



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

07-75 (JE)
Eckert

DIVISION OF
MARKET REGULATION

July 23, 2007

Lawrence Vranka, Jr., Esq.
Linklaters LLP
1345 Avenue of the Americas
New York, NY 10105
USA

George Karafotias, Esq.
Shearman & Sterling LLP
Broadgate West
9 Appold Street
London EC2A 2AP
UK

Re: The Royal Bank of Scotland Group plc
File No. TP 07-75

Dear Messrs. Vranka and Karafotias:

In your letter dated July 19, 2007, as supplemented by conversations with the staff, you request on behalf of The Royal Bank of Scotland Group plc, a public limited company organized under the laws of the United Kingdom and registered in Scotland ("RBS"), an exemption from Rule 102 of Regulation M under the Securities Exchange Act of 1934 ("Exchange Act") in connection with the exchange offer ("Offer") being conducted by RBS, Banco Santander Central Hispano, S.A., a bank organized under the laws of the Kingdom of Spain ("Santander"), Fortis SA/NV, a company incorporated in Belgium, and Fortis N.V., a public limited liability company incorporated in the Netherlands (together "Fortis" and, together with RBS and Santander, the "Consortium") to acquire all of the outstanding shares of ABN AMRO Holding NV, a public limited liability company incorporated in the Netherlands ("ABN AMRO").

You seek an exemption to permit RBS and its affiliates to conduct specified transactions outside the United States in RBS Ordinary Shares during the distribution of RBS Ordinary Shares to the shareholders of ABN AMRO. Specifically, you request that: (i) the Derivatives Business Units be permitted to continue to engage in derivatives market making and hedging activities as described in your letter; (ii) the Asset Manager be permitted to continue to engage in asset management activities as described in your letter; (iii) the Insurance Companies be permitted to continue to engage in insurance

activities as described in your letter; and (iv) the Brokerage Unit be permitted to continue to engage in unsolicited brokerage activities as described in your letter.

You also seek an exemption to permit certain RBS affiliates to conduct specified transactions in the United States in RBS Ordinary Shares during the distribution of RBS Ordinary Shares to the shareholders of ABN AMRO. Specifically, you request that Citizens, be permitted to continue to engage in unsolicited brokerage activities as described in your letter. We have attached a copy of your correspondence to avoid reciting the facts set forth therein. Unless otherwise noted, each defined term in our response has the same meaning as defined in your letter.

Response:

Based on the facts and representations that you have made in your letter, but without necessarily concurring with your analysis, the Commission hereby grants RBS an exemption from Rule 102 of Regulation M to permit the Derivatives Business Units, the Asset Manager, the Insurance Companies, the Brokerage Unit, and Citizens (collectively, the "Companies") to continue to engage in the transactions described in your letter. In particular, in your correspondence you make the following key representations:

- During the year ended December 31, 2006, the average daily trading volume ("ADTV") of RBS Ordinary Shares in the United Kingdom was approximately 42,287,966 shares, with a value of £421.4 million (approximately \$825.6 million) and RBS's market capitalization at December 31, 2006 was £62.8 billion (\$123.0 billion), with RBS Ordinary Shares comprising 3.78% of the FTSE 100 index;
- The ADTV value for RBS Ordinary Shares was £376.7 million (approximately \$754.9 million) for the two-month period ended June 30, 2007, and the public float value for RBS Ordinary Shares was £59.9 billion (approximately \$120.0 billion) as of June 30, 2007;
- The principal trading market for RBS Ordinary Shares is the United Kingdom and trading on the LSE accounted for approximately 99.7% of the worldwide average trading volume in RBS Ordinary Shares during 2006;
- The number of RBS Ordinary Shares to be delivered to ABN AMRO shareholders in the Offer will represent approximately 5.9% of the RBS Ordinary Shares currently outstanding;
- RBS maintains and enforces written "Chinese Wall" policies and procedures to prevent material non-public information from passing between the sales /trading areas and the advisory areas of RBS;

- The Derivatives Business Units conduct their derivatives market making and hedging activities outside the United States and, during 2006, the hedging purchases and sales of RBS Ordinary Shares by the Derivatives Business Units amounted to less than 1% of the ADTV in RBS Ordinary Shares;
- The Asset Manager conducts its asset management activities outside the United States;
- The Insurance Companies conduct their insurance activities outside the United States;
- The Brokerage Unit conducts its unsolicited brokerage activities outside the United States and, during 2006, the unsolicited brokerage activities of the Brokerage Unit amounted to approximately 0.75% of the ADTV in RBS Ordinary Shares;
- The withdrawal of a significant market maker in derivatives on RBS Ordinary Shares in the primary market for those shares for an extended period of time would have harmful effects in the home market and, indirectly, in the US market, for RBS Ordinary Shares, including a significant imbalance of buy and sell orders, which could cause greater volatility and reduced liquidity;
- Each of the Derivatives Business Units, the Asset Manager, the Insurance Companies, and the Brokerage Unit has confirmed that the activities for which it is requesting relief will be conducted in the ordinary course of its businesses and in accordance with applicable Dutch law and its interpretation by the AFM in relation to the Offer, the Laws of the United Kingdom and other non-US laws;
- In the United States, RBS conducts a securities business through Citizens, a separate subsidiary, which is registered with the Commission as a broker-dealer and is a member of the NASD and NYSE; and
- Citizens will not engage in derivatives market making and hedging, asset management and insurance, but rather will only engage in unsolicited brokerage activities in the normal course of its business with its customers.

The exemption is subject to the following conditions:

1. None of the transactions of the Companies described in your letter shall occur in the United States, with the exception of the unsolicited brokerage activities of Citizens described in your letter;

2. All of the transactions described in your letter shall be effected in the ordinary course of business and not for the purpose of facilitating the Offer;
3. The Offer documents distributed to US holders will disclose the possibility of, or the intention to make, the transactions described in you letter;
4. RBS and each of the Companies will provide to the Division of Market Regulation ("Division"), upon request, a time-sequenced schedule of all such transactions made during the Restricted Period. Such schedule will include:
 - (a) size, broker (if any), time of execution, and price of the transactions;
 - (b) the exchange, quotation system, or other facility through which the transactions occurred, and
 - (c) whether the transactions were made for a customer account of a proprietary account;
5. Upon request of the Division, RBS and each of the Companies will transmit the information requested in item 4 (above) to the Division at its offices in Washington DC within 30 days of its request;
6. RBS and each of the Companies shall retain all documents and other information required to be maintained pursuant to this exemption for at least two years following the completion of the Offer;
7. Representatives of RBS and each of the Companies shall be made available (in person at the offices of the Commission in Washington, DC or by telephone) to respond to inquiries of the Division relating to their records; and
8. Except as otherwise exempted by this letter, RBS and each of the Companies will comply with Regulation M.

