



## e u r e x *circular 110/08*

**Date:** Frankfurt, May 9, 2008  
**Recipients:** All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors  
**Authorized by:** Manfred Weber

 **High priority**

### Royal Bank of Scotland: Capital Increase

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**Content may be most important for:**

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

**Attachments:**

none

**Summary:**

On April 22, 2008, the company Royal Bank of Scotland announced a capital increase with subscription rights for Royal Bank of Scotland shareholders and published the following details on April 30, 2008. Subscription ratio will be 18:11, subscription price for the new shares 200 pence. The new shares will be entitled to dividend as of the 2008 fiscal year. The subscription period will begin on May 15, 2008. As a consequence of the capital increase, an adjustment to the Eurex stock futures contract on Royal Bank of Scotland (RBSF) will become necessary.

Ex date will be **May 15, 2008**.

This circular describes the adjustment procedure.



## **Royal Bank of Scotland: Capital Increase**

**Measure:**

Capital increase with subscription rights for the shareholders of the Royal Bank of Scotland

**Ratio: 18:11**

i.e. eighteen old shares of Royal Bank of Scotland entitle to subscribe to eleven new shares of Royal Bank of Scotland

**Subscription Price:**

200 Pence

**Dividend Entitlement of the new Shares:**

As of business year 2008

**Last Cum Trading Day:**

May 14, 2008

**Ex date:**

May 15, 2008

**Start of Subscription Period:**

May 15, 2008

**Affected Products:**

RBSF

**Reference to underlying Eurex Rules & Regulations:**

Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, Sections 1.6.7 (3).

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be available on the Eurex website as of the ex date under:

**[www.eurexchange.com](http://www.eurexchange.com) > Documents > Rules and Regulations**

**Adjustment of ISIN:**

The ISIN of the Royal Bank of Scotland share (GB0007547838) will remain unchanged.

### **Procedure**

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

The official closing auction price of the Royal Bank of Scotland share at London Stock Exchange on May 14, 2008 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:

$$R = ((\text{number of existing shares} / \text{number of new shares}) * (1 - (\text{issue price of new shares} / \text{closing auction price}))) + (\text{issue price of new shares} / \text{closing auction price})$$

$$R = ((18 / 29) * (1 - (200.00 / \text{closing auction price}))) + (200.00 / \text{closing auction price})$$

### **Futures**

**1. Adjustment of Contract Size and Variation Margin**

To adjust the calculation of the Variation Margin of the following 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:

$$\text{Contract size new} = \text{contract size old} / \text{R-factor}$$

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 the Royal Bank of Scotland will be introduced with standard contract size 1000 and new product code RBSG.

The 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 the Royal Bank of Scotland (RBSF), trading in this contract will be put on HALT and discontinued.

Should there be no more open interest in the original contract on Royal Bank of Scotland (RBSF), after close of trading on the last cum trading day, no adjustment will be made and no new contract will be introduced.

signed: Thomas Lenz

signed: Manfred Weber

Frankfurt, May 9, 2008