

Financial Conditions

1 Two-Year Financial Statements

1-1 General Account

Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2019	As of March 31, 2020		As of March 31, 2019	As of March 31, 2020
Assets			Liabilities		
I. Current assets			I. Current liabilities		
Cash and deposits	214,926	232,485	Operational grant liabilities	31,300	40,669
Inventories			Funds for grant aid	174,791	178,788
Stored goods	361	363	Donations received	398	334
Payments for uncompleted contracted programs	19	126	Accounts payable	15,916	20,009
Advance payments	22,963	20,715	Accrued expenses	228	248
Prepaid expenses	106	39	Lease obligations	111	90
Accrued income	0	0	Advance payments received	365	395
Accounts receivable	3,346	3,902	Deposits received	495	503
Contra-accounts for provision for bonuses	—	1,197	Unearned revenue	0	0
Short-term loans for development projects	53	18	Provision for bonuses	—	1,197
Allowance for loan losses	(0)	(0)	Suspense receipts	—	0
Short-term loans for emigration projects	0	0			
Allowance for loan losses	(0)	(0)	Total current liabilities	223,604	242,234
Goods in transit	237	59			
Suspense payments	67	72	II. Non-current liabilities		
Advance paid	2	2	Contra-accounts for assets	6,999	7,873
Total current assets	242,081	258,978	Long-term lease obligations	232	165
			Long-term deposits received	119	48
II. Non-current assets			Provision for retirement benefits	—	14,982
1. Tangible assets			Asset retirement obligations	276	276
Buildings	41,948	42,202	Total non-current liabilities	7,626	23,344
Accumulated depreciation	(19,298)	(20,193)	Total liabilities	231,230	265,578
Accumulated impairment loss	(451)	(451)			
Structures	1,622	1,630	Net assets		
Accumulated depreciation	(1,131)	(1,173)	I. Capital		
Accumulated impairment loss	(11)	(11)	Government investment	62,452	62,452
Machinery and equipment	205	250	Total capital	62,452	62,452
Accumulated depreciation	(126)	(133)			
Vehicles	2,291	2,415	II. Capital surplus		
Accumulated depreciation	(1,233)	(1,306)	Capital surplus	(1,233)	6,150
Tools, furniture, and fixtures	2,295	2,234	Accumulated depreciation not included in expenses	(20,179)	(21,030)
Accumulated depreciation	(1,304)	(1,338)	Accumulated impairment loss not included in expenses	(537)	(537)
Land	14,398	14,398	Accumulated interest expenses not included in expenses	(7)	(7)
Accumulated impairment loss	(75)	(75)	Accumulated disposal and sale differential not included in expenses	—	(7,017)
Construction in progress	10	199	Total capital surplus	(21,957)	(22,442)
Total tangible assets	39,141	38,651			
2. Intangible assets			III. Retained earnings		
Trademark rights	1	1	Reserve fund carried over from the previous		
Telephone subscription rights	2	2	Mid-term Objective period	7,013	2,416
Software	172	3,821	Reserve fund	4,304	7,472
Software in progress	3,148	248	Unappropriated income for the current business year	3,168	3,121
Total intangible assets	3,323	4,072	[Total income for the current business year]	[3,168]	[3,121]
3. Investments and other assets			Total retained earnings	14,485	13,008
Long-term deposits	—	216			
Long-term loans for development projects	89	72	Total net assets	54,981	53,019
Allowance for loan losses	(0)	—			
Long-term loans for emigration projects	17	12			
Allowance for loan losses	(16)	(12)			
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to loans for development projects	81	—			
Allowance for loan losses	(81)	—			
Claims probable in bankruptcy, claims probable in rehabilitation, and other pertaining to loans for emigration projects	326	305			
Allowance for loan losses	(326)	(305)			
Long-term prepaid expenses	18	6			
Expected amount to be granted from the national budget	29	1			
Contra-accounts for provision for retirement benefits	—	14,982			
Long-term guarantee deposits	1,529	1,619			
Total investments and other assets	1,666	16,896			
Total non-current assets	44,130	59,619			
Total assets	286,211	318,597	Total liabilities and net assets	286,211	318,597

Statement of Income

(Unit: Millions of yen)

