
Sample term sheet for a credit default swap traded by XYZ Bank plc

Draft Terms – Credit Default Swap

1. General Terms

Trade Date	Aug 5, 2003
Effective Date	Aug 6, 2003
Scheduled Termination Date	Jul 30, 2005
Floating Rate Payer ('Seller')	XYZ Bank plc, London branch
Fixed Rate Payer ('Buyer')	ABC Investment Bank plc
Calculation Agent	Seller
Calculation Agent City	New York
Business Day	New York
Business Day Convention	Following
Reference Entity	Jackfruit Records Corporation
Reference Obligation	Primary Obligor: Jackfruit Records
Maturity	Jun 30, 2020
Coupon	0%
CUSIP/ISIN	xxxxxx
Original Issue Amount	USD 100,000,000
Reference Price	100%
All Guarantees	Not Applicable

2. Fixed Payments

Fixed Rate Payer	
Calculation Amount	USD 7,000,000
Fixed Rate	0.3% per annum
Fixed Rate Payer Payment Date(s)	Oct 30, Jan 30, Apr 30, Jul 30, starting Oct 30, 2003
Fixed Rate Day Count Fraction	Actual/360

3. Floating Payments

Floating Rate Payer	
Calculation Amount	USD 7,000,000
Conditions to Payment or Seller	Credit Event Notice (Notifying Parties: Buyer or Seller)
	Notice of Publicly Available Information: Applicable (Public Source: Standard Public Sources. Specified Number: Two)

Credit Events	Bankruptcy Failure to Pay (Grace Period Extension: Not Applicable. Payment Requirement: \$1,000,000)
Obligation(s)	Borrowed Money

4. Settlement Terms

Settlement Method	Physical Settlement
Settlement Currency	The currency in which the Floating Rate Payer Calculation Amount is denominated
Terms Relating to Physical Settlement	
Physical Settlement Period	The longest of the number of business days for settlement in accordance with the then-current market practice of any Deliverable Obligation being Delivered in the Portfolio, as determined by the Calculation Agent, after consultation with the parties, but in no event shall be more than 30 days
Portfolio Deliverable Obligations Characteristics	Exclude Accrued Interest Bond or Loan Not Subordinated Specified Currency – Standard Specified Currencies Maximum Maturity: 30 years Not Contingent Not Bearer Transferable Assignable Loan Consent Required Loan
Restructuring Maturity Limitation	Not Applicable
Partial Cash Settlement of Loans	Not Applicable
Partial Cash Settlement of Assignable Loans	Not Applicable
Escrow	Applicable

5. Documentation

Confirmation to be prepared by the Seller and agreed to by the Buyer. The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc., as supplemented by the May 2003 Supplement, to the 2003 ISDA Credit Derivatives Definitions (together, the 'Credit Derivatives Definitions'), are incorporated into the Confirmation

6. Notice and Account Details

Telephone, Telex and/or
Facsimile Numbers and
Contact Details for Notices

Buyer:
Phone:
Fax:
Seller: A.N. Other
Phone: +1 212-xxx-xxxx
Fax: +1 212-xxx-xxxx
84-7512562-85

Account Details of Seller

Risks and Characteristics

Credit Risk. An investor's ability to collect any premium will depend on the ability of XYZ Bank plc to pay.

Non-Marketability. Swaps are not registered instruments and they do not trade on any exchange. It may be impossible for the transactor in a swap to transfer the obligations under the swap to another holder. Swaps are customised instruments and there is no central source to obtain prices from other dealers.