The foregoing exemption from Rule 102 of Regulation M is based solely on your representations and the facts presented to the staff and is strictly limited to the application of this rule to the proposed transactions. Such transactions should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations.

In addition, your attention is directed to the anti-fraud and anti-manipulation provisions of the Exchange Act, including Sections 9(a) and 10(b), and Rule 10b-5 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws must rest with the participants in the various transactions.

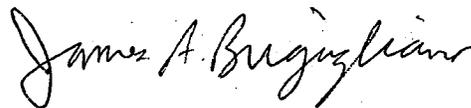
Messrs. Vranka and Karafotias

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The Division expresses no view with respect to any other questions that the proposed transactions may raise, including, but not limited to, the adequacy of disclosure concerning, and the applicability of any other federal or state laws to, the proposed transactions.

For the Commission,
by the Division of Market Regulation,
pursuant to delegated authority,

A handwritten signature in black ink, reading "James A. Brigagliano". The signature is written in a cursive style with a large initial "J".

James A. Brigagliano
Associate Director

Attachment

Linklaters LLP
1345 Avenue of the Americas
New York, NY 10105
United States of America

Shearman & Sterling LLP
Broadgate West
9 Appold Street
London EC2A 2AP
United Kingdom

SECURITIES AND EXCHANGE COMMISSION

RECEIVED

JUL 19 2007

DIVISION OF MARKET REGULATION

Mr. James Brigagliano
Associate Director
Division of Market Regulation
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

July 19, 2007

Re: The Royal Bank of Scotland Group plc: Request for Exemptive Relief from Rule 102 of Regulation M

Dear Mr. Brigagliano:

We are writing on behalf of our client, The Royal Bank of Scotland Group plc, a public limited company organized under the laws of the United Kingdom and registered in Scotland ("**RBS**"), about the application of Regulation M to transactions by RBS and its affiliates in the ordinary shares of RBS (the "**RBS Ordinary Shares**") in connection with a proposed mixed cash and exchange offer (the "**Offer**") by RBS, Banco Santander Central Hispano, S.A., a bank organized under the laws of the Kingdom of Spain ("**Santander**"), and Fortis SA/NV, a company incorporated in Belgium, and Fortis N.V., a public limited liability company incorporated in the Netherlands (together "**Fortis**" and, together with RBS and Santander, the "**Consortium**") to acquire all of the outstanding shares of ABN AMRO Holding NV, a public limited liability company incorporated in the Netherlands ("**ABN AMRO**").

Specifically, as previously discussed with members of the staff (the "**Staff**") of the Securities and Exchange Commission (the "**Commission**"), we ask the Staff to grant RBS exemptive relief from Rule 102 of Regulation M to permit RBS and its affiliates to continue, in the ordinary course of their respective businesses as described below and in accordance with applicable local law, to engage in the following activities during the Offer:

- **Derivatives Market Making and Hedging:** As a derivatives market maker, RBS issues, buys and sells derivatives on RBS Ordinary Shares for the accounts of its customers and for its own account on Euronext Liffe, other offshore exchanges and in the global over-the-counter market. These derivatives market-making activities are conducted through RBS's futures and options unit (the "**Futures and Options Unit**") and equity derivatives unit (the "**Equity Derivatives Unit**" and, together with the Futures and

Options Unit, the **"Derivatives Business Units"**)¹. These derivatives include listed and over-the-counter swaps, options, warrants, convertible securities and other structured products relating to RBS Ordinary Shares or to baskets or indices including RBS Ordinary Shares, as well as futures on the foregoing. The Derivatives Business Units engage in exchange-traded derivatives activities on a solicited basis in order to facilitate customers' orders. In addition, the Derivatives Business Units solicit and effect trades in RBS Ordinary Shares for their own account and for the accounts of their customers for the purpose of hedging positions (or adjusting or liquidating existing hedge positions) that are established in connection with the derivatives market-making activities described above. These hedging transactions are effected on the London Stock Exchange (the **"LSE"**) and in the over-the-counter market in the United Kingdom (and, in some cases, elsewhere outside the United States). These hedging purchases and sales of RBS Ordinary Shares amounted to less than 1% of the average daily trading volume (the **"ADTV"**) in RBS Ordinary Shares during 2006.

- **Trading in RBS Ordinary Shares by the Asset Manager:** RBS Asset Management Limited, a limited company organized under the laws of the England (**"RBSAM"** or the **"Asset Manager"**), an affiliate of RBS, manages the assets of certain mutual funds, pension funds, unregulated collective investment schemes (being fund of hedge funds, fund of private equity funds, fund of property funds and private equity funds) and investor portfolios (such funds and investor portfolios, the **"Managed Funds"**). As part of its ordinary investment management activities on behalf of the Managed Funds, the Asset Manager buys and sells RBS Ordinary Shares for the Managed Funds' accounts. RBSAM also selects non-group investment managers (each an **"Investment Manager"**) to undertake the management of portfolios either through investment in non-group collective investment schemes or by appointing an Investment Manager under a segregated portfolio mandate. These appointed Investment Managers and collective investment schemes buy and sell RBS Ordinary Shares.
- **Trading by Insurance Companies:** In the ordinary course of business, certain affiliates of RBS (the **"Insurance Companies"**)² sell insurance products requiring the insurer to invest the premiums paid by the purchaser of the policies in equities and other investments. While no direct investments are made in RBS Ordinary Shares, investments may be made in funds or indices that include RBS Ordinary Shares. The Insurance Companies do not provide any investment advice to purchasers with respect to the investments that may be selected by the customer.
- **Unsolicited Brokerage:** RBS effects unsolicited brokerage transactions in RBS Ordinary Shares by placing orders on the LSE and other offshore stock exchanges or

¹ The Derivatives Business Units are business units within Global Banking and Markets, which in turn, is a larger business unit of RBS and falls within RBS's Corporate Markets division. No derivatives market-making and hedging activities relating to RBS Ordinary Shares are carried out by affiliates or business units of RBS other than the Derivatives Business Units, and the vast majority of the derivatives market-making and hedging activities described herein are conducted in the United Kingdom.