	April 1, 2018– March 31, 2019	April 1, 2019– March 31, 2020
Ordinary expenses		
Operating expenses		
Expenses for priority sectors and regions	78,686	71,030
Expenses for private sector partnership	5,016	4,479
Expenses for domestic partnership	18,506	17,184
Expenses for other operations	3,384	3,217
Expenses for operation support	37,417	38,806
Expenses for grant aid	94,985	89,236
Expenses for facilities	29	52
Expenses for contracted programs	69	9
Expenses for donation projects	12	110
Depreciation	600	1,204
General administrative expenses	8,593	8,989
Financial expenses		
Foreign exchange losses	243	108
Specific purpose expenses	—	250
Miscellaneous losses	1	0
Total ordinary expenses	247,543	234,674
Ordinary revenues		
Revenues from operational grants	139,031	137,013
Revenues from grant aid	94,985	89,236
Revenues from contracted programs		
Revenues from contracted programs from Japanese government and local governments	69	7
Revenues from contracted programs from other parties	2	7
Revenues from interest on development projects	0	0
Revenues from settlement projects	0	—
Revenues from emigration projects	1	0
Revenues from subsidy for facilities	—	51
Revenues from expected amount to be granted from the national budget	29	1
Donations	12	110
Reversal of allowance for loan losses	34	15
Revenues from contra-accounts for provision for bonuses	—	1,197
Revenues from contra-accounts for provision for retirement benefits	—	1,097
Reversal of contra-accounts for assets	530	1,203
Financial revenues		
Interest income	6	6
Miscellaneous income	3,751	3,407
Total ordinary revenues	238,451	233,350
Ordinary income	(9,093)	(1,324)
Extraordinary losses		
Loss on disposal of non-current assets	31	37
Loss on sales of non-current assets	3	3
Provision for bonuses due to revision of accounting standards	—	1,149
Provision for retirement benefits due to revision of accounting standards	—	14,868
Extraordinary income		
Reversal of contra-accounts for assets	60	—
Gain on sales of non-current assets	8	26
Gain on contra-accounts for provision for bonuses	—	1,149
Gain on contra-accounts for provision for retirement benefit	—	14,868
Net loss	(9,059)	(1,338)
Reversal of reserve fund carried over from the previous Mid-term Objective period	12,227	4,459
Total income for the current business year	3,168	3,121

Statement of Cash Flows

(Unit: Millions of yen)

	April 1, 2018– March 31, 2019	April 1, 2019– March 31, 2020
I. Cash flows from operating activities		
Payments of operating expenses	(130,351)	(120,977)
Payments for grant aid	(95,355)	(88,121)
Payments for contracted programs	(89)	(91)
Payments of personnel expenses	(17,221)	(17,346)
Payments of specific purpose expenses	—	(236)
Payments for other operations	(202)	(874)
Proceeds from operational grants	152,364	150,476
Proceeds from grant aid	105,714	93,258
Proceeds from contracted programs	437	44
Proceeds from interest on loans	2	0
Proceeds from settlement projects	0	—
Interest revenues	0	—
Installments receivable	0	—
Proceeds from donations	21	46
Proceeds from other operations	4,235	4,381
Subtotal	19,557	20,561
Interest income received	6	6
Payments to national treasury	(97)	(29)
Net cash provided by operating activities	19,466	20,538
II. Cash flows from investing activities		
Payments for purchase of non-current assets	(2,748)	(2,704)
Proceeds from sales of non-current assets	15	39
Proceeds from subsidy for facilities	159	—
Proceeds from collection of loans	97	57
Payments into time deposits	(60,300)	(60,000)
Proceeds from time deposit refund	60,300	60,300
Payments into long-term deposits	—	(216)
Net cash used in investing activities	(2,477)	(2,524)
III. Cash flows from financing activities		
Repayments of lease obligations	(145)	(115)
Net cash used in financing activities	(145)	(115)
IV. Effect of exchange rate changes on funds	(128)	(40)
V. Net increase (decrease) in funds	16,716	17,859
VI. Funds at the beginning of the business year	191,910	208,626
VII. Funds at the end of the business year	208,626	226,485

