

21 Sep 2022

IDEM – Reverse split of Banca Monte Paschi Siena ordinary shares

To the attention of:	Members of Derivatives Sections
Priority:	Medium
Topic:	Reverse split of BMPS ordinary shares: impact on Stock Option and Stock Futures Contracts Banca Monte Paschi Siena (BMPS)

Foreword

On Monday 26 September 2022 a reverse split of Banca Monte Paschi Siena (BMPS) ordinary shares will be executed with impact on Options contracts and Futures contracts.

In order to maintain the financial equivalence, Euronext Clearing will proceed with the derivatives position rectification at the end of the trading session on Friday 23 September 2022, as indicated in the Borsa Italiana's Notice n°35946 of 20 September 2022, n°36071 dated 20 September 2022 and section B.3.1.6 of the Euronext Clearing Rules.

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1. Adjustment of positions

At close of trading day of Friday 23 September 2022 and after the night batch, open positions will be adjusted as indicated below.

1.1 Options positions¹

- a) The strike prices will be multiplied by the K^2 coefficient diffused by Borsa Italiana, and then rounded to the fourth decimal:

$$\text{Strike Price Ex} = \text{Strike Price Cum} \times K;$$

- b) the number of underlying shares will be divided by the same K coefficient rounded to the unit:

$$\text{Shares Number} = 100 \times \frac{1}{K}$$

1.2 Futures Positions

- a) The daily settlement prices of series will be multiplied by the K coefficient diffused by Borsa Italiana and then will be rounded to the fourth decimal:

$$\text{Price Ex} = \text{Price Cum} \times K.$$

- b) The number of underlying shares will be divided by the same K coefficient and then will be rounded to the unit:

$$\text{Shares Number} = 100 \times \frac{1}{K}$$

The operations connected with the adjustment that must be made to back-Office system of Members which replicate margins of Euronext Clearing are described in detail below.

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¹ Positions exercised and/or assigned up to Thursday 22 September 2022 will not be adjusted. Accordingly, the delivery obligation on these positions is still referred to a quantity of 100 Ordinary Shares *Cum* for the Options BMPS

² The coefficient K according to the following formula: $K = \frac{\text{Old Shares Number}}{\text{New Shares Number}} = 100$

2) Classification of Positions with cash and physical delivery

Options and Futures positions will be identified in *Clearing reports* as indicated in the following table:

<i>Up to the last cum trading day</i>			<i>Starting from the first ex trading day</i>				
<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Description</i>	<i>Number of Underlying Shares</i>	<i>Class Symbol</i>	<i>Class Group</i>	<i>Product Group</i>
BMPS Ordinary Shares	100	BMPS	BMPS <i>Shares Adjusted</i>	100 / K	BMPS1	BMPS	MPS
BMPS Ordinary Shares	100	BMPS E/A*	BMPS <i>Shares Cum</i>	100 cum	BMPSA	BMPSA	MPS
BMPS <i>Stock futures cash</i>	100	2BMPS	BMPS <i>Stock futures cash Adjusted</i>	100 / K	2BMPS1	BMPS	MPS
*) Class dedicated only to options exercised or assigned up to 22 September 2022 and expiring Futures September 2022							
Series that will be generated			BMPS Ordinary Shares	1 EX	BMPS	BMPS	MPS
			BMPS <i>Stock futures cash</i>	1 EX	2BMPS	BMPS	MPS

3) Parameters purposes of margining

<i>Class</i>	<i>Multiplier</i>	<i>Share</i>	<i>Margin Interval</i>	<i>Futures Straddle Margin</i>	<i>Minimum Margin</i>	<i>Short Option Adjustment</i>
BMPS	1	EX	25.25%	66	33	20%
2BMPS	1	EX	25.25%	66	33	
BMPS1	100/K	RETT	25.25%	2	1	20%
2BMPS1	100/K	RETT	25.25%	2	1	
BMPSA	100	CUM	25.25%		33	20%

Old ISIN code IT0005218752

New ISIN code IT0005508921

5) Deposit of shares to cover positions on "short" call Options and Futures

Each new deposit must be accompanied by an indication of the relative Class symbol in Euronext Securities Milan transfer message.

Euronext Securities Milan will carry out the appropriate adjustment on the share concerned by the adjustment according to its own timescales and procedures.

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The early exercise is suspended on **Friday 23 September 2022.**