

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 Santander an exemption from Rule 102 of Regulation M to permit the Derivatives Market Maker, the Asset Managers, the Insurance Company, the Brokerage Units, Santander Investment Securities, Banesto Securities, and ANSI (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;
- Santander maintains and enforces written "Chinese Wall" policies and procedures to prevent material non-public information from passing between the sales/trading areas and other sensitive areas of Santander, including any investment oversight committees;
- The Derivatives Market Maker conducts its derivatives market making and hedging activities outside the United States and, during 2006, the derivatives market making and hedging activities of the Derivatives Market Maker accounted for approximately 0.0% of the ADTV in RBS Ordinary Shares on the LSE;

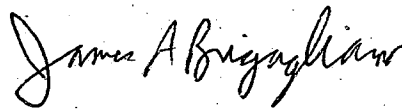
Messrs. Rogers and Boeckman

July 23, 2007

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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

investment management activities on behalf of the Managed Funds, the Asset Managers buy and sell RBS Ordinary Shares and derivatives, including listed and over-the-counter options, warrants, convertible securities and other structured products relating to RBS Ordinary Shares or baskets or indices including RBS Ordinary Shares, as well as index futures on the foregoing, for the Managed Funds' accounts.

- Trading by the Insurance Company: As part of its ordinary business, Santander Seguros y Reaseguros, S.A., an affiliate of Santander incorporated in Spain (the "Insurance Company"), sells certain insurance products requiring the insurer to invest the premiums paid by the purchaser of the policies within certain asset classes determined by that purchaser (such as shares represented in the FTSE 100 Index, which includes RBS Ordinary Shares) (such products, the "Asset Class Policies"). The Insurance Company does not provide any investment advice to purchasers with respect to the asset classes that may be selected by the customer as part of the Asset Class Policies.
- Unsolicited Brokerage: The Brokerage Units² effect unsolicited brokerage transactions in RBS Ordinary Shares by placing orders on the LSE and other overseas exchanges or effecting trades in over-the-counter markets

of Switzerland, Abbey National Asset Managers Limited, Abbey National PEP & ISA Managers Limited, Abbey National Unit Trust Managers Limited, Abbey National Funded Unapproved Retirement Benefits Scheme Trustees Limited, Abbey National Group Pension Schemes Trustees Limited, Abbey National Personal Pensions Trustee Limited, Abbey National Secretariat Services Limited, Abbey National Wrap Managers Ltd., Cater Allen Pensions Limited, Duncan Lawrie Pension Consultants Limited, James Hay Administration Company Limited, James Hay Pension Trustees Ltd., Sarum Trustees Limited, The National & Provincial Building Society Pension Fund Trustees Limited and Inscape Investments Limited, each a corporation organized under the laws of the United Kingdom, and Afinidad AFAP, S.A., a corporation organized under the laws of Uruguay.

² The Brokerage Units consist of Santander Investment Bolsa, S.V., S.A. and Banesto Bolsa, S.A., Sociedad de Valores y Bolsa, each a corporation organized under the laws of Spain, Santander Sociedad de Bolsa, S.A., a corporation organized under the laws of Argentina, Santander Investment Limited, a corporation organized under the laws of Bahamas, Banespa, S.A. Corretora de Cambio e Títulos, Santander Brasil S.A., Corretora de Cambio e Valores Mobiliarios, Santander Distribuidora de Títulos e Valores Mobiliarios Ltda. and Norchem Participações e Consultoria, S.A., each a corporation organized under the laws of Brazil, Santander Investment Valores Colombia, S.A., Comisionista de Bolsa Comercial, a corporation organized under the laws of Colombia, Santander Investment, S.A. Corredores de Bolsa and Santander, S.A. Agente de Valores, each a corporation organized under the laws of Chile, Abbey National (Gibraltar) Limited, a corporation organized under the laws of Gibraltar, Casa de Bolsa Santander, S.A. de C.V., Grupo Financiero Santander and Efectividad en Medios de Pago, S.A. de C.V., each a corporation organized under the laws of Mexico, Marylebone Road CBO 3, BV, a corporation organized under the laws of The Netherlands, Banco Santander de Negocios Portugal, S.A., a corporation organized under the laws of Portugal, Santander Securities Corporation, a corporation organized under the laws of Puerto Rico, Abbey National Property Investments, Abbey Stockbrokers (Nominees) Limited, Abbey Stockbrokers Limited and Cater Allen International Limited, each a corporation organized under the laws of the United Kingdom, and Valores Santander Casa de Bolsa, C.A., a corporation organized under the laws of Venezuela.

