



# INDEX RULE BOOK

## Euronext<sup>®</sup> Eurozone Banks

Version 21-01 Effective from 14-04-2021

[indices.euronext.com](https://indices.euronext.com)

# Index

<b>1. General</b>	<b>3</b>
1.1 Highlights Euronext® Eurozone Banks	3
1.2 Version notes	3
<b>2. Reference information and Publication of index levels</b>	<b>4</b>
2.1 Reference table	4
2.2 Base Currency	4
<b>3. Governance and Disclaimer</b>	<b>5</b>
3.1 Indices	5
3.2 Supervisor and Administrator	5
3.3 Cases not covered in rules	5
3.4 Rule book changes	5
3.5 Liability	5
3.6 Ownership and trademarks	5
<b>4. Publication</b>	<b>6</b>
4.1 Dissemination of index values	6
4.2 Exceptional market conditions and corrections	6
4.3 Announcement policy	6
<b>5. Calculation</b>	<b>8</b>
5.1 Calculation of the price index	8
5.2 Currency conversion	8
5.3 Total return index calculation	8
<b>6. Index reviews</b>	<b>9</b>
6.1 General aim and frequency of reviews	9
6.2 Index universe and selection principle	9
6.3 Periodical update of number of shares and free float factors	9
6.4 WEIGHTING	9
<b>7. Corporate Actions</b>	<b>10</b>
7.1 Events that change the composition	10
7.2 Events that change the weighting factors	12

<b>8. Index Calculation Formulas</b>	<b>14</b>
<b>9. Definitions</b>	<b>16</b>
9.1 Review Dates	16
9.2 Main Listing	16
9.3 Free Float Factor	16
<b>10. ESG DISCLOSURES</b>	<b>18</b>

## 1. GENERAL

### 1.1 HIGHLIGHTS EURONEXT® EUROZONE BANKS

Objective	The Euronext Eurozone Banks family is designed to reflect price level trends in the trading of shares listed in Eurozone in the Banks ICB Supersector.
Administrator	Euronext Amsterdam is the Administrator of the Euronext Eurozone Bank index.
Supervisor	Euronext internal supervisor
Index type	Price index, Net return index, Gross return index and Decrement 5% versions
Index Universe	The index universe consists of the companies that are included in the Euronext Eurozone 300 index and in the Supersector Banks (3010) as per the ICB classification.
Selection basis	All stocks that are included in the universe are selected.
Review Cut Off Date	Quarterly after the close of the penultimate Friday of February, May, August and November. Penultimate means the Friday before the last Friday.
Weighting basis	Based on the free float adjusted market capitalization. The Free Float Factor is rounded to the nearest multiple of 5%.
Capping	20%
Review frequency	Quarterly after the close of the third Friday of March, June, September and December
Index family	Price index; Net return index, Gross return index
Trademarks	Euronext N.V. or its subsidiaries (hereinafter jointly "Euronext") owns all intellectual and other property rights to the index, including the name, the composition and the calculation of the index. Euronext® is a registered trademark of Euronext.
Base Currency	Euro

### 1.2 VERSION NOTES

Version	Effective date	New or changed parts
21-01	March 2021	First version

## 2. REFERENCE INFORMATION AND PUBLICATION OF INDEX LEVELS

---

### 2.1 REFERENCE TABLE

Index name	ISIN Code	MNEMO	Bloomberg Code	Reuters code	Base date	Base value	Publication since	Type of index
Euronext Eurozone Banks	NL0015000AR3	BANK	EZBANK	.BANKK	31/12/2009	1000	14-04-2021	Price
Euronext Eurozone Banks NR	NL0015000AT9	BANKN		.BANKN	31/12/2009	1000	14-04-2021	Net
Euronext Eurozone Banks GR	NL0015000AV5	BANKG		.BANKG	31/12/2009	1000	14-04-2021	Gross
Euronext Eurozone Banks Decrement 5%	NL0015000AW3	BANKD		.BANKD	31/12/2009	1000	14-04-2021	Decrement 5% on NR

### 2.2 BASE CURRENCY

All Indices have Euro as their Base Currency.

