 8.31 – Risk management policies
- (d) Rule 8.47 – Credit risk policy
- (e) Rule 8.48 – Large exposures
- (f) Rule 8.49 – Arrears and provisions for bad and doubtful debts
- (g) Rule 8.50 – Liquidity policy
- (h) Rule 8.51 – Liquidity management
- (i) Rule 8.52 – Foreign exchange risk
- (j) Rule 8.53 – Interest rate risk

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1st January 2009