

# KBW Nasdaq Bank Index (BKX)

## PHLX Index Options – Sector Based

KBW Nasdaq Bank Index (KBW<sup>SM</sup>) is a modified-capitalization-weighted index that is designed to track the performance of the leading banks and thrifts that are publicly-traded in the U.S. Founded in 1962, Keefe, Bruyette & Woods Inc. (KBW) has long been recognized as the "financial services industry authority." The index was initiated at the time of the firm's founding and is evaluated at least annually by Keefe, Bruyette & Woods to assure that the composition is highly representative of the banking industry. The KBW was set to an initial value of 250 on October 21, 1991 and was split 10 for 1 on March 22, 2004; options commenced trading on September 21, 1992.

### PRODUCT SPECIFICATIONS: KBW BANK INDEX

Symbol	BKX
Trading Symbol	BKX
CUSIP® Number	692927106
Expiration Date	The third Friday of the expiration month.
Expiration Cycle	Generally, three months from the March quarterly cycle plus two additional near-term months (a minimum of five months). PM settled quarterly may be listed.
Settlement Value Symbol	BKO
Exercise Style	European - may only be exercised on the expiration date.
Settlement	Cash
Settlement Value for Expiring Contracts	Based on the opening prices of the component stocks on the expiration date.
Last Trading Day for Expiring Contracts	The last business day before the expiration date (usually a Thursday).
Index Multiplier	\$100 (i.e., one contract = index value x 100)
Index Value Calculation	Modified Capitalization of the Index/ Base Market Divisor
Exercise (Strike) Price Intervals	The Exchange shall determine fixed-point intervals of exercise prices for index options. Generally, the exercise (strike) price intervals will be no less than \$5. However, the Exchange may determine to list strike prices at no less than \$2.50 intervals if the strike price is less than \$200 for listed indexes. Additionally, the Exchange may also introduce strike prices in \$1 intervals, given that the strike price is below \$200 to provide greater investor flexibility.
Premium Quotation	One point = \$100. Thus a premium quote of 2 is \$200. The minimum change in a premium under 3 is \$5.00 and the minimum change in a premium of 3 or greater is \$10.00.
Position Limits	44,000 contracts on the same side of the market. Hedge exemptions are available.

**Symbol****BKX****Margin**

Uncovered writers must deposit 100% of the option proceeds plus 20% of the aggregate contract value (current index level multiplied by \$100) minus the amount by which the option is out-of-the-money, if any. Minimum margin is 100% of the option proceeds plus 10% of the aggregate contract value. Long puts or calls must be paid for in full.

Trading Hours

9:30 a.m. to 4:00 p.m., ET

Issuer and Guarantor

The Options Clearing Corporation (OCC)