## **3. GOVERNANCE AND DISCLAIMER**

---

### **3.1 INDICES**

This rule book applies to the following indices (hereinafter “index”) owned by Euronext N.V. or its subsidiaries (hereinafter jointly “Euronext”):

- Euronext® Eurozone Banks

### **3.2 SUPERVISOR AND ADMINISTRATOR**

Euronext is the supervisor (“Supervisor”) and Administrator of the index (“Administrator”). The Supervisor is responsible for monitoring the selection of constituents for the index and ensuring that the index offers a reliable and representative view of the market. The Administrator is responsible for the day-to-day management of the index and is also responsible for decisions regarding the interpretation of these rules.

### **3.3 CASES NOT COVERED IN RULES**

In cases which are not expressly covered in these rules, operational adjustments will take place along the lines of the aim of the index. Operational adjustments may also take place if, in the opinion of the Administrator, it is desirable to do so to maintain a fair and orderly market in derivatives on this index and/or this is in the best interests of the investors in products based on the index and/or the proper functioning of the markets. The Administrator will report to the Supervisor if it took a decision about a case which is not specifically covered in the rules for comments and review.

### **3.4 RULE BOOK CHANGES**

These rules may be supplemented, amended in whole or in part, revised or withdrawn at any time. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the index is compiled or calculated or affect the index in another way. The Administrator will submit all decisions regarding supplementing, amending, revising or withdrawing these rules to the Supervisor for recommendations or approval.

### **3.5 LIABILITY**

Euronext, the Administrator and the Supervisor are not liable for any losses resulting from supplementing, amending, revising or withdrawing the rules for the index.

The Administrator will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the index in accordance with relevant rules. However, neither Euronext, nor the Administrator, nor the Supervisor are liable for any inaccuracy in index composition, share prices, calculations and the publication of the index, the information used for making adjustments to the index and the actual adjustments. Furthermore, Euronext, the Administrator and the Supervisor do not guarantee the continuity of the composition of the index, the continuity of the method of calculation of the index, the continuity of the dissemination of the index levels, and the continuity of the calculation of the index.

### **3.6 OWNERSHIP AND TRADEMARKS**

Euronext owns all intellectual and other property rights to the index, including the name, the composition and the calculation of the index. Euronext® is a registered trademark of Euronext.

## **4. PUBLICATION**

---

### **4.1 DISSEMINATION OF INDEX VALUES**

#### **4.1.1 Opening**

The opening level is calculated using the last known prices of traded constituents or in the case of constituents that have non-traded, halted or suspended status, the previous day reference prices or estimated prices (for IPOs, buyouts and swap offers).

The opening index level is disseminated at the same time as the first index level.

#### **4.1.2 Calculation and dissemination**

The index is calculated based on the most recent prices of transactions concluded on the main markets in each of the countries that are included in the index. The level of the index is in principle published every 15 seconds. The index is calculated from 09:00 hours until Euronext Markets stop regular daytime trading on the days when Euronext Markets are open for trading.

#### **4.1.3 Closing**

The closing level is the last level disseminated on the trading day.

### **4.2 EXCEPTIONAL MARKET CONDITIONS AND CORRECTIONS**

In the event that part of the constituents is reserved, suspended from trading or if technical problems prohibit normal trading, index values will continue to be calculated and published. For those constituent stocks that are not available for trading, the last known value will be used when determining index values.

Notwithstanding the previous paragraph Index Operations always retains the right to delay the publication of the opening level of the index. Furthermore, Index Operations always retains the right to suspend the publication of the level of the index or to mark the level of the index indicative if it believes that circumstances prevent the proper calculation of the index.

If prices are cancelled, the index will not be recalculated unless the Index Design decides otherwise.

If after the market opens the index remains in pre-opening during the entire trading session, the reference closing level of the index will be calculated on the basis of the most recent traded prices, or the most recent reference price (possibly adjusted to account for corporate actions).

