X-pand into the **Future**

eurex circular 149/15

Date: 31 August 2015
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
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Zurich Insurance Group: Planned takeover offer to the shareholders of RSA Insurance Group

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Content may be most important for:	**Attachment:**
➲ Front Office/Trading ➲ Middle + Backoffice ➲ Auditing/Security Coordination	Implied volatilities of the option on RSA Insurance Group

Summary:

On 25 August 2015, the company Zurich Insurance Group announced by an Ad-hoc message a planned takeover offer to the shareholders of RSA Insurance Group. Accordingly, the shareholders of RSA Insurance Group shall receive GBp 550.00 in cash for each ordinary share they hold. Furthermore, RSA Insurance Group shareholders would receive by RSA the interims dividend of GPp 3.50 per ordinary share for the reporting period which ended on 30 June 2015.

For further information regarding this transaction, please refer to the website of the company at www.zurich.com.

This circular describes the potential effects this transaction will have on the existing Eurex options (RYL) and the Eurex Single Stock Futures contract (RSAF) on shares of RSA Insurance Group.

Zurich Insurance Group: Planned takeover offer to the shareholders of RSA Insurance Group

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The Eurex options and the Eurex Single Stock Futures contract on shares of RSA Insurance Group (RYL, RSAF) will be settled at the theoretical fair value based on the offer price, provided the conditions defined in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, number 1.6.7 (7) for futures contracts on shares and number 2.6.10.1 (7) for options contracts, are met. If these conditions are not met, trading in RSA Insurance Group contracts will continue without any changes. The following parameters will be defined for calculation of the theoretical fair value:

Implied volatility

For each series an implied volatility is defined. This volatility is calculated on the basis of the average implied volatility of the daily settlement prices calculated on the ten exchange days preceding the announcement of the offer (11 August 2015 to 24 August 2015). The same volatility will be used for calls and puts.

The following dividend data are applied for calculation of the implied volatility and are used for determination of the fair values, provided the settlement date of the contracts precedes the ex-date.

Dividend amount in GBp	Ex-date
3.50	10 September 2015
4.00	3 March 2016

Generally and effective immediately, no more new series in the Eurex options and the Eurex Single Stock Futures contract on RSA Insurance Group (RYL, RSAF) will be introduced. Series without open interest will be deleted.

Interest rate

For calculation of the fair value, implied interest rates will be used.

If there is no open interest in the respective contract, trading will be set on “HALT” and finally discontinued.

We will keep you informed about the further procedure whenever changes or new information in the course of the transaction render this necessary.

31 August 2015

Attachment to Eurex Circular 149/15

Implied volatilities of the option on RSA Insurance Group

Expiration Year	Expiration Month	Strike Price	Average Vola
2015	9	360	58,33
2015	9	380	52,77
2015	9	390	49,58
2015	9	420	42,29
2015	9	440	38,51
2015	9	460	35,73
2015	9	480	33,73
2015	9	500	32,46
2015	9	520	31,99
2015	9	560	33,00
2015	10	380	43,58
2015	10	440	34,19
2015	10	480	31,05
2015	10	500	30,28
2015	12	320	48,49
2015	12	360	42,85
2015	12	380	39,07
2015	12	400	35,81
2015	12	440	30,91
2015	12	480	28,21
2015	12	600	27,47
2016	3	320	35,37
2016	3	440	27,16
2016	6	360	27,60
2016	6	440	25,96
2016	6	480	25,41
2016	6	540	25,27
2016	6	560	25,34
2016	6	600	25,73