1-2 Finance and Investment Account

Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2019	As of March 31, 2020		As of March 31, 2019	As of March 31, 2020
Assets			Liabilities		
I. Current assets			I. Current liabilities		
Cash and deposits	323,390	180,956	Current portion of bonds	67,305	—
Loans	12,300,294	12,614,846	Current portion of borrowings from government fund for Fiscal Investment and Loan Program	138,032	106,613
Allowance for loan losses	(165,844)	(142,053)	Accounts payable	8,078	8,425
Advance payments	19,217	16,209	Accrued expenses	6,847	5,779
Prepaid expenses	29	11	Derivatives	13,984	11,633
Accrued income			Lease obligations	153	147
Accrued interest on loans	27,224	25,929	Deposits received	2,106	11,615
Accrued commitment charges	490	406	Unearned revenue	17	3
Accrued interest	288	45	Provisions		
Accounts receivable	973	1,196	Provision for bonuses	323	337
Goods in transit	61	16	Provision for contingent losses	9,286	2,043
Suspense payments	5	47	Suspense receipts	11	359
Advances paid	0	0			
Short-term guarantee deposits	14,163	8,630	Total current liabilities	246,141	146,954
Total current assets	12,520,290	12,706,238			
II. Non-current assets			II. Non-current liabilities		
1. Tangible assets			Bonds	733,299	791,079
Buildings	3,827	4,030	Discounts on bonds payable	(424)	(341)
Accumulated depreciation	(1,126)	(1,229)	Borrowings from government fund for Fiscal Investment and Loan Program	1,899,402	1,962,569
Accumulated impairment loss	(665)	(665)	Long-term lease obligations	181	40
Structures	96	98	Long-term deposits received	4,737	5,587
Accumulated depreciation	(25)	(30)	Provision for retirement benefits	4,193	4,226
Accumulated impairment loss	(12)	(12)	Asset retirement obligations	70	70
Machinery and equipment	198	199	Total non-current liabilities	2,641,459	2,763,230
Accumulated depreciation	(72)	(75)			
Accumulated impairment loss	(102)	(102)	Total liabilities	2,887,600	2,910,185
Vehicles	497	552			
Accumulated depreciation	(234)	(266)	Net assets		
Tools, furniture, and fixtures	791	779	I. Capital		
Accumulated depreciation	(386)	(522)	Government investment	8,083,418	8,150,728
Land	12,703	12,703	Total capital	8,083,418	8,150,728
Accumulated impairment loss	(6,091)	(6,091)			
Construction in progress	31	0	II. Retained earnings		
Total tangible assets	9,431	9,370	Reserve fund	1,626,110	1,703,881
2. Intangible assets			Unappropriated income for the current business year	77,771	95,645
Trademark rights	0	0	[Total income for the current business year]	[77,771]	[95,645]
Software	4,907	5,300	Total retained earnings	1,703,881	1,799,526
Software in progress	850	355			
Total intangible assets	5,758	5,655	III. Valuation and translation adjustments		
3. Investments and other assets			Valuation difference on available-for-sale securities	3,391	6,493
Investment securities	6,033	3,875	Deferred gains or losses on hedges	(47,360)	(41,467)
Shares of affiliated companies	44,100	46,732	Total valuation and translation adjustments	(43,969)	(34,974)
Money held in trust	40,809	52,912			
Claims probable in bankruptcy, claims probable in rehabilitation, and other	87,063	87,063	Total net assets	9,743,329	9,915,279
Allowance for loan losses	(83,193)	(87,063)			
Long-term prepaid expenses	5	1			
Long-term guarantee deposits	633	679			
Total investments and other assets	95,450	104,200			
Total non-current assets	110,639	119,225			
Total assets	12,630,929	12,825,464	Total liabilities and net assets	12,630,929	12,825,464

Statement of Income (Unit: Millions of yen)

