

Notice – Adjustment of Positions Equity Derivatives Section

1 October 2020

Capital Increase on ordinary shares BPER BANCA: Impact on Stock Option and Stock Futures contracts and Dividend Futures contracts (BPE)

Borsa Italiana releases the following provisions to be effective subject to the communication of the conclusion of the procedures for the authorization by Friday morning, 2 October 2020.

Foreword

On Monday 1 March, 2018 the Capital Increase BPER BANCA will be executed in Borsa Italiana, with impact on Options and Futures contracts, in the manner indicated in the Borsa Italiana's Notice n.25197 dated 30 September 2020, n.25375 and n.25376 dated 1 October 2020 and section B.3.1.6., of the CC&G Rules.

1) Adjustment of Positions

At close of trading day of Friday 2 October 2020 and after the night batch, open positions will be adjusted as indicated below.

1.1 Options positions¹

- a. The strike prices will be multiply by the K 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:

$$\text{Underlying Shares (BPE} \rightarrow \text{BPE1)} = 1000/K$$

1.2 Futures Positions

- a. The daily settlement prices of series will be multiplied by the K¹ 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:

$$\text{Underlying Shares (BPE} \rightarrow \text{BPE1)} = 1000/K$$

¹ Positions exercised and/or assigned up to Thursday 1 October will not be adjusted. Accordingly, the delivery obligation on these positions is still referred to a quantity of 1000 Ordinary Shares Cum for the Options BPE



The operations connected with the adjustment that must be made to Back Office system of Members which replicate margins of CC&G are described in detail below.

2) Classification of Positions with physical delivery

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

Up to the last cum trading day (included)			Starting from the first ex trading day (included)				
Description	Number of	Class Symbol	Description	Number of Underlying Shares	Class Symbol	Class Group	Product Group
BPER HOLDING American Stock Option Stock Futures Physical	1000	BPE	BPER HOLDING <i>Shares Adjusted</i>	1000 /K	BPE1	BPE	BPE
BPER HOLDING Ordinary Shares	1000	BPE E/A*	BPER HOLDING <i>Shares Cum</i>	1000 cum	BPEA	BPEA	BPE
*) Class dedicated only to options exercised or assigned up to 1 October 2020							
Series that will be generated			BPER HOLDING Ordinary Shares	1000 EX	BPE	BPE	BPE

3) Parameters purposes of margining

Classe	Multiplier	Tipo Azione	Intervallo del Margine	Margine Futures Straddle	Margine Minimo Unitario	Short Option Adjustment
BPE	1000 EX	EX	29.50%	90	18	20%
BPE1	1000/K	RETT	29.50%	90	18	20%
BPEA	1000	CUM	29.50%	110	27	20%

4) 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 Monte Titoli transfer message.

Monte Titoli will carry out the appropriate adjustment on the share concerned by the adjustment according to its own timescales and procedures.

5) Differentials

The calculation of the differentials arising from the adjustment of options will be indicated in the report RP-MC10 dated 5 October 2020 and available 6 October 2020.

The cash amount will be paid in the daily margin settlement on Tuesday 6 October 2020 and reports in the "Cash adjustments/Buy-In" of reports RP-MS11 and MS1.

The early exercise is suspended on Friday **02 October 2020**.



London
Stock Exchange Group