

Contract Specification - KBW Bank Index Option

Description of Index	<p>The KBW Bank Index™ (BKX) is a float-adjusted modified capitalization-weighted index composed of 24 geographically diverse stocks representing national money center banks and leading regional institutions.</p> <p>The index is evaluated at least annually by Keefe, Bruyette & Woods to review whether the composition is highly representative of the banking industry. BKX was set to an initial value of 250 on October 21, 1991; options commenced trading September 21, 1992.</p>
Components	For Index components click here .
Trading Unit	The minimum trade size is one option contract. The notional value underlying each contract equals \$100 multiplied by the Index value.
Expiration Cycle	Three consecutive near-term expiration months plus two successive months from the March cycle.
Expiration	The Saturday following the third Friday of the expiration month.
Last Trading Day	Two business days prior to expiration (normally a Thursday).
Exercising Options	European style. Options may be exercised only on the last business day prior to expiration (normally a Thursday). Writers are subject to assignment only at expiration. Check with your broker to ascertain cut-off times for exercise and provisions for automatic exercise.
Delivery Method If Exercised	Cash settlement based on the dollar difference between the final settlement value of the Index and strike price of the contract multiplied by \$100.
Exercise Price Intervals	Exercise (strike) prices are set at \$1.00 intervals, bracketing the current value of the Index below \$200.
Options Premium Quotations	Stated in dollars and cents. Minimum price variant \$0.05 (nickel) for series trading under \$3.00 and \$0.10 (dime) for series trading \$3.00 and above.
Index Settlement Value	Determined on the last business day prior to expiration, based on the first (opening) reported sale price for each component stock.
Settlement of Exercise	Next business day following expiration.
Position Limits	44,000 contracts on the same side of the market.
Minimum Customer Margin For Uncovered Writers	100% of the market value of the option plus 15% of the aggregate Index value less any out-of-the-money amount, subject to a minimum of 100% of the market value of the option plus 10% of the aggregate Index value.
Trading Hours	9:30 a.m. to 4:00 p.m., New York time.
Trading System	Specialist/Registered Options Trader.
Trading Symbol	BKX
Final Settlement Value Symbol	BKO