	April 1, 2018– March 31, 2019	April 1, 2019– March 31, 2020
Ordinary expenses		
Expenses related to operations of cooperation through finance and investment		
Interest on bonds and notes	9,331	9,515
Interest on borrowings	16,541	21,707
Interest on interest rate swaps	6,720	6,222
Other Interest expenses	2	1
Operations outsourcing expenses	33,865	29,138
Bond issuance cost	567	361
Foreign exchange losses	1,200	—
Personnel expenses	4,156	4,170
Provision for bonuses	323	337
Retirement benefit expenses	390	443
Operating and administrative expenses	13,621	12,296
Depreciation	1,341	1,726
Taxes	92	95
Provision for allowance for loan losses	1,779	—
Other operating expenses	17	837
Other ordinary expenses	0	—
Total ordinary expenses	89,945	86,837
Ordinary revenues		
Revenues from operations of cooperation through finance and investment		
Interest on loans	138,201	131,739
Interest on bonds	0	0
Dividends on investments	20,872	15,852
Commissions	2,339	2,590
Foreign exchange gains	—	1,311
Gain on valuation of investment securities	123	11
Gain on sales of investment securities	200	2,005
Gain on valuation of shares of affiliated companies	555	16
Gain on investment in money held in trust	2,343	199
Reversal of provision for allowance for loan losses	—	19,922
Reversal of provision for allowance for contingent losses	1,313	7,243
Other ordinary revenues	—	17
Financial revenues		
Interest income	782	687
Miscellaneous income	973	875
Recoveries of written-off claims	20	20
Total ordinary revenues	167,721	182,486
Ordinary income	77,776	95,650
Extraordinary losses		
Loss on disposal of non-current assets	6	8
Loss on sales of non-current assets	0	0
Total extraordinary losses	6	9
Extraordinary income		
Gain on sales of non-current assets	2	3
Total extraordinary income	2	3
Net income	77,771	95,645
Total income for the current business year	77,771	95,645

Statement of Cash Flows (Unit: Millions of yen)

	April 1, 2018– March 31, 2019	April 1, 2019– March 31, 2020
I. Cash flows from operating activities		
Payments for loans	(1,079,145)	(1,090,516)
Repayments of borrowings from the private sector	—	(33,361)
Repayments of borrowings from government fund for Fiscal Investment and Loan Program	(206,179)	(200,152)
Redemption of bonds	(20,000)	(67,305)
Interest expenses paid	(29,015)	(35,406)
Payments for personnel expenses	(4,854)	(4,889)
Payments for other operations	(68,334)	(58,612)
Proceeds from collection of loans	789,222	779,398
Proceeds from borrowings from the private sector	—	33,344
Proceeds from borrowings from government fund for Fiscal Investment and Loan Program	332,100	231,900
Proceeds from issuance of bonds	113,966	59,639
Proceeds from interest on loans	135,396	128,416
Proceeds from commissions	2,950	2,346
Proceeds from other operations	34,747	37,630
Subtotal	852	(217,567)
Interest and dividend income received	21,365	16,768
Net cash provided by (used in) operating activities	22,218	(200,800)
II. Cash flows from investing activities		
Payments for purchase of non-current assets	(2,333)	(1,570)
Proceeds from sales of non-current assets	16	10
Payments for purchase of investment securities	(403)	(2,038)
Proceeds from sales and redemption of investment securities	1,478	4,214
Payments for purchase of shares of affiliated companies	—	(2,674)
Payments for increase of money held in trust	(5,539)	(8,105)
Proceeds from decrease of money held in trust	—	1,328
Payments into time deposits	(61,199)	(82,220)
Proceeds from time deposit refund	49,454	95,639
Payments for purchase of negotiable deposits	(42,300)	(20,000)
Proceeds from refund of negotiable deposits	47,300	20,000
Net cash provided by (used in) investing activities	(13,525)	4,584
III. Cash flows from financing activities		
Repayments of lease obligations	(162)	(154)
Receipts of government investment	46,010	67,310
Net cash provided by financing activities	45,848	67,156
IV. Effect of exchange rate fluctuation on funds	1,122	0
V. Net increase (decrease) in funds	55,663	(129,060)
VI. Funds at the beginning of the business year	248,954	304,618
VII. Funds at the end of the business year	304,618	175,558

2 Disclosure of Financial Conditions of Finance and Investment Account

Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities, Interest and Earning Yields

(Units: Millions of yen, %)