² These Insurance Companies are: Direct Line Insurance plc, a public limited liability company organized under the laws of England; Churchill Insurance Company Limited, a limited liability company organized under the laws of England; and the National Insurance and Guarantee Corporation Limited, a limited liability company organized under the laws of England.

effecting trades in over-the-counter markets in the United Kingdom and elsewhere outside the United States through its brokerage unit (the "**Brokerage Unit**")³. These transactions arise from unsolicited buy or sell orders received by RBS from its customers, although RBS may solicit the other side of these transactions. The unsolicited brokerage activities of the Brokerage Unit amounted to approximately 0.75% of the ADTV in RBS Ordinary Shares during 2006. Additionally, RBS conducts a securities business through an affiliate⁴ based in the United States that engages in unsolicited brokerage transactions in the RBS Ordinary Shares with its customers in the United States. These transactions would be effected in the over-the-counter markets in the United States or in the non-US markets described above. The unsolicited brokerage activities of RBS's US securities affiliate as a percentage of ADTV in RBS Ordinary Shares have historically been even lower than the unsolicited brokerage activities in RBS Ordinary Shares of the Brokerage Unit.

The availability of the exemptions RBS is requesting would be conditioned on the disclosure and record-keeping undertakings outlined below.

Linklaters LLP and Shearman & Sterling LLP are acting as US counsel to RBS. RBS has provided and authorized Linklaters LLP and Shearman & Sterling LLP to make on its behalf the factual representations set forth in this letter. The statements contained in this letter with respect to Dutch and UK regulation have been reviewed by Linklaters LLP, Dutch and UK counsel to RBS.

1 The Market for RBS Ordinary Shares

The principal trading market for the RBS Ordinary Shares is the United Kingdom. The RBS Ordinary Shares are listed on the LSE and in connection with the Offer RBS will apply to list the RBS Ordinary Shares on Euronext Amsterdam and American Depositary Shares ("**ADSs**") in respect of RBS Ordinary Shares ("**RBS ADSs**") on the New York Stock Exchange (the "**NYSE**"). There is no current US trading market for RBS Ordinary Shares or RBS ADSs. RBS is a foreign private issuer as defined in Rule 3b-4(c) under the Exchange Act.

As of December 31, 2006, 3,152,844,335 RBS Ordinary Shares were outstanding, held by 174,809 record holders in the United Kingdom. Approximately 0.74% of RBS's outstanding Ordinary Shares were held of record by non-residents of the United Kingdom. Based on public filings as of December 31, 2006, 1,244 record holders with registered addresses in the United States held 0.08% of RBS's outstanding Ordinary Shares.

As of June 30, 2007, 9,456,448,005 RBS Ordinary Shares were outstanding⁵, held by 175,622 record holders in the United Kingdom. Approximately 1.32% of RBS's outstanding Ordinary Shares were held

³ The Brokerage Unit is NatWest Stockbrokers Limited, a limited liability company organized under the laws of England. No unsolicited brokerage activities relating to RBS Ordinary Shares are carried out by affiliates or business units of RBS other than the Brokerage Unit and Citizens Bank, Inc., and the vast majority of the unsolicited brokerage activity described herein is conducted in the United Kingdom.

⁴ This affiliate is Citizens Bank, Inc., a corporation incorporated under the laws of the State of Delaware.

⁵ RBS effected a bonus issue of two new RBS Ordinary Shares with respect to each outstanding RBS Ordinary Share as of May 8, 2007, which accounts for the significant difference between the numbers of RBS Ordinary Shares outstanding as of June 30, 2007 as compared to December 31, 2006.

of record by non-residents of the United Kingdom. Based on public filings as of June 30, 2007, 1,291 record holders with registered addresses in the United States held 0.08% of RBS's outstanding Ordinary Shares. Assuming the maximum number of ABN AMRO Shares (as defined below) subject to the Offer is tendered, 556,143,700 RBS Ordinary Shares would be issued in the Offer, amounting to approximately 5.9% of the RBS Ordinary Shares outstanding prior to the Offer.

RBS's market capitalization at December 31, 2006 was £62.8 billion (\$123.0 billion).⁶ The LSE accounted for approximately 99.7% of the worldwide average trading volume in the RBS Ordinary Shares during 2006. During the year ended December 31, 2006, the ADTV of RBS Ordinary Shares in the United Kingdom was approximately 42,287,966 shares, with a value of £421.4 million (approximately \$825.6 million).

The ADTV value for RBS Ordinary Shares was £376.7 million (approximately \$754.9 million) for the two-month period ended June 30, 2007, and the public float value for RBS Ordinary Shares was £59.9 billion (approximately \$120.0 billion) as of June 30, 2007.⁷

The LSE provides for trading in equities and bonds principally through three main trading platforms: (i) the Stock Exchange Electronic Trading System ("SETS"), (ii) SETS Market Maker ("SETSm") and (iii) the Stock Exchange Automated Quotation ("SEAQ"). SETS is the central limit order book that directly matches willing buyers and sellers on a price/time priority basis, creating efficiencies in the markets by eliminating the need for a wholesaler. As an electronic order book, SETS can execute hundreds of trades in one second. Securities traded on SETS include the FTSE 100 and the most liquid FTSE UK AIM50 securities. SETSm is the LSE's trading service for Mid Cap, Small Cap and FTSE UK AIM50 securities. SEAQ is the LSE's service for less liquid securities and most AIM securities.

As of June 30, 2007, the market capitalization of UK and international companies on the LSE's markets amounted to £4.8 trillion (approximately \$9.6 trillion), with £7.9 trillion (approximately \$15.8 trillion) of equity business transacted over the prior 12-month period. As of June 30, 2007, there were 3,273 listed companies on the LSE. The primary market index is the FTSE 100, which currently is comprised of 100 of the most prominent companies listed on the LSE, including RBS. The RBS Ordinary Shares are a significant component of the FTSE 100. The RBS Ordinary Shares comprised 3.70% of the FTSE 100 as of June 30, 2007.

2 RBS's Market Activities

RBS is one of the world's largest banking and financial services groups with its headquarters in Edinburgh, Scotland. In addition, RBS has subsidiary, branch, representative and similar offices worldwide. RBS is regulated and licensed under the Financial Services and Markets Act 2000 (the "FSMA") and the Financial Services Authority (the "FSA") in the United Kingdom, and its branches in the United States are subject to applicable US bank regulations, among other laws and regulations.

