



Equity Derivatives: 2nd of August 2007 Share Instalment Roll

On the 12th September Standard Bank will have the first automatic roll of a series of its Share Instalments and Turbo Share Instalments. The following documents the procedures that will be followed over this process.

1. On the 5th of September (1-week prior to the roll) Standard Bank will issue the new series of Instalments to replace those that are set to expire on the 12th of September.
2. If by the 12th you have not exercised the expiring Instalments or sold out your position, you will be automatically reinvested into the new series of Share Instalments.

The Number of new Instalments that holders of the expiring series will receive will be set by the following formula:

Number of new Instalments =
(Cash settlement amount / Calculated Price of new Instalment)*Number of old Instalments

Where **cash settlement amount** = (the closing price of the underlying share on expiry date – the exercise price of the expiring Instalment)

Where **calculated price of new Instalment** = closing price of the new Instalment on the expiry date of the old Instalment as per the matrix offer price based off the closing price of the underlying share. **This may differ from the closing price of the Instalment on the JSE as this level is set before the official close of the market at 5.00 p.m.**

Please note:

1. Any fractions will be rounded down and the cash amount paid into your trading account.
2. The new Instalments will take around 5 business days from the expiration date of the old series to be delivered into your trading account.

Let's Look at an Example using the FSRSTA

The FSRSTA is a Turbo Share Instalment with a strike price of R12.75 and an expiry date of the 12th of September.

1. On the 5th of September we will issue the FSRSTB to replace the FSRSTA; if we assume that FirstRand is trading around R23 at that time the details of the FSRSTB would look something like this (remember that the exact details will only be set closer to the time): Expiry 12th September 2008 with a strike price of R17.25.
2. Assume that on the 12th of September you are the holder of 1,000 FSRSTA and you have not exercised or sold out your position. You will be automatically reinvested into the FSRSTB Instalments. Assume FSR closes at R23 on the 12th of September

Number of new Instalments (FSRSTB) =
(Cash settlement amount / calculated price of new Instalment)*Number of FSRSTA Held
Cash settlement amount = (R23 (closing price FSR) – R12.75 (strike price of FSRSTA))
= R10.25
Calculated price of new Instalment = R9.00

Number of new Instalments = (10.25 / 9.00)*1000 (being the FSRSTA's held)
= 1.139*1,000 = **1,139 FSRSTB's**

Note: That the number of Share Instalments that you will be holding post the roll will have increased as the cash settlement amount of the expiring FSRSTA is above the closing price of the FSRSTB.

If this was not the case, (assume that the cash settlement amount of the FSRSTA was below the closing price of the FSRSTB) then the ratio would be below one and you would receive fewer FSRSTB's than the previously held FSRSTA.

Need more information? Call us on 0800 111 780 or email derivatives@standardbank.co.za.
[Share Instalment Brochure](#)

Confidentiality & Disclaimer

This document does not constitute an offer, or the solicitation of an offer for the sale or purchase of any investment or security. This is a commercial communication. If you are in any doubt about the contents of this document or the investment to which this document relates you should consult a person who specialises in advising on the acquisition of such securities. Whilst every care has been taken in preparing this document, no representation, warranty or undertaking (express or implied) is given and no responsibility or liability is accepted by the Standard Bank Group Limited, its subsidiaries, holding companies or affiliates as to the accuracy or completeness of the information contained herein. All opinions and estimates contained in this report may be changed after publication at any time without notice. Members of the Standard Bank Group Limited, their directors, officers and employees may have a long or short position in currencies or securities mentioned in this report or related investments, and may add to, dispose of or effect transactions in such currencies, securities or investments for their own account and may perform or seek to perform advisory or banking services in relation thereto. No liability is accepted whatsoever for any direct or consequential loss arising from the use of this document. This document is not intended for the use of private customers. This document must not be acted on or relied on by persons who are private customers. Any investment or investment activity to which this document relates is only available to persons other than private customers and will be engaged in only with such persons. In European Union countries this document has been issued to persons who are investment professionals (or equivalent) in their home jurisdictions. Neither this document nor any copy of it nor any statement herein may be taken or transmitted into the United States or distributed, directly or indirectly, in the United States or to any U.S. person except where those U.S. persons are, or are believed to be, qualified institutions acting in their capacity as holders of fiduciary accounts for the benefit or account of non U.S. persons; The distribution of this document and the offering, sale and delivery of securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Standard Bank Group Limited to inform themselves about and to observe any such restrictions. You are to rely on your own independent appraisal of and investigations into (a) the condition, creditworthiness, affairs, status and nature of any issuer or obligor referred to and (b) all other matters and things contemplated by this document. This document has been sent to you for your information and may not be reproduced or redistributed to any other person. By accepting this document, you agree to be bound by the foregoing limitations.

Unauthorised use or disclosure of this document is strictly prohibited.
Copyright 2003 Standard Bank Group. All rights reserved.