	FY2018			FY2019		
	Average Balance	Interest*	Yield	Average Balance	Interest*	Yield
Interest-earning assets	12,496,246	165,414	1.32	12,771,692	153,098	1.20
Loans	12,110,616	140,540	1.16	12,439,284	134,329	1.08
Investments	88,628	24,092	27.18	95,242	18,083	18.99
Deposits + Securities	297,002	781	0.26	237,166	686	0.29
Interest-bearing liabilities	2,608,962	25,871	0.99	2,755,518	31,222	1.13
Borrowings	1,831,177	16,541	0.90	1,953,828	21,707	1.11
Bonds	777,785	9,331	1.20	801,690	9,515	1.19

* Investments include investment securities, shares of affiliated companies and money held in trust. Dividends received, gain and loss associated with the valuation of investment securities (valuation/sale/liquidation), and gain and loss associated with the valuation of shares of affiliated companies (valuation/sale/liquidation), and gain and loss associated with the investment in money held in trust are recorded as interest items

Balance of Deposits and Securities—Application of Surplus Funds

(Unit: Millions of yen)

	End of FY2018	End of FY2019
Deposits + Securities	323,390	180,956

Yield/Interest rate

(Unit: %)

	End of FY2018	End of FY2019
Total average interest rate spread	(2.01)	(1.95)
Yields on interest-earning assets	1.32	1.20
Costs of interest-bearing liabilities	3.33	3.15

Note:

Yields on Interest-Earning Assets = Interest / Average Balance of Interest-Earning Assets
 Costs of Interest-Bearing Liabilities = (Interest Expenses + Bonds and Notes Expenses + Other Expenses) / Average Balance of Interest-Bearing Liabilities

cf.

Interest-Earning Assets = Interest on Loans + Interest on Bonds
 + Dividends on Investments + Interest Income + Commissions
 + Gain and Loss Associated with the Valuation of Investment Securities (valuation/sale/liquidation)

/ Shares of Affiliated Companies (valuation/sale/liquidation)
 + Gain and Loss Associated with the Investment in Money Held in Trust

Average Balance of Interest-Earning Assets =
 Loans + Investments + Bank Deposits (excluding Checking Accounts)

Interest Expenses = Interest on Borrowings + Interest on Bonds and Notes
 + Interest on Interest Rate Swaps + Other Interest Expenses

Bonds and Notes Expenses = Bonds and Notes Issuance Costs

Other Expenses = Operations Outsourcing Expenses
 + Personnel Expenses

(including Provisions for Allowance for Retirement Benefits / Bonuses)

+ Operating and Administrative Expenses + Depreciation + Tax

+ Other Operating Expenses (Derivative Expenses)

Average Balance of Interest-Bearing Liabilities = Borrowings + Bonds and Notes

Breakdown of Allowance for Possible Loan Losses

(Unit: Millions of yen)

	End of FY2018	End of FY2019
Loans	165,844	142,053
Claims probable in bankruptcy, claims probable in rehabilitation, and other	83,193	87,063
Total	249,037	229,116

Note: The allowance for claims on debtors who are legally bankrupt ("Bankrupt borrowers") or substantially bankrupt ("Substantially bankrupt borrowers") is provided based on the outstanding balance of loan claims after the deductions of the amount expected to be collected through the disposal of collateral and execution of guarantees, or the same amount is written off directly. The allowance for claims on debtors who are not legally bankrupt, but are likely to become bankrupt ("Potentially bankrupt borrowers") is provided based on an overall assessment of the solvency of the debtors after the deductions of the amount expected to be collected through the disposal of collateral and the execution of guarantees, or the same amount is written off directly. There were no write-offs from the above-mentioned outstanding balance of loan claims.

The allowance for claims on debtors other than Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers is provided primarily based on the default rate, which is calculated based on the actual defaults during a certain period in the past. The allowance for possible losses on specific overseas loans is provided based on the expected loss amount taking into consideration the political and economic situation of these countries.

All claims are assessed initially by the operational departments (including regional departments) based on internal rules for self-assessment of asset quality. Internal audit department, which is independent from the operational departments, reviews these self-assessments, and an allowance is provided based on the results of the assessments.