The general procedures in case of index outages and other situations in which the normal provision of indices is interrupted are described in Euronext Indices Correction Policy on [indices.euronext.com/index-rules](https://indices.euronext.com/index-rules).

### **4.3 ANNOUNCEMENT POLICY**

The announcement policy is described in the Euronext Indices Announcement policy document that is available on [indices.euronext.com/index-rules](https://indices.euronext.com/index-rules).



## 5. CALCULATION

---

### 5.1 CALCULATION OF THE PRICE INDEX

The index is calculated on a price return index basis. The calculation of the price return index is based on the current capitalization divided by the divisor. The divisor was determined on the initial capitalization base of the index and the base level. The divisor is adapted as a result of corporate actions and composition changes.

### 5.2 CURRENCY CONVERSION

The base currency of the index is Euro (“Base Currency”).

Share prices that are quoted in other currencies than the Base Currency will be converted to the Base Currency using the last known exchange rate observed on Reuters. Closing prices will be converted based on the most recent WM/Reuters spot rates, which are published each business day around 17:00 CET.

### 5.3 TOTAL RETURN INDEX CALCULATION

#### 5.3.1 Return index

A net total return index as well as a gross total return index, is calculated and disseminated at the same frequency as the price index. The return indices are obtained by reinvesting the net and gross dividends respectively.

#### Withholding tax rate

The net dividend is calculated as the gross dividend minus the applicable withholding tax. A table detailing the percentages that are applied is available on the website of Euronext.

#### 5.3.2 Ordinary dividends in shares

If a dividend is distributed in the form of shares only and if this is regarded as ordinary dividend, the return index will be reinvesting a cash equivalent of the dividend. If shareholders may choose between cash or shares the amount which is reinvested will be based on the cash option.

## 6. INDEX REVIEWS

---

### 6.1 GENERAL AIM AND FREQUENCY OF REVIEWS

#### 6.1.1 General aim of the periodical review

The general aim of the periodical review of the index is to ensure that the selection and weighting of the constituents continues to reflect the underlying market or market segment it represents.

#### 6.1.2 Review Cut-off Dates and Review Effective Dates

The Review Cut-off Date (see 7. Definitions) is after the market close of the penultimate<sup>1</sup> Friday of February, May, August and November

The Review Effective Date is after the close on the third Friday of March, June, September and December. The new composition is announced 2 trading days before the effective date (The Review Composition Announcement Date).

### 6.2 INDEX UNIVERSE AND SELECTION PRINCIPLE

#### 6.2.1 Index universe: requirements for inclusion

To be eligible for the universe, a company should be included in the Euronext Eurozone 300 index and in the Supersector Banks (3010) as per the ICB classification.

#### 6.2.2 Selection of constituents at the reviews

At the Review Cut-off Dates, all stocks that are included in the index universe are selected.

### 6.3 PERIODICAL UPDATE OF NUMBER OF SHARES AND FREE FLOAT FACTORS

At each review, the number of shares included in the index will be updated with the number of shares listed on the Review Cut-Off Date, taking into account adjustments due to Corporate Actions as described in Chapter 6.

All Free Float Factors are updated at each review.

### 6.4 WEIGHTING

The weighting of the constituent is based on the free float adjusted market capitalization at the review Cut-Off dates. The Free Float Factor is rounded to the nearest multiple of 5%.

A maximum weighting of 20% is applied to each index constituent at the reviews. The assessment and new capping coefficients are based on the Review Composition Announcement Date.

---

<sup>1</sup> Penultimate means the one immediately before the last one, so the Friday before the last Friday.

## 7. CORPORATE ACTIONS

---

### 7.1 EVENTS THAT CHANGE THE COMPOSITION

#### Mergers and acquisitions

##### Acquisitions in cash

In the event of a bid in cash, the target company will be removed from the index. The removal will take place with effect after the close of the first full business day following the acceptance of the bid. If a company is removed from the index, the divisor will be adapted to maintain the index level.

