



Mid-market mark disclosure

Methodology relating to swaps regulated by CFTC

The daily mark for each Swap is prepared by discounting future cash flows of the Swap to arrive at a current value of the Swap. The netted value of these discounted future cash flows is the daily mark for the Swap. The net valuation amounts presented in the daily mark reports are stated from the counterparty's perspective; that is, a positive amount represents an "in-the-money" position for the counterparty, whilst a negative amount represents an "out-of-the-money" position.

For each asset class, forward curves and volatility levels are determined on the basis of observable market inputs when available and on the basis of estimates when observable market inputs are not available. Such forward curves and volatility levels are used to estimate future cash flows that are not certain (for example floating interest rates or options). In some cases, we may use probabilistic models, using probability measures deemed appropriate, to determine the expected value of future cash flows. These estimated cash flows, along with future cash flows that are known with certainty, are then discounted to their present value using discount factors derived from relevant market inputs for the relevant asset class or, as then indicated and relevant, using the terms of the relevant CSA agreement.

In our sole discretion, we may use a variety of methodologies to prepare the estimated cash flows described above, including without limitation, preparing Monte Carlo simulations and utilizing Black-Scholes and other mathematical pricing models. We may, in our sole discretion, alter the inputs used in such simulations and change or refine aspects of the modeling. Such changes and alterations may be unilaterally implemented at any time and we are under no obligation to disclose to you the methodology used or the inputs thereto.

SEB will disclose the pre-trade mid-market mark to you prior to all trades. This may be done through the electronic platform or any other media via which we communicate with you. Where we quote two-way bid/offer prices, the mid-market mark shall be the mid-point between the bid/offer price.

Methodology relating to swaps regulated by SEC

For each security-based swap that is not subject to clearing, SEB will provide each counterparty, who is not a swap dealer, major swap participant, security-based swap dealer or major security based swap participant (each as defined in the regulations of the CFTC and the SEC), with a position file including a daily mark-to-market file as of the close of business.

Disclosures regarding certain assumptions and variables underlying the calculations of the daily marks will be agreed between the parties in writing prior to commencing a security-based swap.

Disclaimers relating to all CFTC and SEC regulated swaps

Please note that the daily mid-market mark calculated by SEB and reported to you may differ from the value recorded on SEB's books or any value used by SEB for the purpose of calculating margin calls, which may take into consideration other factors and aspects than those used to calculate the daily mid-market mark.



No mid-market mark provided by SEB is necessarily indicative of a price at which SEB would enter into or be willing to close out similar positions. SEB accepts no liability with regard to any use on your part of provided mid-market marks for purposes of accounting, forecasting or any other analysis, whether losses or damages are direct, indirect, incidental or consequential, even if we are advised of that possibility.