This presentation contains indicative terms for discussion purposes only. BNP Paribas gives no assurance that any transaction will be consummated on the basis of these indicative terms and no specific issuer is obligated to issue any security or instrument on such indicative terms. This proposal does not constitute an offer to sell or any solicitation of any offer to buy or sell any security or instrument or to enter into any transaction on such indicative terms.

TRANSACTION SUMMARY          February 12th, 2004

Leveraged corporate exposure
Leveraged corporate exposure through a CDO of Corporates.

Diversified Reference Portfolio
Creates exposure to a diversified portfolio of highly rated static corporate Reference Entities, (The Reference Portfolio).

The Reference Portfolio provides access to:
- A universe of 100 different Reference Entities all equally weighted.
- Diversified across 16 countries and 31 S&P industry sectors.
- With a weighted average rating of BBB+.
- All Investment Grade.

No Reference Obligation may account for more than 1% of the Initial Portfolio.

Substitution procedure
Thunderbird Series 5 is a self-managed transaction, whereby 100% of the Noteholders, through a Noteholders resolution, can request from time to time the substitutions of Reference Entities in the Reference Portfolio:
- The proposed substitution must comply with specified substitution guidelines, with the main one being ensuring that the subordination level resulting after the substitution meets the S&P CDO Evaluator test for maintaining the rating of the note.
- The substitution amount is limited to 8 Reference Entities over any 12-month period.
- Any gains/costs resulting from such substitutions will be credited/debited to a Margin Trading Account, which will be paid pro-rata to or received from the Noteholders by the Issuer on the maturity of the Notes.

Thunderbird Series 5 Notes description
The Thunderbird Series 5 Notes issued will have:
- A 5 year bullet maturity.
- A AA- rating by S&P on issue date for the Class A Note.

<table>
<thead>
<tr>
<th>Thunderbird Series 5</th>
<th>Threshold</th>
<th>Cap</th>
<th>S&amp;P Rating</th>
<th>Currency</th>
<th>Maturity</th>
<th>Coupon</th>
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</thead>
<tbody>
<tr>
<td>Class A</td>
<td>4.55%</td>
<td>6.55%</td>
<td>AA-</td>
<td>USD</td>
<td>5 Years</td>
<td>6M Libor + 165 bps (*)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6M Libor + 190 bps (*)</td>
</tr>
</tbody>
</table>

(*) The coupon steps up from the date on which the rating is downgraded to A- or lower, and will remain at that level thereafter, notwithstanding any subsequent upgrade of the rating of the Notes to above A-.
## TRANSACTION STRUCTURE

<table>
<thead>
<tr>
<th><strong>Scheduled Maturity Date</strong></th>
<th>The Scheduled Maturity Date is March 11th, 2009.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Use of proceeds</strong></td>
<td>The Issuer uses the Note’s proceeds to invest in a Repo transaction with BNP Paribas.</td>
</tr>
</tbody>
</table>
| **Mezzanine Credit Default Swap** | BNP Paribas buys protection from the Issuer under a Mezzanine Credit Default Swap (CDS) on losses in the Reference Portfolio:  
• Class A In excess of 4.55% (the “Threshold”) up to 5.55% (the “Cap”). |
| **Credit Linked Note delivery format** | The Issuer issues Credit Linked Notes (CLNs) providing exposure to the risk under the Credit Default Swap. |
| **Credit Linked Note Coupon** | The coupon of the CLN is the sum of the coupon of the Repo and the premium of the Mezzanine Credit Default Swap. |
| **Credit and Loss Events applicable** | Credit Events with respect to the Corporate Reference Entities:  
• Failure to pay.  
• Restructuring.  
• Bankruptcy. |
| **Potential Writedown Event** | In the event of a “Potential Writedown”: A Potential Writedown Notice may be delivered if the Scheduled Maturity Date of a Reference Entity is extended due to any notified but unsettled Credit Events in the Reference portfolio. A Notional Writedown may be declared subsequently. |
| **ISDA 2003 documentation** | Documentation is in line with the ISDA 2003 credit derivative definitions. |
BNP Paribas buys protection

Mezzanine Tranche (4.55% to 5.55%)

Protection payment

Schedule Maturity Date

Trade Date

Notes proceed

Collateral Interest payments + CDS Premium

Protection payment

CDS Premium

Notes proceed

Protection payment

Collateral Interest payments

Protection payment

CDS Premium

The Noteholders have right of substitutions as per terms agreed

Reference Portfolio Notional

Investor

BNP Paribas Repo Counterparty Collateral
REFERENCE PORTFOLIO ANALYSIS

Reference Portfolio
The Reference Portfolio provide full transparency on corporate exposure for the duration of the transaction since corporate Reference Entities may only be substituted on the request of 100% of the Noteholders through a Noteholder Resolution.

