Leveraging on its recent breakthrough in the delta 1 space, and notably its developments in the single stock futures and dividend futures space, Euronext is taking a step further to expand its product range by offering investors an alternative to access the Eurozone banking sector.

Euronext believes in win-win strategies, and as such is committed to implement added-value solutions with a fair cost structure. The Euronext Eurozone Banks index future has been codesigned with markets players to offer an easy access to block trades while focusing at implementing reasonable transactions fees combined with clearing efficiencies.

On-screen liquidity is provided by 5 market makers committed to the success of this initiative.

The index, while maintaining a high correlation and a low tracking error, is offering a 20% capping to suit to the needs of end investors.

**Euronext's commitment**

- ~75% cheaper
- Higher nominal value (x5 bigger)
- Calibrated tick size
- Lower block size (3 lots, approx. €75k)
- Same EDSP methodology

**Euronext Eurozone Banks Index Future vs. competition**

Supported by global leading market makers
Contract
key competitive advantages

Matching investors’ needs
Contract specifications codesigned with market participants

- **Bigger nominal value:**
  the Euronext Banks Index Future nominal value is five-times bigger to enable market participants to generate strong economies at the clearing level.

- **More accessible block trades:**
  the minimum block size is significantly lower [3 lots, approx. €75k] and offer finer tick size.

- **Expiry Daily Settlement Price:**
  the EDSP is based on the same methodology and timing to allow consistency.

### Attractive contract specifications

<table>
<thead>
<tr>
<th>Comparison (index level on 05/03/2021)</th>
<th>Euronexx Banks Index Future</th>
<th>Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index Level (1)</td>
<td>618</td>
<td>109</td>
</tr>
<tr>
<td>Unite of trading (2)</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Contract size (1) x (2)</td>
<td>€30.9k</td>
<td>€5.4k</td>
</tr>
<tr>
<td>Tick size on-screen</td>
<td>0.25 index point (4 bps / €12.5)</td>
<td>0.05 index point (4.6 bps / €2.5)</td>
</tr>
<tr>
<td>Tick size off-screen</td>
<td>0.01 index point (0.16 bps / €0.5)</td>
<td></td>
</tr>
<tr>
<td>Minimum block size</td>
<td>3 lots (€193k)</td>
<td>1650 lots (€9m)</td>
</tr>
<tr>
<td>Exchange Delivery Settlement Price (EDSP)</td>
<td>Same for both - the arithmetic mean of all index values disseminated on Reuters between 11:50 and 12:00 CET</td>
<td></td>
</tr>
</tbody>
</table>

- **Fair cost structure for all market participants**

  - **A yield adapted to the contract size**

- **The Euronext Banks Index Future pricing combines two strong advantages:**
  - **Lower transaction fees:** 75% less expensive compared to competition
  - **Higher nominal value:** further strong economies at the clearing level [Euronext nominal value is five-times bigger]

### Euronext Eurozone Banks Index Future/Competition total transaction fees

<table>
<thead>
<tr>
<th>Euronexx Banks Index Future</th>
<th>Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trading + Clearing fee</strong></td>
<td><strong>Trading + Clearing fee</strong></td>
</tr>
<tr>
<td>Client</td>
<td>House</td>
</tr>
<tr>
<td>0.11 bps (€ 0.35 per lot)</td>
<td>0.10 bps (€ 0.3 per lot)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Competition</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>On-book</td>
</tr>
<tr>
<td>Client</td>
</tr>
<tr>
<td>0.51 bps (€ 0.28 per lot)</td>
</tr>
<tr>
<td>Diff. in %</td>
</tr>
</tbody>
</table>