⁶ Throughout this letter, pounds sterling have been translated to dollars at the rate of £1.00 = \$1.95910, the noon buying rate in New York City published by the Federal Reserve Bank of New York on December 31, 2006, with regard to data as of or for periods ended December 31, 2006.

⁷ Throughout this letter, pounds sterling have been translated to dollars at the rate of £1.00 = \$2.00390, the noon buying rate in New York City published by the Federal Reserve Bank of New York on June 30, 2007, with regard to data as of or for periods ended June 30, 2007.

RBS has confirmed that the activities described below, for which it is requesting relief, are permitted under and would be conducted in accordance with applicable UK law in relation to the Offer and other non-US laws.

In the United States, RBS conducts a securities business through Citizens Bank, Inc., a corporation incorporated under the laws of the state of Delaware (“Citizens”). Citizens is registered with the SEC as a broker-dealer and is a member of the National Association of Securities Dealers, Inc. (the “NASD”) and the NYSE. Citizens will not engage in the activities for which RBS is seeking relief (other than unsolicited brokerage); furthermore, RBS will only engage in these activities (including unsolicited brokerage) through the business units and affiliates described herein outside the United States, except to the limited extent described below.

Each of the Derivatives Business Units, the Asset Manager, the Insurance Companies and the Brokerage Units have confirmed that the activities for which it is requesting relief will be conducted in the ordinary course of its business and in accordance with applicable Dutch law, the law of the United Kingdom and other non-US laws.

Derivatives Market Making and Hedging. RBS conducts its derivatives market-making and hedging activities principally from London through the Derivatives Business Units. RBS issues, buys and sells derivatives on RBS Ordinary Shares for the accounts of its customers and for its own account on Euronext Liffe, other offshore exchanges and in the global over-the-counter market. These derivatives products include listed and/or over-the-counter swaps, options, warrants and securities that are exercisable or convertible into, or the value of which is determined by reference to, RBS Ordinary Shares or proprietary third-party baskets or indices including RBS Ordinary Shares. Also included are futures of the foregoing. The Derivatives Business Units engage in these derivatives activities on a solicited basis in order to facilitate customers’ orders.⁸

In addition, as a result of the derivatives market-making activities of the Derivatives Business Units, RBS’s financial exposure to movements in the price of the RBS Ordinary Shares will vary from time to time. In order to manage this financial exposure, the Derivatives Business Units enter into hedging transactions that involve, in whole or in part, purchases and sales of RBS Ordinary Shares. The hedging transactions in RBS Ordinary Shares described above occur primarily on the LSE, with the balance occurring in the over-the-counter market in the United Kingdom and, in some cases, elsewhere outside the United States. These hedging purchases and sales of RBS Ordinary Shares amounted to less than 1% of the ADTV in RBS Ordinary Shares during 2006.

Trading in RBS Ordinary Shares by the Asset Manager. As part of its investment management activities, the Asset Manager buys and sells RBS Ordinary Shares outside the United States for the Managed Funds of RBS’s accounts. Under English law, and subject to the terms of any contractual arrangements as in effect from time to time between the Asset Manager and the relevant Managed Fund, the Asset Manager has a fiduciary duty to oversee the Managed Funds of RBS in a manner that is in the best interests of the investors of those funds. The Asset Manager is prohibited by law from taking into account any factors other than the interests of the Managed Funds’ beneficiaries in making investment decisions. Accordingly, the Asset Manager would be prohibited by law from following a directive by RBS to cease trading RBS Ordinary Shares during the Regulation M restricted period,

⁸ The customers for such derivatives include US as well as non-US based customers.

unless the Asset Manager believed that cessation of such trading was in the best interests of the Managed Funds of RBS's beneficiaries. Similarly, the Asset Manager would be prohibited by law from following an RBS directive to bid for or purchase RBS Ordinary Shares unless the Asset Manager independently concluded that such bids or purchases were in the best interests of the Managed Funds of RBS's beneficiaries. Additionally, as discussed above, non-group Investment Managers undertake to manage portfolios either through investment in non-group collective investment schemes or by appointing an Investment Manager under a segregated portfolio. These appointed Investment Managers and collective investment schemes buy and sell RBS Ordinary Shares and it would not be appropriate for RBS to restrict their trading in RBS Ordinary Shares during the Regulation M restricted period, unless the Investment Managers believed that cessation of such trading was in the best interests of the relevant portfolios.

Trading by the Insurance Companies. The Insurance Companies purchase funds or indices that may include RBS Ordinary Shares, in connection with investing premiums paid by their customers for certain policies. The Insurance Companies conduct these activities outside the United States.

Under UK law, the Insurance Companies have a fiduciary duty to the purchasers of such policies to oversee the investments with respect to those policies in a manner that is in the best interests of those purchasers. The Insurance Companies may not take into account any factors other than interests of its insureds in making investment decisions under these policies. Accordingly, the Insurance Companies would be prohibited by law from following, with respect to certain of its policies, a directive by RBS to cease trading in funds or indices that included RBS Ordinary Shares during the Restricted Period (as defined below), unless such a halt in trading were in the best interests of the purchasers of those policies. Similarly, the Insurance Companies would be prohibited by law from following an RBS directive to trade in funds or indices that included RBS Ordinary Shares unless the Insurance Companies independently concluded that such bids or purchases were in the best interests of its insureds under such policies.

Unsolicited Brokerage. RBS effects unsolicited brokerage transactions in the RBS Ordinary Shares through its Brokerage Unit by placing orders on the LSE and other offshore exchanges or effecting trades in the over-the-counter market in the United Kingdom and elsewhere outside the United States, in each case on behalf of customers. These transactions arise from unsolicited buy and sell orders received from its customers, although RBS may solicit the other side of these transactions. The unsolicited brokerage activities of the Brokerage Unit amounted to approximately 0.75% of the ADTV in RBS Ordinary Shares during 2006.

As noted above, Citizens may also engage in unsolicited brokerage transactions in the RBS Ordinary Shares with its customers in the United States. These transactions would be effected in the over-the-counter markets in the United States or in the non-US markets described above. The unsolicited brokerage activities of Citizens as a percentage of ADTV in RBS Ordinary Shares have historically been even lower than the unsolicited brokerage activities in RBS Ordinary Shares of the Brokerage Unit.