Reference Portfolio Characteristics
Thunderbird Series 5 provides a highly diversified exposure to a corporate Reference Portfolio:
- 100 different equally weighted corporate Reference Entities.
- Operating across 31 S&P industrial sectors.
- And domiciled in 16 countries.

Minimum rating
All Reference Entities are rated investment grade with the lowest rated entities being BBB-.

S&P Weighted Average Rating
BBB+.

<table>
<thead>
<tr>
<th>S&amp;P Rating</th>
<th>Threshold</th>
<th>Cap</th>
<th>S&amp;P Weighted Average Rating</th>
<th>Number of Reference Entities</th>
<th>Proportion of Reference Entities above Investment Grade</th>
<th>Lowest rated Reference Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference Portfolio</td>
<td>AA-</td>
<td>4.55%</td>
<td>5.55%</td>
<td>BBB+</td>
<td>100</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
INDICATIVE RATING STABILITY

Modelling assumptions

- S&P’s CDO Evaluator is used for this indicative analysis, which performs a multivariate Monte Carlo based on 100,000 simulations.
- S&P’s CDO Evaluator assumes different correlations between corporates which depend on country, region, and industry sector. (Refer to the correlation and industry sector tables in Annex 2 and 3)

Model inputs

The Model inputs are:

- Transaction Maturity.
- S&P Ratings for each Reference Entity.
- S&P Industry Sectors for each Reference Entity.
- S&P Long Term Foreign Currency Debt Rating for the country of origin for each Reference Entity.
- S&P assumed recovery rate for each Reference Entity based on the country of domicile of the Reference Entity.

Rating Migration Scenarios

Using S&P’s “Look-Through” CDO Evaluator, and based on the ratings as of this presentation’s date and assuming no further changes affecting the Reference Entities comprising the Reference Portfolio, save as described in each relevant scenario, the following indicative ratings are expected:

Rating Migration Scenario 1
(After 1 year, assuming an average Recovery Rate of 40%, 100% of the Reference Entities included in the Reference Portfolio are downgraded by 1 notch.)

- The Class A Note would have an expected rating of AA- (Unchanged).

Credit Event Scenarios

Using S&P’s “Look-Through” CDO Evaluator, and based on the ratings as of this presentation’s date and assuming no further changes affecting the Reference Entities comprising the Reference Portfolio, save as described in each relevant scenario, the following indicative ratings are expected:

Credit Event Scenario 1
(After 1 year, assuming an average Recovery Rate of 40%, 2 different Reference Entities are affected by a credit Event.)

- The Class A Note would have an expected rating of AA- (Unchanged).
PORTFOLIO ANALYSIS: GLOBE BREAKDOWN

### S&P Rating Breakdown
- **AAA**: 4%  
- **AA-**: 6%  
- **A**: 14%  
- **A-**: 13%  
- **BBB+**: 20%  
- **BBB**: 30%  
- **BBB-**: 6%  
- **A+**: 7%  
- **United States**: 54.0%

### Country Breakdown
- **United States**: 54.0%  
- **United Kingdom**: 10.0%  
- **Germany**: 8.0%  
- **France**: 8.0%  
- **Japan**: 4.0%  
- **Canada**: 1.0%  
- **Luxembourg**: 1.0%  
- **Australia**: 1.0%  
- **Sweden**: 1.0%  
- **Republic of Korea**: 3.0%  
- **Spain**: 1.0%  
- **Italy**: 1.0%  
- **Finland**: 1.0%  
- **Hong Kong**: 2.0%  
- **Belgium**: 2.0%  
- **Bermuda**: 2.0%
ANNEX 1 – NOTIONAL WRITEDOWN EXAMPLE

Reference Portfolio - loss amount calculation

Calculating a loss amount for the Reference Portfolio: an example.

Reference Portfolio – characteristics

- Number of corporate Reference Entities in the corporate Reference Portfolio: 100.
- Threshold: 4.55%.
- Size: 1%.
- Notional Amount of the swap referenced in Thunderbird Series 5: USD 50 mn.