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 outstanding, held by 175,622 record holders in the United Kingdom. Approximately 1.32% of RBS's outstanding Ordinary Shares were held 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).⁴ 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, 2007.⁵

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.

⁴ 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.

⁵ 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.

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 Managers would be prohibited by law from following a directive by Santander to cease trading RBS Ordinary Shares and derivatives, including listed and over-the-counter options, warrants, convertible securities and other structured products related to RBS Ordinary Shares or baskets or indices including RBS Ordinary Shares, as well as index futures on the foregoing, during the Restricted Period (as defined below), unless the Asset Managers believed that cessation of such trading was in the best interests of the Managed Funds of Santander's beneficiaries.⁷ Similarly, the Asset Managers would be prohibited by law from following a Santander directive to bid for or purchase RBS Ordinary Shares and derivatives, including listed and over-the-counter options, warrants, convertible securities and other structured products related to RBS Ordinary Shares or baskets or indices including RBS Ordinary Shares, as well as index futures on the foregoing, unless the Asset Managers independently concluded that such bids or purchases were in the best interests of the Managed Funds of Santander's beneficiaries.

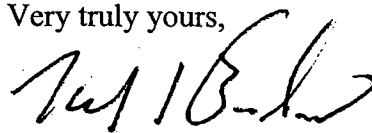
Trading by the Insurance Company. The Insurance Company purchases RBS Ordinary Shares in connection with investing premiums paid on Asset Class Policies, which require investments within a narrow class of assets, such as the FTSE 100 Index, that may include RBS Ordinary Shares. The Insurance Company conducts these activities outside the United States.

Under Spanish law, the Insurance Company has a fiduciary duty to the purchasers of Asset Class Policies to oversee the investments with respect to those policies in a manner that is in the best interests of those purchasers. The Insurance Company may not take into account any factors other than the interests of its insureds in making investment decisions under those policies. Accordingly, the Insurance Company would be prohibited by law from following, with respect to the Asset Class Policies, a

the Managed Funds, no assurances can be given that the Asset Managers will in fact refrain from trading in RBS Ordinary Shares or derivatives during the Restricted Period. Accordingly, we are asking that the requested relief cover the asset management activities of the Asset Managers to the extent that the Asset Managers continue to trade in RBS Ordinary Shares or derivatives in the ordinary course of business during the Restricted Period.

⁷ Some of the pension funds managed by the Asset Managers have an "investment oversight committee" charged with overseeing the investments made by the Asset Managers. In certain cases, representatives and/or employees of Santander or its affiliates may be members of those investment oversight committees. However, those committees (and their members) would be unable to require the pension fund Asset Manager to stop or start trading RBS Ordinary Shares or derivatives during the Restricted Period if the Asset Manager did not believe it was in the best interests of the fund's owners to do so. The representatives and/or employees of Santander who participate on the investment oversight committees are, like the Asset Managers themselves, isolated by Chinese Walls from the areas of Santander where price-sensitive information relating to RBS Ordinary Shares or derivatives and where information relating to the Offer would be discussed. In the case of one pension fund (Previfuturo) managed by an Asset Manager, two members of such pension fund's investment oversight committee are not separated by a Chinese Wall from the areas of Santander where information relating to the Offer may be discussed. These two persons have agreed to resign from the relevant investment oversight committee on Thursday July 19, 2007.

Very truly yours,



William P. Rogers, Jr.
Philip J. Boeckman

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Copy to:

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