RBS maintains and enforces written "Chinese Wall" policies and procedures to prevent material non-public information from passing between the sales/trading areas and the advisory areas of RBS. Accordingly, during restricted periods prior to announcements of earnings results or other material developments that have not yet become public, all ordinary course market activities of RBS are

permitted to continue. Under these policies and procedures, RBS's traders and sales force who conduct these market activities will generally be able to continue doing so during and outside these restricted periods, although senior management may restrict such activities in extraordinary circumstances. RBS will continue to maintain and enforce these policies and procedures during the Offer.

Other affiliates of RBS conduct market activities in RBS Ordinary Shares in the ordinary course of their business. In connection with the Offer, these other affiliates will comply with Regulation M, either by suspending their market activities during the restricted period or by conducting those activities in accordance with an available exception from Regulation M. These exceptions might include those available for "affiliated purchasers". Accordingly, RBS is not seeking relief from the Staff for these activities.

3 The Offer

The Offer would cover all the outstanding ordinary shares, nominal value of €0.56 per share, of ABN AMRO ("**ABN AMRO Ordinary Shares**") and ADSs, each representing one ABN AMRO Ordinary Share, of ABN AMRO ("**ABN AMRO ADSs**") and, together with the ABN AMRO Ordinary Shares, "**ABN AMRO Shares**").

In the Offer, ABN AMRO shareholders would have the right to exchange each of their ABN AMRO Ordinary Shares and each of their ABN AMRO ADSs for consideration which would include a combination of 0.296 RBS Ordinary Shares and €35.60 in cash. The number of RBS Ordinary Shares to be offered in the Offer is based on a fixed exchange ratio and is not subject to change based on fluctuations in the price of RBS Ordinary Shares on the LSE or the ABN AMRO Ordinary Shares on Euronext Amsterdam. Prior to completion of the Offer, RBS intends to establish an American Depositary Receipt facility in the United States in which former holders of ABN AMRO Shares who received RBS Ordinary Shares in the Offer would be able to deposit their RBS Ordinary Shares in exchange for RBS ADSs. It is expected that an application would be made to list the RBS ADSs on the NYSE.

The RBS Ordinary Shares to be delivered in the Offer will be registered under the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "**Securities Act**"), pursuant to a registration statement on Form F-4 and, assuming the maximum number of ABN AMRO Shares subject to the Offer is tendered, 556,143,700 RBS Ordinary Shares would be issued globally in the Offer, of which 85,108,032 RBS Ordinary Shares would be issued in the United States, amounting to approximately 5.9% and 0.9%, respectively, of the RBS Ordinary Shares outstanding prior to the Offer.

The Offer is expected to comprise:

- a US offer made pursuant to the US Offer Document (the "**US Offer Document**") to all holders of ABN AMRO Ordinary Shares who are located in the United States and to all holders of ABN AMRO ADSs, wherever located (the "**US Offer**"); and
- a Dutch offer made pursuant to the Dutch Offer Document (the "**Dutch Offer Document**") and, together with the US Offer Document, collectively referred to as the

"Offer Document") to all holders of ABN AMRO Ordinary Shares who are located in the Netherlands and to all holders of ABN AMRO Ordinary Shares who are located outside of the Netherlands and the United States, if, pursuant to the local laws and regulations applicable to such holders, they are permitted to participate in such offer (the **"Dutch Offer")**.

The Dutch Offer would be structured to comply with the applicable requirements of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the **"DFSA")**, the Dutch Securities Market Supervision Act (*Wet toezicht effectenverkeer 1995*), the Dutch Securities Market Supervision Decree (*Besluit toezicht effectenverkeer 1995*) (the **"SMSD")** and the relevant regulations promulgated thereunder (collectively, the **"Dutch Takeover Regulations")**, which govern tender offers in the Netherlands, as well as applicable rules and regulations of the Dutch Securities regulator, Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the **"AFM")**. The US Offer would be structured to comply with the applicable requirements of Sections 14(d) and 14(e) of the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the **"Exchange Act")** as well as the applicable provisions of the Securities Act. The Consortium expects that the US Offer would be a "Tier II" offer. The US Offer would, to the extent applicable, also be governed by the Dutch Takeover Regulations as well as applicable rules and regulations of the AFM. The Offer would be made in the relevant jurisdictions pursuant to the Offer Document published on or shortly after the date the Offer is formally commenced.

4 Application of Regulation M

In connection with the US Offer, the Consortium, through its special purpose bid vehicle RFS Holdings B.V., will offer US investors the ability to exchange their ABN AMRO Shares for cash and RBS Ordinary Shares. As a result, RBS will be considered to be engaged in a distribution in the United States for purposes of Regulation M. Pursuant to Rule 100 under Regulation M, the restricted period for the US Offer (the **"Restricted Period")** will commence on the day the Consortium's Offer Document is first disseminated to US holders of ABN AMRO Shares and end upon expiration of the acceptance period for the US Offer, which on the current time table is not expected to be until at least mid-October 2007. Accordingly, the Restricted Period for the US Offer will last for a minimum of 20 US business days but will likely be substantially longer.

Given that RBS will be considered an "issuer" and its subsidiaries will be considered "affiliated purchasers" of the issuer, as defined in Rule 100 of Regulation M, their market activities will be subject to Rule 102 throughout the Restricted Period. As such, we request relief for the market activities of RBS and its affiliates described in this letter under Rule 102.⁹

Under Rule 102, RBS would not be permitted to bid for or purchase, or attempt to induce any person to bid for or purchase, RBS Ordinary Shares during the Restricted Period, except to the extent that

⁹ We note that the RBS Ordinary Shares would qualify as actively-traded securities pursuant to Regulation M, and therefore "distribution participants" (as defined in Rule 100 of Regulation M) subject to Rule 101 rather than Rule 102 would be able to avail themselves of the exception for actively-traded securities. The ADTV value for RBS Ordinary Shares was £376.7 million (approximately \$754.9 million) for the two-month period ended June 30, 2007, and the public float value for RBS Ordinary Shares was £59.9 billion (approximately \$120.0 billion) as of June 30, 2007, in each case well in excess of the thresholds set out in Regulation M to qualify as an actively-traded security.

one of the specified exceptions in the rule is available. There are no exceptions available under Rule 102 that would permit RBS and its affiliated purchasers to engage in the derivatives market-making and hedging, asset management, insurance and unsolicited brokerage activities described in this letter. Therefore, without the requested exemptive relief, RBS would not be permitted to engage in such activities for an extended period of time, which is expected to last for a number of months.