Step 1

Number of corporate Credit Events needed before a Notional Writedown:

- Using a recovery rate of 40%, 7 Credit Events \( (7 \times (1-40%) / 100 = 4.2\%) \) would reduce the Threshold of the Master tranche to 0.35%.

Step 2

Notional Writedown:

- In the unlikely event that the entire Threshold of the transaction has been reduced to 0.35% (as per Step 1 above), then

  - if an additional Credit Event is declared on a Reference Entity of the Reference Portfolio, the notional amount of the swap would be reduced by an amount equal to \( \left(8 \times (1-40\%)/100 - 4.55\%\right) / 1\% = 25\% \) of the original Notional Amount.

Step 3

Pro rata loss applicable to the Reference Portfolio:

- The Notional Writedown Amount will be calculated as follows (such calculation would be certified by the Calculation Agent):
  
  \[
  EUR \ 50 \ mn \times 25\% = EUR \ 12.5\ mn.
  \]

- Therefore the principal amount outstanding of the Thunderbird series 5 will reduce by an amount of EUR 12.5 mn (assuming that no other Credit Events have been declared with respect to any other Reference Entity included in the Reference Portfolio under the swap).
### ANNEX 2 – S&P ASSET CORRELATION ASSUMPTIONS

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<thead>
<tr>
<th></th>
<th>Between Regions</th>
<th>Within Region</th>
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<tbody>
<tr>
<td>Sovereign vs. Sovereign</td>
<td>0</td>
<td>0.2</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Between Sectors</th>
<th>Within Sector</th>
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</thead>
<tbody>
<tr>
<td>Obligor vs. Obligor</td>
<td>Corp.</td>
<td>ABS</td>
</tr>
<tr>
<td>Within Country</td>
<td>0</td>
<td>0.1</td>
</tr>
<tr>
<td>Within Region</td>
<td>0</td>
<td>0.1</td>
</tr>
<tr>
<td>Between Regions</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local</th>
<th>Regional</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>
## Annexe 3 – Table of S&P Corporate Industry Sectors

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<thead>
<tr>
<th>Code</th>
<th>Asset Description</th>
<th>Local</th>
<th>Regional</th>
<th>Global</th>
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<tr>
<td>0</td>
<td>Zero Default Risk</td>
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</tr>
<tr>
<td>1</td>
<td>Aerospace &amp; Defense</td>
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<td></td>
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<tr>
<td>2</td>
<td>Air transport</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3</td>
<td>Automotive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Beverage &amp; Tobacco</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Radio &amp; Television</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>6</td>
<td>Brokers, Dealers &amp; Investment houses</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Building &amp; Development</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>8</td>
<td>Business equipment &amp; services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Cable &amp; satellite television</td>
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<td></td>
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</tr>
<tr>
<td>10</td>
<td>Chemicals &amp; plastics</td>
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<tr>
<td>11</td>
<td>Clothing/textiles</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>12</td>
<td>Conglomerates</td>
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<td></td>
</tr>
<tr>
<td>13</td>
<td>Containers &amp; glass products</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Cosmetics/toiletries</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Drugs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Ecological services &amp; equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Electronics/electrical</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Equipment leasing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Farming/agriculture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Financial intermediaries</td>
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<td></td>
</tr>
<tr>
<td>21</td>
<td>Food/drug retailers</td>
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<td></td>
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<tr>
<td>22</td>
<td>Food products</td>
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<tr>
<td>23</td>
<td>Food service</td>
<td></td>
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<tr>
<td>24</td>
<td>Forest products</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Health care</td>
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<tr>
<td>26</td>
<td>Home furnishings</td>
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<tr>
<td>27</td>
<td>Lodging &amp; casinos</td>
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<td></td>
</tr>
<tr>
<td>28</td>
<td>Industrial equipment</td>
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<tr>
<td>29</td>
<td>Insurance</td>
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<tr>
<td>30</td>
<td>Leisure goods/activities/movies</td>
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<td></td>
</tr>
<tr>
<td>31</td>
<td>Nonferrous metals/minerals</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Oil &amp; gas</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Publishing</td>
<td></td>
<td></td>
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<tr>
<td>34</td>
<td>Rail industries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Retailers (except food &amp; drug)</td>
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</tr>
<tr>
<td>36</td>
<td>Steel</td>
<td></td>
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<tr>
<td>37</td>
<td>Surface transport</td>
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</tr>
<tr>
<td>38</td>
<td>Telecommunications</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>39</td>
<td>Utilities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## RISK FACTORS