##### Mergers and takeovers in shares

In the event of a merger, acquisition or similar situation where the bid is made in the form of shares, the constituent will be replaced by the newly formed company, provided that this company is included in the Index Universe defined in the index reviews section. The replacement will take place in line with the schedule of the transaction. The replacement of the shares of the relevant index constituent by the shares of the newly formed company will be executed on the basis of the bid ratio.

##### Mixed transactions

In case of a mixed bid of cash and shares the Compiler will treat the bid as a share bid if the share part amounts to at least 75% of the offer price, on the day of the publication of the terms of the offer. The replacement of the shares of the relevant index constituent by the shares of the company that continues to be traded will be executed on the basis of the bid ratio. The divisor will be adapted only for the cash part of the offer price.

##### Continued inclusion or specific treatments

The Compiler reserves the right to apply a specific treatment in non-standard situations including but not limited to:

- Competing bids with differing closing dates or structures;
- Offers made without the intention to gain full control.

In case of a specific treatment a separate announcement detailing the specific treatment will be issued timely to the market.

##### Inclusion of new companies

As a rule newly listed companies are considered for inclusion in the index at the time of the periodical index review.

## **Suspensions, Company distress and Delistings**

### **Suspension**

If a constituent is suspended, the Compiler will consider whether the constituent should be removed or not within five trading days. If it is decided to maintain the constituent a further reassessment date will be set. The Compiler reserves the right to take action before that date if new developments give reason to do so.

In case a constituent is removed following suspension, it will be removed from the index as soon as possible and on a day announced by the Compiler. The company will be removed from the index after the close of the markets assuming a price of zero unless the Compiler sets a different price, where possible supported by an objective source.

If it has been announced that a constituent will be delisted from the relevant market, it will be removed from the index as soon as possible and on a day announced by the Compiler. The company will be removed from the index based on either the last known price established during regular daytime trading or on a price determined by the Compiler, whereby the company may also be removed at a price of zero.

Removing assuming a price of zero implies no divisor change because of the removal. If another price is set, the divisor will change based on the removal of the value of that company from the index portfolio when applying that price.

In the event that the trading in shares is suspended, the last known price established during regular daytime trading will be used.

### **SPLIT UP / SPIN-OFF**

In the event that a company included in the index is split up, the companies resulting from the split, including the original company where appropriate will continue to be included in the index providing it is included in the Index Universe defined in the index reviews section.

The index may then temporarily consist of fewer than, or more than the standard number of constituents until the next periodical review takes place.

For the purposes of these rules a split up is taken to mean a legal demerger, a spin-off or another situation which the Compiler deems to be similar.

In case the shareholder of the company which was originally included in the index does not automatically receive shares in a company which is created as a result of the split up, this company is considered to be a newly listed company.

The removal of any non-qualifying company resulting from a split up will take place after the close of the first day of trading in the shares of that company. If all companies resulting from the split are to be removed, the removal will take place at the close of the last trading day before the split.

In case a company resulting from the split up will not be admitted to listing on a main market in one of the countries that are included in the index, the Compiler will select an appropriate price source for the calculation of the index and the removal of the spun off company on the first trading day after the spin off.

## 7.2 EVENTS THAT CHANGE THE WEIGHTING FACTORS

### Dividends

#### Criteria for determining special dividends

The price index will be adjusted for dividends that are special.

The following criteria will be applied to decide whether a dividend should be considered a special dividend:

- a) The declaration of a company of a dividend additional to those dividends declared as part of the company's normal results and dividend reporting cycle; merely an adjustment to the timing of the declaration of a company's expected dividend would not be considered as a special dividend circumstance; or
- b) The identification of an element of a dividend paid in line with a company's normal results and dividend reporting cycle as an element that is unambiguously additional to the company's normal payment.

For the purpose of clarification, no adjustment will be made for the following situations:

1. Payment of ordinary dividends, irrespective of how they are financed;
2. Issue of redeemable shares or any other entitlement in lieu of an ordinary dividend; or
3. Unexpected increase or decrease, resumption or cessation, or change in frequency to an ordinary dividend.