As RBS is a significant market maker in derivatives¹⁰ on RBS Ordinary Shares, if RBS is precluded from conducting market-making activities in the derivatives or from effecting hedging transactions in RBS Ordinary Shares relating to the derivatives, the application of Regulation M could have adverse effects on the market in the United Kingdom for the derivatives, as well as on RBS's ability to manage hedge positions maintained by it and its customers previously established in connection with this activity. RBS may also be unable to execute asset-management related or unsolicited brokerage orders submitted by its customers in the normal course, thereby forcing its customers to take their orders elsewhere or to refrain from trading. Similarly, the Insurance Companies may not refrain from, or engage in, trading in RBS Ordinary Shares as a result of investment instructions received from RBS, unless such action is in the best interests of the purchasers of those policies. The derivatives market-making and hedging, asset management, insurance and unsolicited brokerage activities described in this letter are also important aspects of RBS's business as a major financial institution in the United Kingdom and, therefore, interrupting those activities for such an extended period could also have an adverse impact on RBS's business, including its ability to properly manage its risks.

In addition, the Offer is being conducted and trading by the business units and affiliates of RBS identified herein in RBS Ordinary Shares during the Offer is subject to and will be conducted in accordance with applicable Dutch law and its interpretations by the AFM in relation to the Offer, the laws of the United Kingdom and other applicable non-US law. As discussed in greater detail below, applicable Dutch law, and its interpretations by the AFM in relation to the Offer, and the laws of the United Kingdom provide important safeguards against the type of risk of abuse that Regulation M was designed to prevent. Furthermore, if the maximum number of shares targeted in the Offer were tendered, the RBS Ordinary Shares expected to be issued pursuant to the Offer globally and in the United States would represent approximately 5.9% and 0.9%, respectively, of the RBS Ordinary Shares outstanding prior to the Offer.

Finally, RBS believes that the risk of market manipulation under the Offer is limited by the "Chinese Wall" procedures and fiduciary duties described above, the fact that the market activities that are the subject of this request for exemptive relief are the ordinary course customer-driven market activities of RBS rather than activities commenced or managed in contemplation of the Offer, and the fact that the jurisdictions in which RBS operates have laws that prohibit market manipulation (as further discussed below).

For the foregoing reasons, RBS asks the Staff to provide an exemption from Regulation M that would allow RBS, through the business units and affiliates identified herein, to continue to engage in derivatives market-making and hedging, asset management, insurance and unsolicited brokerage

¹⁰ Derivatives on RBS Ordinary Shares generally would not be "covered securities" under Rule 100 of Regulation M. See, e.g., Release 34-38067 (Dec. 20, 1996), 62 FR 520, 524. Derivative market making by RBS affiliates, however, might, in some cases, be regarded as involving inducements to purchase RBS Ordinary Shares. To avoid uncertainty, the activities covered by this request for exemption include the derivatives market-making and hedging and other activities in RBS Ordinary Shares described in this letter.

activities with respect to RBS Ordinary Shares in the ordinary course of their respective businesses described above during the Restricted Period, as permitted under market practice and applicable law in its home country.¹¹

5 The Dutch Regulatory Market

The DFSA contains the regulations that apply to the financial markets and their supervision in the Netherlands. The AFM is the body responsible for regulating behavior on the securities markets in the Netherlands.

The DFSA governs, amongst other things, rules for offering securities, rules for holding a market in financial instruments, rules for disclosure and rules for insider trading and market abuse. Currently, the rules relating to public offers are almost exclusively regulated by the SMSD while the regulation of exemptions for public offers ("**Temporary Regulation**") is conducted by the Dutch Minister of Finance. Upon the implementation of the act for the implementation of the Thirteenth EU-Directive on mandatory offer rules (*Wet tot invoering van de dertiende richtlijn*) (the "**Act**"), the rules relating to public offers will be amended and incorporated into a decree regarding public offers (the "**Decree**") pursuant to the DFSA.¹²

The AFM is responsible for market supervision, monitoring compliance, investigating violations and imposing disciplinary measures. The DFSA considers any violation of the rules on market manipulation and any dissemination of misleading information to be a criminal offense under Dutch law.

Pursuant to Article 5:56 of the DFSA, natural and legal persons¹³ are prohibited from using inside information while performing or effecting a transaction:

¹¹ As described above, the vast majority of the market activities in RBS Ordinary Shares for which relief is sought in this letter are conducted on the LSE and in the over-the-counter market in the United Kingdom. Although similar activities are carried out by the business units and affiliates of RBS described in this letter outside of the United Kingdom, the volume of such activities has historically been low compared to the volume of such activities in the United Kingdom. We also note that, during 2006, total market activity in RBS Ordinary Shares outside the United Kingdom was less than 1% of worldwide average daily trading volume. We ask that the requested relief also cover such activities outside of the United Kingdom and the United States conducted in the ordinary course and in accordance with applicable local law.

¹² It is expected that this implementation will occur at some point in the second half of 2007.

¹³ The natural and legal persons referred to include:

- (i) persons who have inside information at their disposal due to the fact that they determine the day-to-day policies or supervise the policies and the general course of events of an issuer to which the inside information relates;
- (ii) persons who have inside information at their disposal due to the fact that they have at their disposal a qualifying holding in the issuer that has issued financial instruments as meant in the first subsection under (iii), to which the inside information relates;
- (iii) persons with access to information of a precise nature relating directly or indirectly to an issuer of financial instruments, or to trading in those financial instruments, which information has not been made public and which, if it were made public, would be likely to have a significant effect on the prices of the financial instruments or on the prices of related derivative financial instruments in the normal course of the exercise of their work, profession or duties;
- (iv) persons having inside information at their disposal due to involvement in offenses; and
- (v) any person not belonging to (iv) but who is aware, or should reasonably suspect, that it has inside information at its disposal.

- (i) in or from the Netherlands or a non-EU Member State in financial instruments admitted to trading on a regulated market, or an unregulated market in financial instruments in the Netherlands, or for which admission to any such trading has been requested;
- (ii) in or from the Netherlands in financial instruments admitted to trading on a regulated market in another EU Member State or admitted to trading on a market in financial instruments established and permitted by the authorities in a non-EU Member State, or in financial instruments for which admission to any such trading has been requested;
- (iii) in or from the Netherlands or a non-EU Member State in financial instruments that are not covered under (i) or (ii) above yet determine their value by relying on the financial instruments discussed in (i) or (ii) above; or
- (iv) in or from another EU Member State in financial instruments admitted to trading on an unregulated market in financial instruments.

