

Indicative Termsheet - For Discussion Purposes Only
Credit Derivative Transaction
Physical Settlement

Date: 29 November 2002
To: ABC Bank ("Counterparty")
From: XYZ Bank
Re: Credit Derivative Transaction

Attention:

Fax No:

Our Ref:

C'pty Ref:

The purpose of this document (this "Indicative Termsheet") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on the Trade Date specified below (the "Transaction").

This Indicative Termsheet does NOT constitute a "Confirmation".

The definitions and provisions contained in the 1999 ISDA Credit Derivatives Definitions, (the "Credit Derivatives Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Indicative Termsheet.

The terms of the Transaction to which this Indicative Termsheet relates are as follows:

1. General Terms

Trade Date:	29 November 2002
Effective Date:	30 November 2002
Scheduled Termination Date:	30 November 2005
Floating Rate Payer:	XYZ Bank (Seller)
Fixed Rate Payer:	ABC Bank (Buyer)
Calculation Agent:	Seller
Calculation Agent City:	London
Business Day:	New York and London
Business Day Convention:	Modified Following (which shall apply to any date referred to in this Confirmation, other than the Effective Date, that falls on a day that is not a Business Day).
Reference Entity:	The Government of Japan - OECD Asia Sovereign

Reference Obligation

Primary Obligor:	Reference Entity
Guarantor:	Not Applicable
Coupon:	2%
Maturity Date:	21 March 2022
ISIN/Cusip Number:	JP1200551248
Original Issue Amount:	JPY 806,900,000,000
Reference Price:	100%

2. Fixed Payments

Fixed Rate Payer Calculation Amount:	USD 10,000,000
Fixed Rate Payer Payment Dates:	28 February 2003 and thereafter each 28 February, 30 May, 30 August and 30 November
Fixed Rate:	0.15 % per annum
Fixed Rate Day Count Fraction:	Actual/360

3. Floating Payment

Floating Rate Payer Calculation Amount: USD 10,000,000

Conditions to Payment: Credit Event Notice

Notifying Party: Buyer or Seller

Notice of Intended Physical Settlement

Notice of Publicly Available Information: Applicable

Public Sources: Standard Public Sources .

Specified Number: Two

4. Credit Events

The following Credit Events shall apply to this Transaction:

Failure To Pay

Grace Period Extension: Not Applicable

Payment Requirement: USD 1,000,000 (or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay).

Obligation Acceleration
Repudiation/Moratorium
Restructuring

Default Requirement: USD 10,000,000 (or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).

Obligations:	Obligation Category:	Obligation Characteristics:
	Borrowed Money	None Specified

5. Settlement Terms

Settlement Method:	Physical Settlement
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Physical Settlement Terms

Physical Settlement Period:	30 Business Days
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Portfolio:	Exclude Accrued Interest
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Deliverable Obligations:	Deliverable Obligation Category:	Deliverable Obligation Characteristics:
	Bond or Loan	

Specified Currency (Standard Specified Currencies)
 Consent Required Loan
 Assignable Loan
 Not Bearer
 Not Contingent
 Transferable
 Maximum Maturity 30 Years

Excluded Deliverable Obligations:	Not Applicable
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Partial Cash Settlement of Loans: Not Applicable

Escrow: Applicable

6. Dispute Resolution Section 10.2 of the Credit Derivatives Definitions shall apply

7. Offices

Floating Rate Payer: (Seller) London

Fixed Rate Payer: (Buyer) London