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# e u r e x *circular 053/14*

**Date:** 25 March 2014
**Recipients:** All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
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## RSA Insurance Group plc: Capital increase

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**Content may be most important for:**

Ü Front Office/Trading
Ü Middle + Back Office
Ü Auditing/Security Coordination

**Attachments:**
none


**Summary:**

On 25 March 2014, the company RSA Insurance Group plc published the final details of the capital increase that had been announced on 27 February 2014. According to the announcement, subscription ratio will be 8:3, subscription price for the new shares will be British pence 56.00.

As a consequence of the capital increase, adjustment of the Eurex options and the Eurex Single Stock Futures contract on shares of RSA Insurance Group plc (RYL, RSAF) will become necessary.

Ex date will be **26 March 2014**.

This circular contains a description of the adjustment procedure.



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# RSA Insurance Group plc: Capital increase

**Measure:**
Capital increase with subscription rights for the shareholders of RSA Insurance Group plc

**Subscription ratio:**
8:3, i.e. eight old shares of RSA Insurance Group plc entitle to subscribe to three new shares of RSA Insurance Group plc

**Subscription price:**
British pence 56.00

**Last cum trading day:**
25 March 2014

**Ex date:**
26 March 2014

**Start of subscription period:**
26 March 2014

**Affected products:**
RYL, RSAF

**Reference to underlying Rules & Regulations:**
Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, sections 1.6.7 (3) and 2.6.10.1 (3).

**ISIN:**
The ISIN of the RSA Insurance Group plc share (GB0006616899) will remain unchanged.

## Procedure

### Determination of adjustment factor (R-factor)

The official closing auction price of the RSA Insurance Group plc share at the London Stock Exchange on the last cum trading day will be the basis for determination of the R-factor.

The R-factor will be determined with eight decimal places. It is calculated in the following way:

R = ((number of existing shares / number of new shares) * (1 - (issue price of new shares / closing auction price))) + (issue price of new shares / closing auction price)

## Options

### 1. Adjustment of strike prices and contract sizes

All existing strike prices will be multiplied by the R-factor.

The contract size will be divided by the R-factor.

The version number of the existing series will be increased by 1.

The adjusted strike prices and contract sizes will be published via the **Market Supervision Messages** window immediately after close of trading on the last cum trading day.

New series with standard contract size 1,000 and version number 0 will be introduced effective the ex date.

All existing orders and quotes will be deleted after close of trading on the last cum trading day.

The adjustment also refers to existing positions in OTC Flexible Options.

**2. Exercises**

Generally, upon exercise of an adjusted series cash settlement will be made for the fractional part of the new contract size.

For exercise of adjusted series as of version 2, differences may occur in the delivery process. In report RPTTA111 (All Active/All Inactive Series), the parts of the contract size are listed for which cash settlement will take place in case of exercise of an adjusted series.

## Futures

**1. Adjustment of contract size and variation margin**

The adjustment will be made with the same R-factor as for the options.

To adjust the calculation of the variation margin of the following exchange trading day, settlement prices of the last cum trading day will be multiplied by the R-factor.

The new contract size will be calculated as follows:

Contract size new = contract size old / R-factor

All existing orders and quotes will be deleted after close of trading on the last cum trading day.

The adjustment also refers to existing positions in OTC Flexible Futures.

**2. Introduction of a new contract**

A new Eurex Single Stock Futures contract on RSA Insurance Group plc will be introduced with the standard contract size 1,000 and product code RSAG.

The exact introduction date will be communicated in a separate Eurex circular.

As soon as the new contract is available for trading and there are no more contract months with open interest in the original contract on RSA Insurance Group plc (RSAF), trading in this contract will be set on “HALT” and discontinued.

Furthermore, no new contract months will be introduced in the original contract (RSAF). Existing contract months without open interest will be suspended from trading.

**If there is no open interest in the original contract on RSA Insurance Group plc (RSAF) on the last cum trading day after close of trading, no adjustment will take place and no new contract will be introduced.**

**Please note:** An adjustment will only be made if the subscription right has a positive value.

25 March 2014