
Notice – Adjustment of Positions Equity Derivatives Section

28 May 2020

Reverse split on ordinary shares CREDITO VALTELLINESE (CVAL): Impact on Stock Option contracts

Foreword

On Monday 1 June, 2020 the reverse split will be executed in the stock exchange, with impact on Options contracts, in the manner indicated in the Borsa Italiana's Notice n.14201 dated 27 May, 14417 and 14418 dated 28 May, 2020 and section B.3.1.6. of the CC&G Rules.

1) Adjustment of Positions

At close of trading of Friday 29 May, 2020 and after the night batch, open positions will be adjusted as indicated below.

Options positions¹

- 1) The strike prices will be multiplied by the $K=100$ coefficient diffused by Borsa Italiana, and then rounded to the fourth decimal:

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

- 2) the number of underlying shares will be divided by the same $K=100$ coefficient rounded to the unit:

$$\text{Underlying Shares (CVAL} \rightarrow \text{CVAL1)} = 1000/K = 10.$$

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

¹ Positions exercised and/or assigned up to 28 May 2020 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 CVAL



Up to the last cum trading day (included)			Starting from the first ex trading day (included)				
Description	Number of Underlying	Class Symbol	Description	Number of Underlying Shares	Class Symbol	Class Group	Product Group
CREDITO VALTELLINESE American Stock Option Stock Futures Physical	1000 ISIN: IT0005319444	CVAL	CREDITO VALTELLINESE Shares Adjusted	1000 /K = 10 ex ISIN: IT0005412025	CVAL1	CVAL	CVA
CREDITO VALTELLINESE Ordinary Shares	1000 ISIN: IT0005319444	CVAL E/A*	CREDITO VALTELLINESE Shares Cum	1000 cum ISIN: IT0005319444	CVALA	CVALA	CVA
*) Class dedicated only to options exercised or assigned up to 28 May 2020							
Series that will be generated			CREDITO VALTELLINESE Ordinary Shares	500 ex ISIN: IT0005412025	CVAL	CVAL	CVA

The value of the underlying for “CVALA” class, will be assumed equal to the “value” for Ex shares, divided for the K=100 coefficient.

3) Parameters required for the purposes of margining

Parameters required for the purposes of margining are shown in the following table:

Classe	Multiplier	Tipo Azione	Intervallo del Margine	Margine Minimo Unitario	Short Option Adjustment
CVAL	500	EX	27,50%	24	20%
CVALA	1000	CUM	27,50%	1	20%
CVAL1	1000/K	RETT	27,50%	1	20%

4) Deposit of shares to cover positions on “short” call Options

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.

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The early exercise is suspended on 29 May, 2020.

