



Scenarios of futures transactions

Exemplary terms and conditions of a transaction for the seller

Basic terms and conditions of the transaction (7 July)

Transaction Name	Commodity Futures Transaction (KTT)
Exchange	EURONEXT DERIVATIVES PARIS
Underlying Instrument	Milling wheat futures (EOP Paris)
Transaction	Client sells
Transaction Type	opening
Settlement Date	the first Business Day following the Expiration Date (in the case of contractual settlement) or the early settlement date (in the case of early settlement)
Expiration Date	The Business Day preceding the earlier of the following: a) the day on which the terms and conditions of delivery of the underlying instrument are set at the relevant exchange ("first notice date"), b) the last trading day of the underlying instrument at the relevant exchange ("last trade date").
Number of underlying instruments	10
Nominal of underlying instrument	50 metric tons
Total nominal of underlying instruments	500 metric tons
Base Currency	EUR
Opening Price	EUR 182.75 per metric ton
Transaction Amount	EUR 91,375.00
Hedged position of the Client	The structure of cash flows of the hedged item matches the structure of cash flows of the hedging transaction
Economic effect, cash flows:	<ul style="list-style-type: none"> ▪ If: Closing Price < Opening Price, then: effective selling price = Opening Price <p>The Bank pays the Client the sum amounting to (Opening Price – Closing Price) * notional principal amount of the transaction</p> <ul style="list-style-type: none"> ▪ If: Closing Price > Opening Price, then: effective selling price = Opening Price <p>The Client pays the Bank the sum amounting to (Closing Price – Opening Price) * notional principal amount of the transaction</p>
Settlement	"net" settlement – settlement of the difference between the Closing Price and the Opening Price

Potential result on the strategy on the settlement day for the seller

Closing price	Hedged item value	KTT		Hedging effect
		Settlement amount	Effective selling price	
250,00	125 000,00	-33 625,00	182,75	91 375,00
245,00	122 500,00	-31 125,00	182,75	91 375,00
240,00	120 000,00	-28 625,00	182,75	91 375,00
235,00	117 000,00	-26 125,00	182,75	91 375,00

Closing price	Hedged item value	KTT		Hedging effect
		Settlement amount	Effective selling price	
230,00	115 000,00	-23 625,00	182,75	91 375,00
225,00	112 500,00	-21 125,00	182,75	91 375,00
220,00	110 000,00	-18 625,00	182,75	91 375,00
215,00	107 500,00	-16 125,00	182,75	91 375,00
210,00	105 000,00	-13 625,00	182,75	91 375,00
205,00	102 500,00	-11 125,00	182,75	91 375,00
200,00	100 000,00	-8 625,00	182,75	91 375,00
195,00	97 500,00	-6 125,00	182,75	91 375,00
190,00	95 000,00	-3 625,00	182,75	91 375,00
185,00	92 500,00	-1 125,00	182,75	91 375,00
180,00	90 000,00	1 375,00	182,75	91 375,00
175,00	87 500,00	3 875,00	182,75	91 375,00
170,00	85 000,00	6 375,00	182,75	91 375,00
165,00	82 500,00	8 875,00	182,75	91 375,00
160,00	80 000,00	11 375,00	182,75	91 375,00
155,00	77 500,00	13 875,00	182,75	91 375,00
150,00	75 000,00	16 375,00	182,75	91 375,00

In EUR

[Exemplary terms and conditions of a transaction for the buyer](#)

Basic terms and conditions of the transaction (7 July)

Transaction Name	Commodity Futures Transaction (KTT)
Exchange	EURONEXT DERIVATIVES PARIS
Underlying Instrument	Milling wheat futures (EOP Paris)
Transaction	Client buys
Transaction Type	opening
Settlement Date	the first Business Day following the Expiration Date (in the case of contractual settlement) or the early settlement date (in the case of early settlement)
Expiration Date	The Business Day preceding the earlier of the following: a) the day on which the terms and conditions of delivery of the underlying instrument are set at the relevant exchange ("first notice date"), b) the last trading day of the underlying instrument at the relevant exchange ("last trade date").
Number of underlying instruments	10
Nominal of underlying instrument	50 metric tons
Total nominal of underlying instruments	500 metric tons
Base Currency	EUR
Opening Price	EUR 183 per metric ton
Transaction Amount	EUR 91,500.00
Hedged position of the Client	The structure of cash flows of the hedged item matches the structure of cash flows of the hedging transaction

- If: Closing Price < Opening Price, then: effective selling price = Opening Price

The Client pays the Bank the sum amounting to (Opening Price – Closing Price) * notional principal amount of the transaction

Economic effect, cash flows:

- If: Closing Price > Opening Price, then: effective selling price = Opening Price

The Bank pays the Client the sum amounting to (Closing Price – Opening Price) * notional principal amount of the transaction

Settlement

“net” settlement – settlement of the difference between the Closing Price and the Opening Price

Potential result on the strategy on the settlement day for the buyer

Closing price	Hedged item value	KTT		Hedging effect
		Settlement amount	Effective selling price	
250,00	125 000,00	33 500,00	183 00	91 375,00
245,00	122 500,00	31 000,00	183 00	91 375,00
240,00	120 000,00	28 500,00	183 00	91 375,00
235,00	117 000,00	26 000,00	183 00	91 375,00
230,00	115 000,00	23 500,00	183 00	91 375,00
225,00	112 500,00	21 000,00	183 00	91 375,00
220,00	110 000,00	18 500,00	183 00	91 375,00
215,00	107 500,00	16 000,00	183 00	91 375,00
210,00	105 000,00	13 500,00	183 00	91 375,00
205,00	102 500,00	11 000,00	183 00	91 375,00
200,00	100 000,00	8 500,00	183 00	91 375,00
195,00	97 500,00	6 000,00	183 00	91 375,00
190,00	95 000,00	3 500,00	183 00	91 375,00
185,00	92 500,00	1 000,00	183 00	91 375,00
180,00	90 000,00	-1 500,00	183 00	91 375,00
175,00	87 500,00	-4 000,00	183 00	91 375,00
170,00	85 000,00	-6 500,00	183 00	91 375,00
165,00	82 500,00	-9 000,00	183 00	91 375,00
160,00	80 000,00	-11 500,00	183 00	91 375,00
155,00	77 500,00	-14 000,00	183 00	91 375,00
150,00	75 000,00	-16 500,00	183 00	91 375,00

In EUR

Disclaimer – read carefully

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Investment in KTT poses risk and does not guarantee that the expected investment target will be achieved or that a specific investment result will be earned. The Client should be aware of the fact that the conclusion of the transaction referred to in this material poses a risk of incurring an unlimited loss. mBank S.A. guarantees neither the return of the invested funds, nor the achievement of profit or economic effect expected by the Client.

When considering whether to conclude the transaction, the Client should take into account in particular: market risks, legal risk, financial leverage effect, potentially high volatility of prices and valuations of transactions, collateral-related requirements and risk of assuming a financial obligation as a result of concluding the transaction. For detailed risk descriptions, terms and conditions for the provision of services and fees connected with concluding the transaction see the Principles of Cooperation or the Terms and Conditions of Cooperation, the Transaction Rules or the Transaction Descriptions appended to the Framework Agreement or visit mBank's website: <https://www.mbank.pl/pomoc/dokumenty/m-sp-korporacje/rynki-finansowe/>.

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