

Sterling Yield Curve Swap

Swap Notional	GBP [XXX]
Swap Effective Date	4 November 2001
Swap Maturity Date	4 November 2003

**Counterparty A
payments**

Floating Coupon	GBP 2yr Swap (Mid) plus 0.16%, as fixed on Telerate page 42279 at 11:00am London time on each period start date
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Payment Frequency	Quarterly
Payment Dates	4 February, May, August, November
Calculation Basis	Act/365

**Counterparty B
payments**

Floating Index	GBP 3 Month LIBOR flat
Payment Frequency	Quarterly
Payment Dates	4 February, May, August, November
Calculation Basis	Act/365

This indicative termsheet is neither an offer to buy or sell securities or an OTC derivative product which includes options, swaps, forwards and structured notes having similar features to OTC derivative transactions, nor a solicitation to buy or sell securities or an OTC derivative product. The proposal contained in the foregoing is not a complete description of the terms of a particular transaction and is subject to change without limitation.

A handwritten signature in black ink, appearing to be 'W. J. Smith' or similar, with a large, sweeping flourish at the end.