#### Adjustment for special dividend

The adjustment of the index takes place by a reduction of the closing price of the share in question. Subsequently the divisor will be adapted in order to maintain the index level. The adjustments will be based on gross amounts.

#### Ordinary dividends in shares

If a dividend is distributed in the form of shares only and if this is regarded as ordinary dividend, the return index will be reinvesting a cash equivalent of the dividend. If shareholders may choose between cash or shares the amount which is reinvested will be based on the cash option.

#### Conversion of dividends declared in other currencies

If a dividend for a constituent is declared in another currency than the Base Currency of the index, then the Compiler will in first instance use the Base Currency amount if investors have the option to be paid in that currency. If the dividend amount is available only in currencies that deviate from the Base Currency, the Compiler will convert the dividend amount using the reference rate for the cum-day (the business day prior to the ex-date). In principle the reference rate will be based on the foreign exchange reference rates as published daily by the ECB.

#### Bonus issues, stock splits and reverse stock splits

For bonus issues, stock splits and reverse stock splits, the number of shares included in the index will be adjusted in accordance with the ratio given in the corporate action. The divisor will not be changed because of this. The Compiler may regard a bonus issue as the issue of an entitlement in lieu of an ordinary dividend and therefore treat this as a dividend.

#### Rights issues and other rights

In the event of a rights issue an adjusted closing price will be applied as calculated by the Compiler. The index is adjusted based on the value of the rights only. The divisor will be adapted in such a way that the level of the index remains the same.

The index will be adjusted only if the rights represent a positive value.

The index will also be adjusted if a value can be attributed to a subscription right for convertible bonds, bonds with warrants or warrants with preferential rights for shareholders or similar situations. If the value cannot be attributed straightforward, the Compiler may also decide to include the detached instrument for one day and adjust the index at the close based on the closing price for that subscription right on that day.

#### **Partial tender offers on own shares**

The Compiler will adjust the divisor of the index if the premium represents more than 5% of the share price of the close on the penultimate day before the ex-date (the day prior to the last day before the ex-day). The premium is calculated as the difference between the offered price and the closing price, multiplied by the percentage of the share capital targeted in the offer. If the divisor is adjusted, the number of shares in the index will be adjusted as well.

## 8. INDEX CALCULATION FORMULAS

---

The general formula for the **price index** is:

$$I_t = \frac{\sum_{i=1}^N Q_{i,t} F_{i,t} f_{i,t} C_{i,t} X_{i,t}}{d_t}$$

Where:

- t Time of calculation
- N Number of constituent equities in index
- $Q_{i,t}$  Number of shares of equity i included in the index on day t
- $F_{i,t}$  Free Float Factor of equity i <sup>2</sup>
- $f_{i,t}$  Capping factor of equity i <sup>1</sup>
- $C_{i,t}$  Price of equity i on t
- $X_{i,t}$  Current exchange rate on t <sup>1</sup>
- $d_t$  Divisor of the index on day t

The **total return index** calculation takes two steps: the first step is to transpose the announced dividend payment into index points. This is called the XD adjustment. This uses the following formula:

$$\text{XD adjustment} = \sum_{i=1}^N \frac{g_i * w_i}{d}$$

Where:

- N Number of constituent equities in index
- $g_i$  The announced dividend per share of the  $i^{\text{th}}$  component stock (for net return index withholding tax is deducted from this dividend);
- $w_i$  The weighting of the  $i^{\text{th}}$  component stock in the index, based on number of shares included in the index, Free Float Factor, capping factor and exchange rate;
- d Divisor of the index.

