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 (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 November 2002
Effective Date: 23 November 2002
Scheduled Termination Date: 23 November 2007
Floating Rate Payer: XYZ Bank (Seller)
Fixed Rate Payer: ABC Bank (Buyer)
Calculation Agent: Seller
Calculation Agent City: New York
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: Federative Republic of Brazil - EM Latin America Sovereign

Reference Obligation
Primary Obligor: Reference Entity
Guarantor: None
Coupon: 12.25%
Maturity Date: 06 March 2030
ISIN/Cusip Number: US105756AL40
Original Issue Amount: USD 1,600,000,000
Reference Price: 100%

2. Fixed Payments

Fixed Rate Payer Calculation Amount: USD 10,000,000
Fixed Rate Payer Payment Dates: 23 May 2003 and thereafter each 23 May and 23 November
Fixed Rate: 26.6 % 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: 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 or Potential Failure to Pay, as applicable).

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 | 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: Section 8.5 of the Credit Derivatives Definitions

Portfolio: Exclude Accrued Interest

**Deliverable Obligations:**

<table>
<thead>
<tr>
<th>Deliverable Obligation Category:</th>
<th>Deliverable Obligation Characteristics:</th>
</tr>
</thead>
</table>
| Bond | Not Domestic Law
Not Domestic Issuance |
Pari Passu Ranking
Specified Currency (Standard Specified Currencies)

Not Bearer
Not Contingent
Transferable

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