EXHIBIT 2  
to the 2017 Banco Popular Español SA Updated 2003 Credit Derivatives Auction Settlement Terms

**Form of Customer Physical Settlement Request Letter**

**[Letterhead of Customer]**

**[Date]**

**Send to: [Participating Bidder]**

Dear Sirs,

We write to inform you that we wish to submit a Customer Physical Settlement Request as defined in the 2017 Banco Popular Español SA Updated 2003 Credit Derivatives Auction Settlement Terms with respect to Bucket [1/2], as published by the International Swaps and Derivatives Association, Inc. on September 28, 2017 (the "**Credit Derivatives Auction Settlement Terms**"). Capitalized terms used in this letter but not defined herein have the meanings specified in the Credit Derivatives Auction Settlement Terms.

By signing and returning this Customer Physical Settlement Request Letter to you, we represent and agree that:

(a) a Governing Master Agreement has been entered into or otherwise put in place between you, or one of your Affiliates, and us;

(b) the Customer Physical Settlement Request set out below is, to the best of our knowledge and belief,

[(i) on the same side of the market as and not in excess of our Dealer-Specific Market Position, and

(ii)][[1]](#footnote-1) on the same side of the market as and (when aggregated with all Customer Physical Settlement Requests submitted by us or our Affiliates to one or more Participating Bidders) not in excess of our Market Position; and

(c) either:

(i) we are not, as of the date of this Customer Physical Settlement Request Letter, subject to any requirement that would make it impossible or illegal for us to Deliver or accept Delivery of any of the Deliverable Obligations; or

(ii) if we are, as of the date of this Customer Physical Settlement Request Letter, subject to any requirement that would make it impossible or illegal for us to Deliver or accept Delivery of any of the Deliverable Obligations, we will procure a designee to whom you consent and for whom it is not impossible or illegal to Deliver or accept Delivery of the relevant Deliverable Obligations, provided that by your acceptance of our Customer Physical Settlement Request, you will be deemed to agree that you will not unreasonably withhold your consent to such designation and provided further that such consent will be deemed given in the case where the relevant designee is a Participating Bidder for whom it is not impossible or illegal to Deliver or accept Delivery of the relevant Deliverable Obligations.

The Customer Physical Settlement Request is a Physical Settlement [Buy][Sell] Request of [*Relevant Currency and* *amount*].[[2]](#footnote-2)

We agree that you may verify our Dealer-Specific Market Position by requesting information from any of your Affiliates in respect of any Auction Covered Transactions and/or any Auction-Linked Cash Settled Transactions we have entered into with such Affiliate or in respect of which such Affiliate has acted as a clearing member.

We acknowledge and agree that the acceptance of this Customer Physical Settlement Request is contingent on satisfaction of your internal credit approvals.

Our contact details for purposes of this Customer Physical Settlement Request Letter are:

Name: [⚫]

Address: [⚫]

Telephone: [⚫]

Fax: [⚫]

E-mail: [⚫]

Yours faithfully,

[CUSTOMER][[3]](#footnote-3)

By:

|  |
| --- |
| Name: |
| Title: |
| Signature: |

1. Delete as applicable. [↑](#footnote-ref-1)
2. When submitting a Physical Settlement Request, parties should take into account any guidance published in connection with the Final List relating to the calculation of the outstanding principal balance of Deliverable Obligation(s). [↑](#footnote-ref-2)
3. Specify legal name of customer. [↑](#footnote-ref-3)