The second step of the calculation uses the figures calculated in step one (XD adjustment). The dividend is assumed to be reinvested at the close of the ex-date.

$$\text{TR}_t = \text{TR}_{t-1} \left( \frac{\text{IV}_t + \text{XD}}{\text{IV}_{t-1}} \right)$$

Where:

- $\text{TR}_{t-1}$ : Total return index value yesterday;
- $\text{TR}_t$ : Total return index value on t;
- $\text{IV}_{t-1}$ : Underlying price index yesterday;
- $\text{IV}_t$ : Underlying price index on t;

---

<sup>2</sup> Factor is equal to 1 if not applied for the index

The **decrement on NR index** uses the following formula:

$$DI_t = DI_{t-1} \left( \frac{NR_t}{NR_{t-1}} - Dcr \times \frac{day}{365} \right)$$

Where:

$DI_{t-1}$	Decrement Return Index value on day t-1
$DI_t$	Decrement Return Index value on day t
$NR_{t-1}$	Net Return Index value on day t-1
$NR_t$	Net Return Index value on day t
$Dcr$	5%
$day$	Number of calendar days between day t and day t-1

## 9. DEFINITIONS

---

### 9.1 REVIEW DATES

The **Review Cut-Off Date** is the date on which, after the market close, relevant data are gathered that will serve as basis for the periodical review of the index.

The **Review Composition Announcement Date** is the date on which, after the close, the full details are announced regarding the index composition that will come into effect after the review effective date. This includes numbers of shares, free float factors and capping factors of all companies included in the new index portfolio.

The **Review Effective Date** is the date on which, after the market close, the changes relating to the periodical review are being effectuated in the index portfolio.

### 9.2 MAIN LISTING

If a company is admitted to listing in more than one market or if it is admitted in various forms of listings, a main listing is determined based on the 12 months turnover, turnover since a corporate action, the country of incorporation and the listing perceived or presented as primary (not an order of priority).

As a rule only the main listing of the company is eligible for index inclusion. Mono-holdings, companies having as unique activity a direct or indirect participation in another company within the universe, are regarded as a form of listing of that company.

### 9.3 FREE FLOAT FACTOR

The Free Float Factor is the percentage representing all listed securities of the selected line of the relevant company eligible for index inclusion (as described in section 5.2), minus any shareholdings that are considered non-free float. The Free Float Factor is based on public information available on the Review Cut-Off Date. The Free Float Factor will be rounded to the nearest 5%.

The following shareholdings are considered non-free float (based on public information available on the Review Cut-Off Date):

- Any single shareholder who holds 5% or more of the listed securities in the selected line eligible for index inclusion, with the exception of collective entities or pension funds.

Collective entities are those entities that fulfill all the following criteria:

- i. are open for investment to investors or tradable on the market; and
- ii. have a diversified portfolio; and
- iii. have an open ended structure.

Collective entities include mutual funds and other open end-funds.

- Collective entities or pension funds that hold 5% or more of the listed securities in the selected line eligible for index inclusion and are represented in any governing body of the company in question.
- Parties acting in concert that collectively hold 5% or more of the listed securities in the selected line eligible for index inclusion.
- Employee shareholding plans, employee pension plans, individual employees, management or members of the board of directors of the relevant company when their cumulative shareholding is 5% or more of the listed securities in the selected line eligible for index inclusion.



- Shares held by the relevant company that represent 5% or more of the listed securities in the selected line eligible for index inclusion (e.g. treasury shares).

## 10. ESG DISCLOSURES

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
<b>Item 1.</b> Name of the benchmark administrator.	Euronext Amsterdam
<b>Item 2.</b> Type of benchmark	Equity Benchmark
<b>Item 3.</b> Name of the benchmark or family of benchmarks.	<b>Euronext Eurozone Banks index</b>
<b>Item 4.</b> Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	No
<b>Item 5.</b> If the response to Item 4 is positive, please find below the ESG factors that are taken into account in the benchmark methodology and how they are used for selection, weighting and exclusion	
a) List of environmental factors considered:	Not applicable
b) List of social factors considered:	Not applicable
c) List of governance factors considered:	Not applicable
<b>Item 6.</b> Data and standards used.	
a) Data input. <i>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</i> <i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i>	Not applicable
b) Verification of data and guaranteeing the quality of those data. <i>Describe how data are verified and how the quality of those data is ensured.</i>	Not applicable
c) Reference standards <i>Describe the international standards used in the benchmark methodology.</i>	Not applicable
<b>Information updated on:</b>	14-04-2021