### Final Offering Circular
Prospective investors should refer to the Final Offering Circular for a further description of these and other risk factors related to the Notes. Following are certain significant risk factors related to any investment in the Notes:

### Limited Recourse Obligations
The Notes will represent limited-recourse obligations of the Issuer, payable solely out of amounts received by the SPV from:
- Repurchase Transactions and
- BNP Paribas under the Credit Default Swap.

### Leveraged Credit Risk
Returns on the transaction will be dependent on the credit performance of the Reference Portfolio. In the event that Credit Events occur with respect to Reference Entities, the yield on the Notes may materially decrease. In the event that losses following Credit Events with respect to Reference Entities occur, the Noteholders will receive less than 100% of principal at maturity.

### Limited Liquidity
There is currently no established secondary market for the Notes and it is not expected that such a market will develop.

### Tax and Financial Accounting Considerations
Prospective investors in the transaction should consult with their own legal, accounting and tax advisers prior to making an investment decision.

### Subordination
Payments on the Notes will be subordinated to payments due to the Credit Default Swap counterparty, the Repo counterparty and the payment of certain fees.

### No Legal or Beneficial Interest in Obligations of Reference Entities
Under the Credit Default Swap agreement, the issuer will have a contractual relationship only with the Credit Default Swap counterparty, and not with any Reference Entity. Therefore, the inclusion of a Reference Entity in the Reference Portfolio will not give the issuer any legal or beneficial interest in any obligation of the Reference Entity.

### Reliance on the credit of the Credit Default Swap counterparty
The ability of the issuer to make payments on the Notes will depend, in part, on the receipt of payments from the Credit Default Swap counterparty. Therefore, the issuer will be relying on the credit of the Credit Default Swap counterparty to perform its obligations under Credit Default Swap.

### Credit Ratings
Credit ratings of Reference Entities represent the opinions of the rating agencies regarding the likelihood of payment of certain obligations when due and the ultimate payment of other obligations (such as principal payments) of the Reference Entities, but are not a guarantee of the creditworthiness of the Reference Entities. While the market imposes a certain amount of discipline on the rating agencies’ rating processes, the rating agencies do not assume responsibility for their ratings actions in any legally enforceable sense, and investors cannot expect to have recourse to rating agencies with respect to any ratings or any ratings actions taken.
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**Classic Structured Products**

- Real-Time Market-Making
- Large Quoting Size
- Defined Spreads

**Standard Transparent Documentation**

**Online Pricing Tools**

CREDENTIALS

**AsiaRisk**

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<td>Synthetic CDOs - Japan</td>
<td>2002</td>
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<tr>
<td>N°2</td>
<td>Synthetic CDOs - Leading Arrangers Q3 2003 - Risk</td>
<td>2003</td>
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<td>N°3</td>
<td>Portfolio Swaps - Japan</td>
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**Creditflux**

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<th>Description</th>
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<td>Synthetic CDOs - Japan</td>
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<td>N°4</td>
<td>Synthetic CDOs - Leading Arrangers Q4 2003 - Notional</td>
<td>2003</td>
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CONTACT US

- Australia  
  +(61 2) 9025 5015
- Belgium / Luxembourg  
  +44 (0) 207 595 8616
- Eastern Europe  
  +44 (0) 207 595 8481
- France  
  +33 (0) 1 42 98 71 65
- Germany  
  +44 (0) 207 595 8133
- Hong Kong  
  +(852) 2108 5282
- Italy  
  +44 (0) 207 595 8808
- Ireland  
  +353 1 612 5110
- Japan  
  +(813) 5290 8803
- Middle East  
  +44 (0) 207 595 8320
- Netherlands  
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- Philippines  
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- Portugal  
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- Scandinavia  
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- South Africa  
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- Spain  
  +44 (0) 207 595 8228
- Switzerland  
  +41 (1) 229 68 68
- Taiwan  
  +(886 2) 2719 8558
- UK  
  +44 (0) 207 595 8024
- USA  
  +1 (212) 841 3438

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  credit.derivatives@bnpparibas.com
  www.livecredit.bnpparibas.com
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