It is also prohibited for these persons to:

- (i) perform or effect a transaction or order to trade in financial instruments that give, or are likely to give, false or misleading signals about the offer, demand or price of those financial instruments, unless the party that performed or effected the transaction or order to trade proves that its motive for performing or effecting the transaction or order to trade is justified and that the transaction or order to trade conforms with customary practice in the relevant market;
- (ii) perform or effect a transaction or order to trade in financial instruments in order to secure the price of those financial instruments at an artificial level, unless the party that performed or effected the transaction or order to trade proves that its motive for performing or effecting the transaction or order to trade is justified and that the transaction or order to trade conforms with customary practice in the relevant market;
- (iii) perform or effect a transaction or order to trade in financial instruments employing deception or contrivance; or
- (iv) disseminate information that gives, or is likely to give, false or misleading signals about the offer, demand or price of financial instruments, where the disseminator of such information knows or should reasonably suspect that such information is false or misleading.

Certain exemptions apply to the prohibitions enumerated above.¹⁴

¹⁴ The exemptions are for:

- (i) a monetary policy, an exchange-rate policy or a public debt-management policy;
- (ii) a buy-back program as described in Chapter II of Regulation 2273/2003 of the Commission of the European Communities of December 22, 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programs and stabilization of financial instruments (OJ L 336);
- (iii) stabilization as described in Chapter III of Regulation 2273/2003 of the Commission of the European Communities of December 22, 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programs and stabilization of financial instruments (OJ L 336);
- (iv) granting financial instruments to employees pursuant to an employee plan;

The disclosure rules under the DFSA relate to the disclosure of information by issuers and the notification of shareholdings. The rules on the disclosure of shareholdings are applicable to: (i) issuers of securities, (ii) shareholders and other parties with voting rights with regard to changes in control and share capital interest and (iii) directors and supervisory directors. Changes of 1% or more in the issued share capital of the issuer must be notified immediately to the AFM. Furthermore, within eight days of the end of the previous quarter, the issuer must notify the AFM of any additional changes in its issued share capital that were not part of any notification to the AFM during any aforementioned change of 1% or more in the company's issued share capital. An obligation for a shareholder to disclose its interest in an issuer arises if the shareholder is holding a percentage of shares and/or voting rights, directly or indirectly, which reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of the total issued and outstanding shares and voting rights of the issuer. A director or supervisory director must notify the AFM immediately of a change in the shares or voting rights in the issuer or affiliated issuers. These disclosures can be found in a public register which is accessible through the website of the AFM.

In addition, pursuant to Clause 9p of the SMSD, the offeror, the executive directors and supervisory directors of the offeror, and the executive directors and supervisory directors of the target company must, at the time of the public announcement of the filing of the offer document, provide a statement to the AFM of the transactions in securities issued by the offeror that have been carried out by them, their spouses or registered partners, their children if they are minors and by legal persons controlled by these persons during the six months preceding the first public announcement regarding the initial offer announcement. Furthermore, the offeror, the executive directors and supervisory directors of the offeror, and the executive and supervisory directors of the target company shall also, at the time of publication of the offer document provide a detailed statement to the AFM of the number and type of securities issued by the target company that are held by them, their spouses or registered partners, their children if they are minors and by legal persons controlled by these persons.

6 The Regulatory Market in the United Kingdom

The FSMA contains the main body of rules relating to the financial markets in the United Kingdom. The FSA is an independent body that regulates the financial services industry in the United Kingdom. The FSA is responsible for market supervision and has a powerful enforcement armory, including powers

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- (v) effecting a transaction that is required in order to be able to fulfill the obligation to transfer shares or depositary receipts;
 - (vi) entering into an agreement in the course of a public offer, pursuant to which a holder of financial instruments commits to tender the financial securities to which the public offer relates to the bidder as long as the amount of financial securities is set out in a written statement to the bidder;
 - (vii) entering into an agreement whereby the holder of the financial instrument commits itself prior to an issuance or replacement of such financial instruments to irrevocably purchase such financial instruments, as long as the amount of financial instruments or the value thereof has been set out in a written declaration to the issuer issuing or replacing such financial instruments;
 - (viii) issuing or obtaining shares or depositary receipts by way of dividend (other than a choice dividend);
 - (ix) despite having inside information only relating to the trading, acting in good faith by an agent in the course of servicing its clients;
 - (x) performing transactions by employees of an issuer who has insider knowledge, *provided that*, the employees performing the transaction only have insider knowledge as far as the trading is concerned; and
 - (xi) any further exceptions that may be provided by Ministerial Decree.

to investigate, publish information, censure, suspend the marketing of securities and, above all, impose unlimited fines on both companies and individuals who have engaged in market abuse or required or encouraged another person to do so. Part VIII of the FSMA gives the FSA power to impose penalties upon any person who has engaged in market abuse or has required or encouraged another person to do so. Behavior caught by the market abuse regime falls into categories such as dealing on the basis of inside information or disseminating misleading information.

Part V of the Criminal Justice Act 1993 prohibits insider dealing. There are three offenses: (i) dealing, (ii) encouraging another person to deal and (iii) disclosing information. These offenses can only be committed by individuals. However, any act on the part of a corporate body will almost inevitably be taken on its behalf by a director, officer or employee. In addition, the offense of encouraging can be committed if the recipient of the encouragement is a corporate body. There are also some general defenses to these offenses such as a reasonable belief that the information had been disclosed widely enough or evidence that the individual would have acted the same even without the information.

However, the principal source of law relating to market manipulation in the United Kingdom is the Market Abuse Directive (the "**Directive**"), as implemented by the FSMA. Section 118 of the FSMA specifies five types of behavior that are considered to be market abuse:

- (i) insider dealing – where an "insider" (as defined below) deals or attempts to deal in securities on the basis of "inside information" (as defined below);
- (ii) improper disclosure – where an insider discloses inside information to someone else other than in the proper performance of their duties;
- (iii) manipulating transactions – where a transaction gives a false or misleading impression to the market of the supply, demand, price or value of a security or secures the price of a security at an artificial level (unless the transaction is carried out for a legitimate reason and in conformity with an "accepted market practice");
- (iv) manipulating devices – where a transaction employs a fictitious device or other form of deception or contrivance; and
- (v) misleading dissemination – where false or misleading information is knowingly or negligently disseminated to the market.