Principal Assets in Foreign Currency

(Units: Thousands of US\$, Thousands of PHP, Thousands of BDT, Thousands of EUR, Thousands of PKR, Millions of KHR)

	End of FY2018	End of FY2019	End of FY2018	End of FY2019
Cash and deposits (US\$)	448,560	325,292	Investment securities (US\$)	23,325
Cash and deposits (PHP)	20	20	Investment securities (EUR)	—
Loans (US\$)	210,998	458,049	Investment securities (PKR)	240,000
Loans (PHP)	1,434,000	1,434,000	Investment securities (KHR)	117,936
Shares of affiliated companies (US\$)	29,571	47,500	Money held in trust (US\$)	369,571
Shares of affiliated companies (BDT)	—	551,063		490,124

Maturity Structure of Loans as of March 31, 2020

(Unit: Billions of yen)

Maturity	Repayment from Loans
1 year or less	707.0
over 1 year, up to 2 years	692.5
over 2 years, up to 3 years	689.2
over 3 years, up to 4 years	673.9
over 4 years, up to 5 years	646.5
over 5 years, up to 10 years	2,832.4
over 10 years, up to 15 years	2,316.1
over 15 years, up to 20 years	1,828.8
over 20 years, up to 25 years	1,148.5
over 25 years, up to 30 years	674.0
over 30 years, up to 35 years	369.8
over 35 years, up to 40 years	72.4
over 40 years	0.2
Total	12,651.2

Note: The figures exclude principal in arrears for over three months as of the end of March 2020 from the total projected collection from "Loans" and "Claims in bankruptcy, rehabilitation, reorganization or other equivalent claims."

Maturity Structure of Borrowings from Government Fund for Fiscal Investment and Loan Program (FILP) as of March 31, 2020 (Unit: Billions of yen)

Maturity	Repayment of Borrowings
1 year or less	106.6
over 1 year, up to 2 years	104.6
over 2 years, up to 3 years	97.4
over 3 years, up to 4 years	142.4
over 4 years, up to 5 years	150.1
over 5 years, up to 10 years	747.5
over 10 years, up to 15 years	274.2
over 15 years, up to 20 years	280.0
over 20 years, up to 25 years	88.8
over 25 years, up to 30 years	44.4
over 30 years, up to 35 years	25.6
over 35 years, up to 40 years	7.4
over 40 years	0.0
Total	2,069.2

Maturity Structure of Bonds as of March 31, 2020

(Unit: Billions of yen)

Fiscal Investment and Loan Program (FILP) Agency Bonds

Maturity	Redemption
1 year or less	0.0
over 1 year, up to 2 years	10.0
over 2 years, up to 3 years	30.0
over 3 years, up to 4 years	30.0
over 4 years, up to 5 years	20.0
over 5 years, up to 10 years	212.0
over 10 years, up to 15 years	140.0
over 15 years, up to 20 years	150.0
over 20 years, up to 25 years	5.0
over 25 years, up to 30 years	33.0
over 30 years	0.0
Total	630.0

Government-Guaranteed Bonds

Maturity	Redemption
1 year or less	0.0
over 1 year, up to 2 years	0.0
over 2 years, up to 3 years	0.0
over 3 years, up to 4 years	0.0
over 4 years, up to 5 years	0.0
over 5 years, up to 10 years	161.1 [\$1.5 billion]*
over 10 years	0.0
Total	161.1

* Figure in parentheses denotes the amount of money in foreign currency.

Information on the Quality of Assets of Japan International Cooperation Agency (JICA) Finance and Investment Account

While the Banking Act and Act on Emergency Measures for the Revitalization of the Financial Functions of 1998 (the "Financial Revitalization Act") do not apply to JICA, JICA has been pursuing its efforts to enhance disclosure on its asset quality and improve the internal management of credit risks by making periodical self-assessments of the quality of its assets.

One notable characteristic of JICA's operation is that a considerable portion of its loans is official credit for the governments of developing countries. Thus, when an indebted country is temporarily unable to service debt due to economic difficulties, debt rescheduling will sometimes take place, based on an international agreement among the creditor countries in the Paris Club, in order to ensure sustainable debt service.^(Note 1) A debtor country receiving such temporary support for overcoming the liquidity problem will implement economic restructuring programs agreed upon with the IMF to acquire sustainable debt service capacity.

