



**LLOYDS BANK**

## **Disclosure Statement for Pre Trade Mark Methodologies and Assumptions General**

Lloyds Bank plc (formerly Lloyds TSB Bank Plc) is registered with the Commodity Futures Trading Commission ("CFTC") as a non-U.S. swap dealer (CICI: H7FNTJ4851HG0EXQ1Z70). Pursuant to the CFTC Business Conduct Standards for Swap Dealers and Major Swap Participants (the "EBC Requirements"), Lloyds Bank plc, as a registered swap dealer, is required to provide you a daily mid-market mark (the "**Pre Trade Mark**") for "swaps", "foreign exchange forwards" and "foreign exchange swaps" transaction, each as defined in the U.S. Commodity Exchange Act, as amended, and the rules and regulations promulgated thereunder (the "CEA" and each such transaction, a "swap transaction"). If the swap transaction is uncleared, you will receive the Pre Trade Mark from Lloyds Bank plc. The EBC Requirements also require Lloyds Bank plc to disclose to you the methodology and assumptions used to prepare the Pre Trade Mark for any such uncleared swap transaction. If the referenced swap transaction is cleared, you have the right to receive a Pre Trade Mark from the appropriate derivatives clearing organization. If you have agreed with us to receive the Pre Trade Mark for cleared swap transactions from the futures commission merchant through which you cleared such swap transaction, the relevant designated clearing organization or another third party, Lloyds Bank plc will not also forward a Pre Trade Mark to you. This document describes the methodologies and assumptions used to prepare the Pre Trade Mark provided to you by Lloyds Bank plc.

In addition to the above disclosures, we provide pre-trade mid-market marks for all in-scope transactions according to your ISDA elections. For electronically transacted in scope products please ensure your systems are configured to accept/ view this pre-trade mid-market mark.

The delivery of the Pre Trade Mark and the disclosure of the methodologies and assumptions described below are for the sole purpose of satisfying Lloyds Bank plc's obligations to you under CFTC Rule 23.431(d). You should not construe the content of this disclosure statement as legal, financial, tax, accounting or other advice.

Please note that you may have outstanding positions with Lloyd Bank Plc that do not feature in the Pre Trade Mark disclosures if those positions relate to products that are not in scope of the definition of "swap transaction" specified above.

The Pre Trade Mark is subject to a number of important qualifications described below.

**NOTHING IN THIS DISCLOSURE STATEMENT AMENDS OR SUPERSEDES THE EXPRESS TERMS OF ANY SWAP TRANSACTION BETWEEN YOU AND LLOYDS BANK PLC OR ANY RELATED GOVERNING DOCUMENTATION.**

#### Qualifications to the Pre Trade Mark

1. The Pre Trade Mark will not include amounts for profit, credit reserve, hedging, funding, liquidity, or any other cost or adjustment.
2. The Pre Trade Mark may not necessarily be a price at which you or Lloyds Bank plc., or any of its affiliates, would agree to value, replace or terminate a swap transaction, whether or not pursuant to its terms.
3. The Pre Trade Mark may not necessarily be the value of the swap transaction that is marked on Lloyds Bank plc.'s books and records.
4. The Pre Trade Mark may not reflect the price at which you could execute the swap transaction, or any similar swap transaction, with any other market participant.
5. Calls for margin by Lloyds Bank plc., whether or not based on the value of, or exposure under, the swap transaction pursuant to the swap transaction's terms or any related master agreement or credit support annex, may be based on valuations unrelated to The Pre Trade Mark or considerations other than the Pre Trade Mark
6. In calculating the Pre Trade Mark, the methodology used by Lloyds Bank plc. may be based on simplified models that may not reflect or take into account all potentially significant factors that could affect the swap transaction's value, such as market risk, liquidity risk, and credit risk. Lloyds Bank plc. may use different models, make valuation adjustments, or use different methodologies when determining prices at which Lloyds Bank plc. is willing to trade, replace or terminate swap transactions, and/or when valuing its own inventory positions for its books and records. Lloyds Bank plc.'s pricing models may contain confidential, proprietary features that Lloyds Bank plc. is not required to share with you.