



NOTICE 21/17

Date: 8 June 2017

Subject: BANCO POPULAR ESPAÑOL S.A. – Adjustments to Futures and Options Contracts

Following Notice 20/17, MEFF informs that, with respect to the Relevant Event occurred with BANCO POPULAR ESPAÑOL S.A., the Supervision and Surveillance Commission has today reached the decision to:

Early settle at fair value the open position in derivatives contracts on BANCO POPULAR ESPAÑOL S.A., on June 9, 2017. The settlement will be effective value date 12 June 2017.

Parameters used in the calculation of the fair value will be:

- Underlying price shall be zero
- Expected dividends shall be zero
- Since underlying price has been set to zero, not only for present time but also for any future time, the volatility used for the calculation of the options fair value shall be zero.

Given that, the underlying shares of the derivatives contracts on BANCO POPULAR ESPAÑOL S.A. have been redeemed and therefore no longer exist, all derivatives contracts on BANCO POPULAR ESPAÑOL S.A. will be settled by differences, regardless of whether the original settlement method was by delivery or by differences.