In addition, there are two residual categories that cover types of behavior not caught by one of the above categories but which involve either:

- (i) the misuse of relevant information that is not generally available to the market or
- (ii) other forms of misleading behavior or market distortion,

in each case, that a regular user of the market in question would consider to be a failure to observe reasonable standards of behavior.

"Inside information" is defined as information of a precise nature that is not generally available but which, if made generally available, would be likely to have a significant effect on the price of the company's securities. Information is deemed likely to have a significant effect on price "if and only if it is information of a kind which a reasonable investor would use as part of the basis for his investment

decisions". In relation to the insider dealing and improper disclosure offenses of the market abuse regime, the definition of inside information is extended to include information that is indirectly related to the company as well. This extends the definition to include, for example, information, such as a change in tax treatment, which relates to a particular business sector that could impact the share price of all companies in that sector equally, in addition to information that relates solely to a specific issuer.

An "insider" is a person who has inside information as a result of: (i) membership of the administrative, management or supervisory board of a company that has securities admitted to trading; (ii) holding securities in such a company; (iii) his employment, profession or duties; (iv) any criminal activities; or (v) other means, but where he knows, or could reasonably be expected to know, that he holds inside information.

Two safe harbors are expressly provided under the Directive for: (i) price-stabilizing activities and (ii) repurchases of one's own shares.

In addition, the Code of Market Conduct published by the FSA sets out conclusive descriptions of types of behavior that will not amount to market abuse. These include:

- (i) dealing with the benefit of trading information, for example, where the inside information one holds is the knowledge that one is planning to deal;
- (ii) takeover activity, including stakebuilding, the seeking of irrevocable undertakings and the making of arrangements to issue securities or offer cash as part of a takeover offer;
- (iii) disclosure of inside information that is required by the Listing Rules, Disclosure Rules or Prospectus Rules; and
- (iv) behavior conforming with certain express provisions of the City Code on Takeovers and Mergers (the "Code"), *provided* that, the behavior also conforms with the General Principles under the Code.

7 Relief Requested

As discussed above, RBS is seeking exemptive relief from Rule 102 of Regulation M to permit the Derivatives Business Units, the Asset Manager, the Insurance Companies and the Brokerage Unit to continue to engage in the derivatives market-making and hedging, asset management, insurance and unsolicited brokerage activities described in this letter during the Restricted Period. The Derivatives Business Units, the Asset Manager, the Insurance Companies and the Brokerage Unit would conduct these activities in the ordinary course of their respective businesses and in accordance with applicable Dutch law and its interpretation by the AFM in relation to the Offer, the laws of the United Kingdom and other non-US laws, all as described in this letter. RBS also asks for relief to permit Citizens to engage in unsolicited brokerage activities in the normal course of business in the United States, as described in this letter.

As a condition to the relief being requested, RBS would undertake to include disclosure in each Offer Document that will be distributed to the US holders of ABN AMRO Shares. The disclosure would be substantially similar to the following:

- since the announcement of the Offer, RBS, through certain identifiable business units, and certain of its affiliates have engaged and intend to continue to engage in various dealing and brokerage activities involving RBS Ordinary Shares;
- certain asset management companies and insurance companies that are affiliates of RBS have purchased and sold, and intend to continue to purchase and sell, RBS Ordinary Shares and derivatives as part of their ordinary investing activities. RBS, through its derivatives business units, has also engaged, and intends to continue to engage, in the issuance, purchase and sale of derivatives (such as options, warrants and other instruments) relating to RBS Ordinary Shares for RBS's account and the accounts of RBS's customers, as well as in purchases and sales of RBS Ordinary Shares for the purpose of hedging the positions established in connection with the derivatives activities relating to RBS Ordinary Shares entered into by RBS and its customers. RBS, through its brokerage business unit, has also engaged, and intends to continue to engage, in unsolicited brokerage transactions in RBS Ordinary Shares with RBS's customers. These activities occurred and are expected to continue to occur in the United Kingdom, the Netherlands, elsewhere in Europe and elsewhere outside the United States;
- Citizens has also engaged and may continue to engage in unsolicited brokerage transactions in RBS Ordinary Shares in the United States;
- all of these activities could have the effect of preventing or retarding a decline in the market price of the RBS Ordinary Shares; and
- RBS has sought and received from the Commission certain exemptive relief from Regulation M in order to permit its identifiable business units and affiliates to engage in the foregoing activities during the Restricted Period.

As a further condition to the relief being requested, RBS will undertake to keep records (the "Records") of the date and time when any RBS Ordinary Shares are purchased or sold, the market in which the purchase or sale is effected, the amount of RBS Ordinary Shares purchased or sold and the price of the purchase or sale, for each purchase or sale of RBS Ordinary Shares made during the Restricted Period. RBS will maintain Records for a period of two years following the completion of the Offer. Upon the written request of the Director of the Division of Market Regulation of the Commission, RBS will make a copy of the relevant Records available at the Commission's offices in Washington, D.C.

In connection with the relief requested by RBS in this letter, please note that substantially similar exemptive relief from Rule 101 and Rule 102 of Regulation M was granted with respect to market-making, derivatives market-making and hedging, asset management, insurance and unsolicited brokerage activities to Santander under your exemptive letter dated September 10, 2004 and to Banco Bilbao Vizcaya Argentaria, S.A. under your exemptive letter dated June 25, 2007, and that substantially similar exemptive relief from Rule 102 of Regulation M was granted with respect to market-making, derivatives market-making and hedging and unsolicited brokerage activities to Allianz SE under your exemptive letter of March 23, 2007.

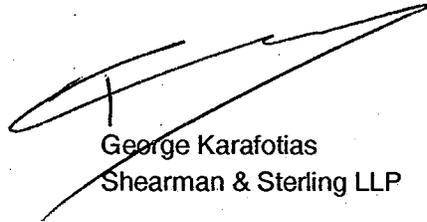
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If you have any questions about this request, please do not hesitate to contact Larry Vranka (212-903-9211), George Karafotias (011-44-207-655-5576) or Colin Greenspon (212-903-9102). We appreciate your assistance in this matter.

Yours sincerely,



Lawrence Vranka, Jr.
Linklaters LLP



George Karafotias
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cc: Elizabeth Sandoe
Joan Collopy

Securities and Exchange Commission

Miller McLean
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