KOSPI 200 Options and Mini KOSPI Futures

KRX and Eurex Exchange have offered after-hours trading of KOSPI 200 Options at Eurex Exchange since 2010. This liquid equity index options contract trades in the European time zone, enabling access to the KOSPI 200 Options market during European and North American trading hours. From 28 November 2016 Eurex offers after-hours trading of Mini KOSPI 200 Futures making both KOSPI 200 Options and Mini KOSPI 200 Futures available on the Eurex platform (“Eurex KOSPI Products”).

The KOSPI 200 index, calculated by KRX, serves as underlying for the Mini Futures and Options. The KOSPI 200 is a market capitalization weighted index that consists of 200 blue chip stocks listed on the KRX stock market. The index is the benchmark for the Korean equity market.

To provide market participants with a fully fungible after-hours trading session, Eurex lists daily futures on the KOSPI 200 Options (“Eurex KOSPI Options”) and daily futures on the Mini KOSPI 200 Futures (“Eurex Mini KOSPI Futures”). These contracts are available to Eurex members and their customers on the Eurex platform. At the end of the Eurex trading session, variation margin is paid or received in Korean Won. Positions are netted on a financial beneficiary basis and transferred from Eurex Clearing to KRX. KRX then transfers this information to the respective KRX member for entry of the corresponding KOSPI derivatives into the KRX system via the block trading functionality. Therefore, all open interest in KOSPI derivatives is consolidated at KRX.

KRX and Eurex successfully extend the global reach of KOSPI 200 Options and launch Mini KOSPI Futures.

The Eurex/KRX Link has successfully extended the global reach of KOSPI 200 Options. After-hours trading on Eurex enables the market to react to overnight market movements. Market Makers are continuously providing liquidity, and around 50 Eurex and KRX members are active in the Eurex/KRX Link. Since inception, over 213 million Eurex KOSPI Derivatives were traded.¹

KOSPI derivatives 24-hour trading cycle

¹ Data as of March 2019
With the introduction of Eurex Mini KOSPI Futures, Eurex builds on the success of Eurex KOSPI Options and broadens client participation.² Eurex Mini KOSPI Futures are listed as fully fungible daily futures to allow a transfer of open interest from Eurex to KRX. The operational setup, as well as, the clearing and payment infrastructure mirror exactly the existing Eurex/KRX Link model for Eurex KOSPI Options. Listing of Eurex Mini KOSPI Futures provides an additional instrument and direct hedging vehicle for Eurex KOSPI Options on the same platform. Additionally, it allows more precise and dynamic hedging for small institutions and private investors.

Liquidity
The liquidity in KOSPI Options has continued to be strong. With the newly added Eurex Mini KOSPI Futures, Eurex and KRX have added further trading opportunities to their successful link. In the first quarter of 2019, over 175,000 KOSPI 200 Options contracts have been traded on a daily average on Eurex.

To view current prices and volumes, please visit the Eurex website at www.eurexchange.com/kospi

² Note the contract size adjustments made to the KOSPI 200 derivatives on 27 March 2017.
Contract specifications

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<th>Eurex KOSPI Products</th>
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<td><strong>Underlying</strong></td>
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| **Product code** | Eurex KOSPI Options: OKS2  
Eurex Mini KOSPI Futures: FMK2 |
| **Contract size** | One contract of the relevant underlying KOSPI derivatives listed at KRX |
| **Contract months** | Eurex KOSPI Options: The four non-quarterly months plus seven quarterly months  
Eurex Mini KOSPI Futures: Consecutive six contract months |
| **Price quotation** | In points, with two decimal places. |
| **Minimum price movement** | Eurex KOSPI Options: 0.01 points (KRW 2,500) if the options premiums of the underlying are less than 10 points; 0.05 point (KRW 12,500) if the options premiums are at least 10 points.  
Eurex Mini KOSPI Futures: 0.02 points (KRW 1,000) |
| **Settlement** | One trading day. The Eurex KOSPI Products can be traded on each day, provided that this day is an exchange day at both Eurex and KRX. |
| **Daily / final settlement price** | Variation margin on Eurex and physical delivery via position establishment in KOSPI 200 Options and Mini KOSPI 200 Futures on the following trading day on KRX prior to its market opening. |
| **Last trading day / final settlement day** | Equal to the daily settlement price for KOSPI 200 Options and Mini KOSPI 200 Futures in previous trading session of the same trading day on KRX. Cash flow resulting from the variation margin will be paid/received in KRW at a correspondent bank account in Korea. |
| **Trading hours** | Last trading day is the final settlement day. Each trading day of the Eurex KOSPI Products is also the last trading day. |

The Eurex KOSPI Products mirror the contract specifications of the KOSPI 200 Options and Mini KOSPI 200 Futures on KRX. It is legally a futures contract which expires daily into a KOSPI derivatives position at KRX prior to the market opening at KRX.

For detailed information about the contract specifications for KOSPI derivatives on KRX, please visit the KRX website at

http://global.krx.co.kr > KRX Market > Market > Derivatives > Stock Index Products > KOSPI 200 Options  
or  
http://global.krx.co.kr > KRX Market > Market > Derivatives > Stock Index Products > Mini KOSPI 200 Futures
Eurex Clearing
Eurex Clearing is one of the leading central counterparties globally, and assures the safety and integrity of markets while offering innovation in risk management, clearing technology and client asset protection.

Eurex Clearing provides fully automated, straight-through post-trade services for derivatives, equities, bonds, secured funding and financing, as well as industry-leading risk management technologies.

Key benefits of Eurex Clearing:
- Innovation in risk management
- Capital efficiencies
- Margin efficiencies
- Default Management
- Client Asset Protection
- Cross margining

Eurex Clearing Prisma
Eurex Clearing Prisma, our portfolio-based margining approach, offers numerous benefits:
- Greater accuracy and capital efficiency: cross-product scenarios facilitate a consistent method to account for portfolio correlation, diversification and margin reduction
- Robustness: methodology to enable stable margin requirements
- Reliable framework: consistent risk and default management process for listed and OTC products

Cross margining benefits can be expected by trading both Eurex KOSPI Options and Eurex Mini KOSPI Futures.

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