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# eurex circular 204/10

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**Recipients:** All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors

## Standard Chartered PLC: Capital Increase

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**Content may be most important for:**

- Front Office/Trading
- Middle + Backoffice
- Auditing/Security Coordination

**Attachments:**

none


**Summary:**

On October 13, 2010, Standard Chartered PLC announced by means of a press release a capital increase with subscription rights for the shareholders of Standard Chartered PLC at a subscription ratio of 8:1. According to the message, the subscription price of the new shares will be 1,280.00 Pence. Subscription period will start on October 22, 2010.

As a consequence of the capital increase, an adjustment to the Eurex options on shares of Standard Chartered PLC (SCB) and the Eurex stock futures contract on shares of Standard Chartered PLC (STAG) will become necessary.

Ex date will be **October 22, 2010**.

This circular contains a description of the adjustment procedure.



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# Standard Chartered PLC: Capital Increase

**Measure:**
Capital increase with subscription rights for shareholders of Standard Chartered PLC

**Subscription Ratio:**
8:1, i.e. eight existing shares of Standard Chartered PLC entitle to subscribe to one new share of Standard Chartered PLC

**Subscription Price:**
1,280.00 Pence

**Last cum trading day:**
October 21, 2010

**Ex date:**
October 22, 2010

**Start of Subscription Period:**
October 22, 2010

**Affected Products:**
SCB, STAG

**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 Standard Chartered PLC share (GB0004082847) will remain unchanged.

## Procedure

**Determination of Adjustment Factor (R-Factor)**

The official closing auction price of the Standard Chartered 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)

R = ((8/9) * (1- (1280 / closing auction price))) + (1280 / 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 1000 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.

**2. Exercises**

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

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

**2. Introduction of a new Contract**

A new contract on Standard Chartered PLC shares will be introduced with standard contract size 1000 and new product code STAH.

The exact date of introduction will be published via the **Market Supervision Messages** window.

As soon as the new contract is available for trading and there are no more series with open interest in the original contract on Standard Chartered PLC share (STAG), trading in this contract will be set on “HALT” and discontinued.

Furthermore, as of October 22, 2010, no more new series will be introduced in the original contract (STAG). Existing expiration months without open interest will be suspended from trading.

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

signed: Jürg Spillmann signed: Richard Heizmann

Frankfurt, October 15, 2010