The loans rescheduled under the agreement in the Paris Club have a high probability of repayment, because, unlike loans provided by private financial institutions, their nature as official credit provides an asset-securing mechanism under the above international framework. Nonetheless, to facilitate comparison with private financial institutions, JICA, in principle, discloses the loans rescheduled in the Paris Club and whose debtor countries are categorized as "needs attention" in its self-assessments of asset quality, as loan assets require to be disclosed classifying them either as "Restructured Loans" (under the Banking Act) or "Special Attention Assets" (under the Financial Revitalization Act).

Note 1. An international consensus was reached at the creditor nation conference (Paris Club Meeting) on rescheduling foreign government debt (where the debtor is a country, and debt originates from such government entities as trade insurance or export credit agencies) of debtor nations temporarily unable to make payments due to a deterioration in their balance of payments. As a result, a temporary liquidity support program for debtor nation governments (balance of payments assistance under the framework of international cooperation) will be shortly executed. In conjunction with this temporary liquidity assistance, debtor nations will implement an economic reform program agreed upon with the International Monetary Fund (IMF), making it possible for the country to continue to service its debt obligations. The total foreign government debt principal applicable to the debt rescheduling agreement at the Paris Club Meeting held in JICA's Finance and Investment Account was ¥653,632 million as of the end of FY2019.

1 Risk Monitored Loans ^(Note 2)

The following table shows the classification of Risk Monitored Loans based on the self-assessments of asset quality in accordance with the disclosure standard of Risk Monitored Loans applied to private financial institutions (under the Banking Act). Each category of Risk Monitored Loans is defined as follows:

(1) Loans to Debtor in Legal Bankruptcy ^(Note 3)

Among loans that are placed in non-accrual status (except the portion deducted as allowance for loan losses), when collection of either principal or interest becomes doubtful for the reason that principal or interest is past due for a considerable period of time or for other reasons, those loans which there is filing of reorganization procedures under the Corporate Reorganization Act or bankruptcy procedures under the Bankruptcy Act or special liquidation procedures under the Companies Act or other relevant laws, or there is suspension of transactions in promissory notes issued by the borrowers in the clearing house.

(2) Past Due Loans ^(Note 3)

Loans that are placed in non-accrual status except those classified as "Loans to Debtor in Legal Bankruptcy" or those whose interest payments are deferred in order to expedite the borrowers' business restructuring or support their business operations

(3) Loans in Arrears by 3 Months or More

Loans whose principal or interest is past due three months or more from the date following the contractually scheduled payment date and not classified as "Loans to Debtor in Legal Bankruptcy" or "Past Due Loans"

(4) Restructured Loans

Loans whose terms and conditions are modified in favor of the borrowers

in order to expedite the borrowers' business restructuring or support their business operations by, among others, reducing the stated interest rate, deferring interest payments or write-downs, and that are not classified as "Loans to Debtor in Legal Bankruptcy," "Past Due Loans" and "Loans in Arrears by 3 Months or More"

(Unit: Millions of yen)

	March 2020 Reporting Period
Loans to Debtor in Legal Bankruptcy	—
Past Due Loans	87,063
Loans in Arrears by 3 Months or More	—
Restructured Loans	473,524
Total (1)	560,587
Balance of Loans Receivable (2)	12,701,909
(1)/(2)	4.41%

Note 2. Deferred principal included in loans as shown in the chart above accounts for ¥22,306 million of the Past Due Loans of ¥87,063 million, and for ¥443,612 million of the Restructured Loans of ¥473,524 million. Other deferred principal, accounting for a total of ¥187,714 million, are of loans that are not categorized as Risk Monitored Loans.

Note 3. Under the framework of the Ordinance for Enforcement of Banking Law 19, 2-1-5, which establishes the disclosure standards of risk-management loans held by private financial institutions, debt owed by foreign debtors must be disclosed as bankrupt debtor debt for all debtors fulfilling each of the following conditions: 1) nonpayment of interest or principal within the most recent previous three-year period from the end of the term; 2) no contract signed regarding the extension of the redemption deadline within the most recent previous three-year period from the end of the term; and 3) no specific plans to sign a contract regarding the extension of the redemption at the end of the term. In making disclosures based on the above, JICA, in line with its asset self-assessments and taking into consideration the international framework for cooperation, has classified the aforementioned foreign government debt as debt with bankruptcy concern, while in the disclosure of Risk Monitored Loans, this debt is included as "Past Due Loans."