As of 14/01/2022
**Contract specifications**

- **Contract name:** Euronext Eurozone Banks Index Future
- **Exchange contract code:** EBF
- **Euronext Derivatives Market:** Paris
- **Underlying indices:** Euronext Eurozone Banks Index
- **Contract size:** Contract valued at €50 per index point (e.g. value €15,000 at 300)
- **Unit of trading:** 50
- **Pricing unit/quotation:** Index points (e.g. 300)
- **Minimum price movement (tick size and value):**
  - Central Order Book: 0.25 index point (€12.5 per contract)
  - Large-in-Scale Facility: 0.01 index point (€0.5 per contract)
- **Expiry months:** Three quarterly maturities: 3, 6 and 9 months quarterly of the March, June, September, December cycles
- **Introduction of new delivery months:** New delivery months are available for trading on the first business day after the expiry of a maturity
- **Wholesale services:** Large-in-Scale
- **Euronext market:** Paris
- **Last trading day:** Trading ceases at 12:00 CET on the third Friday of the delivery month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday.
- **Settlement:** Cash Settlement based on the EDSP
- **Settlement day:** First business day after the Last Trading Day
- **Exchange Delivery Settlement Price (EDSP):** Price determined on the Last Trading Day. Euronext calculates the settlement index as the arithmetic mean of all index values calculated and disseminated between 11:50 and 12:00 CET, rounded to two decimal places (0.01). Such settlement index is taken to produce the closing settlement price.
- **Clearing organization:** LCH S.A.
- **Trading hours:**
  - Central Order Book: 08:00 - 18:00 CET
  - Large-in-Scale Facility: 07:15 - 18:30 CET
- **Trading platform:** Optiq
- **Algorithm:** Central order book applies a price-time trading algorithm with priority given to the first order at the best price
- **Minimum size LIS trade (pre-trade threshold):** 3 lots
- **Vendor codes - Underlying:**
  - Bloomberg: EZBANK
  - Reuters: .BANKK
- **Vendor codes - Index future contract:**
  - Bloomberg: BULA Index
  - Reuters: <0#EEBF:>

**Euronext Eurozone Banks Index comparison**

- **Euronext Eurozone Banks Index vs competition (as of 30/12/2021)**

**Index components comparison**

- BANCA GENERALI
- BANKINTER SA
- BANCO DE SABADELL
- RAFFEISEN BANK INTL
- BANCO BPM
- BAWAG GROUP AG
- BANK OF IRELAND GP
- ABN AMRO BANK N.V.
- COMMERCINGENIEURS BANK.
- FINECOBANK SPA
- CAIXABANK
- ERSTE GROUP-BANK
- CREDIT AGRICOLE
- KBK
- DEUTSCHE BANK
- SOCIETE GENERALE
- UNICREDIT
- BBVA
- NORDEA BANK ABP
- INTESA SANPAOLO SPA
- ING GROEP N.V.
- BANCO SANTANDER CENT
- BNP PARIBAS ACT.A

EZ Bank 20% cap weight  Competition weight
05 Margin portfolio example

Index Basket: EBF vs FCE

<table>
<thead>
<tr>
<th>Combined Commodity [CC]</th>
<th>PF</th>
<th>Name</th>
<th>Isin</th>
<th>Price</th>
<th>CVF</th>
<th>Price*CVF</th>
<th>Quantity [+Buy/-Sell]</th>
<th>Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBF</td>
<td>EBF</td>
<td>Euronext Eurozone Banks Index</td>
<td>TBD</td>
<td>400.00</td>
<td>€50</td>
<td>€20,000.00</td>
<td>50</td>
<td>€1,000,000</td>
</tr>
<tr>
<td>FCE</td>
<td>FCE</td>
<td>CAC 40® Future</td>
<td>FR0003500008</td>
<td>5,882.35</td>
<td>€10</td>
<td>€58,823.23</td>
<td>-17</td>
<td>€1,000,000</td>
</tr>
</tbody>
</table>

Initial Margin before DIME: €312,100
DIME effect: - €154,760
Final Initial Margin (after DIME): €157,340

Tracking error with competition

Time series vs competition

Contact
Institutionalderivatives@euronext.com

Find out more
euronext.com/derivatives