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Dear Sirs

Netting Under Scots law - ISDA Master Agreement - Core Provisions

We refer to your letter of 11 September 2006 asking us to advise whether there have been any developments which might adversely affect the conclusions in our memorandum of law of 8 December 2000 for the Bundesverband Deutscher Banken e.V. (the **BDB**) regarding the core provisions of the 1992 ISDA Master Agreement (Multicurrency - Cross Border) (the **Core Provisions Memorandum**).

We confirm that since the date of our last update, which was prepared for BDB on 3 November 2005, there have not been any developments of a legal or regulatory nature that could materially and adversely affect the conclusions reached in the Core Provisions Memorandum. The advice given in the Core Provisions Memorandum therefore continues to reflect our understanding of the law of Scotland as of today's date. In addition, we confirm that there are no developments pending as a result of which the conclusions reached in the Core Provisions Memorandum may be expected to change in the foreseeable future.

This update and the Core Provisions Memorandum may be made available by ISDA to its members and relied upon by ISDA members as if the Core Provisions Memorandum were addressed to them. This update is given for the sole benefit of ISDA and its members and may not be relied upon by any other person. This update and the Core Provisions Memorandum may, however, be shown by an ISDA member to a competent regulatory authority for such ISDA member for the purposes of information only, on the basis that we assume no responsibility to such authority or any other person as a result, or otherwise.

Yours faithfully

Dundas & Wilson CS LLP