

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

Date: 22 August 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, as supplemented by the Supplement Relating to Convertible, Exchangeable or Accreting Obligations dated the 9th November 2001, and as supplemented by the Supplement Relating to Successor and Credit Events dated the 28th November 2001 (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:	22 August 2002
Effective Date:	28 August 2002
Scheduled Termination Date:	28 August 2007
Floating Rate Payer:	XYZ Bank (Seller)
Fixed Rate Payer:	ABC Bank (Buyer)
Calculation Agent:	Seller
Calculation Agent City:	London
Business Day:	New York, 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:	Bank of China - EM Asia Corporate

Reference Obligation

Primary Obligor:	Reference Entity
Guarantor:	None
Coupon:	8.25%
Maturity Date:	03 March 2014
ISIN/Cusip Number:	US061194AB21
Original Issue Amount:	USD 100,000,000

Reference Price:	100%
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2. Fixed Payments

Fixed Rate Payer Calculation Amount:	USD 5,000,000
Fixed Rate Payer Payment Dates:	29 November 2002 and thereafter each 28 February, 28 May, 28 August and 28 November
Fixed Rate:	0.85 % per annum
Fixed Rate Day Count Fraction:	Actual/360

3. Floating Payment

Floating Rate Payer Calculation Amount: USD 5,000,000

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:

Bankruptcy

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:
	Bond or Loan	Not Sovereign Lender Not Domestic Currency Not Domestic Law Not Domestic Issuance Pari Passu Ranking

5. Settlement Terms

Settlement Method: Physical Settlement

Physical Settlement Terms

Physical Settlement Period: 30 Business Days

Portfolio: Exclude Accrued Interest

Deliverable Obligations:	Deliverable Obligation Category:	Deliverable Obligation Characteristics:
	Bond or Loan	Not Sovereign Lender Not Domestic Law Not Domestic Issuance Pari Passu Ranking Specified Currency (Standard Specified Currencies) Assignable Loan Not Bearer Not Contingent Transferable Maximum Maturity 30 Years

Excluded Deliverable Obligations: Not Applicable

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