X-pand into the Future

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Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Jürg Spillmann

Banco Popular Espanol S.A.: Capital increase

Contact: Derivatives Trading Operations, T +49-69-211-1 12 10

Content may be most important for:	**Attachments:**
➲ Front Office/Trading ➲ Middle + Backoffice ➲ Auditing/Security Coordination	none

Summary:

On 10 November 2012, the extraordinary annual general meeting of the company Banco Popular Espanol S.A. published details on a capital increase. On 12 November 2012, the executive board of the company Banco Popular Espanol S.A. specified the conditions of the capital increase. Accordingly, the subscription ratio will be 1:3, the subscription price for the new shares will be EUR 0.401.

As a consequence of the capital increase, an adjustment to the Eurex options on shares of Banco Popular Espanol S.A. (POP) and the Eurex stock futures contracts on shares of Banco Popular Espanol S.A. (POPF, POPP) will become necessary.

Ex date will be **14 November 2012**.

This circular contains a description of the adjustment procedure.

Eurex Deutschland
Börsenplatz 4
60313 Frankfurt/Main
Mailing address:
60485 Frankfurt/Main
Germany

T +49-69-211-1 17 00
F +49-69-211-1 17 01
memberservices@eurexchange.com
Internet:
www.eurexchange.com

Management Board:
Thomas Book, Michael Peters,
Andreas Preuss, Peter Reitz,
Jürg Spillmann

ARBN: 101 013 361

Banco Popular Espanol S.A.: Capital increase

Measure:
Capital increase with subscription rights for shareholders of Banco Popular Espanol S.A.

Subscription ratio:
1:3, i.e. one old share of Banco Popular Espanol S.A. entitles to subscribe to three new shares of Banco Popular Espanol S.A.

Subscription price:
EUR 0.401

Last cum trading day:
13 November 2012

Ex date:
14 November 2012

Start of subscription period:
14 November 2012

Affected products:
POP, POPF, POPP

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 Banco Popular Espanol S.A. share (ES0113790531) will remain unchanged.

The new position limit will be published after conclusion of the capital increase.

Procedure

Determination of adjustment factor (R-Factor)

The official closing auction price of the Banco Popular Espanol S.A. share at Bolsa de Madrid 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 100 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

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 new contracts

New stock futures contracts will be introduced on Banco Popular Espanol S.A. shares with standard contract size 100 and new product codes POPG and POPQ.

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

As soon as the new contracts are available for trading and there are no more contract months with open interest in the original contracts on Banco Popular Espanol S.A. (POPF, POPP), trading in these contracts will be put on “HALT” and finally discontinued.

Furthermore, effective 14 November 2012, no more contract months will be introduced in the original contracts (POPF, POPP). All existing contract months without open interest will be suspended from trading.

If there is no open interest on the last cum trading day after close of trading in one of the original contracts on Banco Popular Espanol S.A. shares (POPP), no adjustment will be made and no new contract will be introduced.

Please note: The adjustment will only take place if the subscription right has a positive value.

13 November 2012