2 Loan Assets Required to be Disclosed under the Financial Revitalization Act ^(Note 4)

The table at right shows the classification of loans based on the self-assessments of asset quality in accordance with the disclosure standard of the Financial Revitalization Act.

Each category of Loan Assets to be disclosed under the Financial Revitalization Act is defined as follows.

(1) Bankrupt or De Facto Bankrupt Assets

"Bankrupt or De Facto Bankrupt Assets" are loans and other credits to debtors who have begun proceedings under the Bankruptcy Act, the Corporate Reorganization Act, the Financial Revitalization Act and other similar laws of Japan and have financially failed. In the asset quality self-assessments, these loans are loans to debtors who are legally or substantially bankrupt.

(2) Doubtful Assets

"Doubtful Assets" are loans and other credits to debtors whose financial and operational conditions have deteriorated and who have a possibility that payment of principal and/or interest will not be made on a contractual basis. In the asset quality self-assessments, these loans are loans to the debtors who are likely to become bankrupt.

(3) Special Attention Assets

"Special Attention Assets" are loans to debtors who are categorized as "needs attention borrower" in the asset quality self-assessments, and (i) loans whose principal and/or interest is overdue for three months or more from the date following the scheduled payment date but which are not categorized as "Bankrupt or De Facto Bankrupt Assets" and "Doubtful Assets" ("Past due loans (three months or more)"); (ii) restructured loans on which JICA granted concessions to borrowers in financial difficulties through amending terms and conditions of the loans to assist them to recover and eventually be able to pay to creditors, but which are not categorized as "Bankrupt or De Facto Bankrupt Assets", "Doubtful Assets" or "Overdue loans (three months or more)."

(4) Normally Performing Assets

"Normally Performing Assets" are loans to borrowers with no particular problem in their financial conditions, categorized in the asset quality self-

assessments either as “loans to normal borrowers” or “loans to needs attention borrowers (excluding Special Attention Assets),” but which are not categorized as “Bankrupt or De Facto Bankrupt Assets,” “Doubtful Assets” and “Special Attention Assets.”

Note 4. Deferred principal included in loans as shown in the table below accounts for ¥22,306 million of the Doubtful Assets of ¥87,063 million, for ¥443,612 million of the Special Attention Assets of 473,524 million, and for ¥187,714 million of the Normally Performing Assets of ¥12,168,053 million.

(Unit: Millions of yen)

		March 2020 Reporting Period	
Loans Payable* ¹ (% of total credit transactions)	Bankrupt or De Facto Bankrupt Assets	—	(—)
	Doubtful Assets	87,063	(0.68)
	Special Attention Assets	473,524	(3.72)
	Sub Total	560,587	(4.40)
	Normally Performing Assets	12,168,053	(95.60)
Loan-loss Reserve* ²	Bankrupt or De Facto Bankrupt Assets	—	
	Doubtful Assets	87,063	
	Special Attention Assets	54,608	
	Sub Total	141,671	
	General Loan-loss Reserve for loans not requiring close monitoring	87,441	
	Special Allowance for Foreign Debt	3	
	Total	229,116	
Collateral / Guarantees	Bankrupt or De Facto Bankrupt Assets	—	
	Doubtful Assets	—	
	Special Attention Assets	—	
	Sub Total	—	
Coverage Amount* ² (Coverage Ratio, %)	Bankrupt or De Facto Bankrupt Assets	—	
	Doubtful Assets	87,063	(100.00)
	Special Attention Assets	54,608	(11.53)
	Sub Total	141,671	(25.27)

*¹ Based on JICA's self-assessments of assets, the difference between the debt exposure to bankrupt debtors and debtors in bankruptcy and the amount recognized as recoverable by means of collateral or guarantees is considered as the projected amount that cannot be collected on, and so is subtracted directly from the total debt exposure. As such, this figure is not included in the above chart under “Loans Payable” or “Loan-loss Reserve.”

*² Coverage amount refers to the combined total of the loan-loss reserve set aside for each debt and the value of collateral and guarantees, while the coverage ratio represents the ratio of the coverage amount as a percentage of total loans payable.