

Summary of the Financial Statements for the Fiscal Year Ending March 2003 (In accordance with the JBIC Law)

Japan Bank for International Cooperation

Pursuant to Article 40 of the Japan Bank for International Cooperation Law (“JBIC Law”), Japan Bank for International Cooperation (“the Bank”) prepared its financial statements for the fiscal year 2002 (April 1, 2002 - March 31, 2003) and published them in an official gazette on June 30, 2003. The highlights of the financial statements are shown below. The financial statements were prepared in accordance with JBIC Law, the regulations thereunder and the accounting principles for special public corporations (Report dated October 2, 1987 from the Sub-Committee on the Accounting Practices for Public Corporations under the Fiscal System Council).

1. Overview

The Bank posted a profit of 60.5 billion yen from the International Financial Account (decreased 27.7 billion yen from the previous term) and a loss of 260.1 billion yen from the Overseas Economic Cooperation Account (decreased 358.5 billion yen from the previous term) in fiscal year 2002.

The substantial declines in financial performances of both accounts were primarily ascribed to the Bank’s preparatory appropriations for new allowance for possible loan losses following the announcement by the Japanese government on December 2002, “Changes of the Debt Relief Method”. In accordance with this announcement, grant aid for debt relief provided by Japanese government was replaced by a waiver of loans provided by the Bank.

As of the end of fiscal year 2002, the International Financial Account had total assets of 10,700 billion yen (decreased 908.6 billion yen from the previous term), total liabilities of 9,045.7 billion yen (decreased 925 billion yen from the previous term), and total capital and reserves of 1,654.3 billion yen (increased 16.4 billion yen from the previous term). The Overseas Economic Cooperation Account had total assets of 11,181.7 billion yen (decreased 128.1 billion yen from the previous term), total liabilities of 4,656.7 billion yen (decreased 87.1 billion yen from the previous term), and total capital and reserves of 6,525 billion yen (decreased 41 billion yen from the previous term). Overall, the Bank had total assets of 21,881.7 billion yen (decreased 1,036.7 billion yen from the previous term), total liabilities of 13,702.4 billion yen (decreased 1,012.1 billion yen from the previous term), and total capital and reserves of 8,179.3 billion yen (decreased 24.6 billion yen from the previous term). The capital and reserves to total assets ratio for fiscal year 2002 was 15.5% for the International Financial Account and 58.4% for the Overseas Economic Cooperation Account, resulting in the maintenance of the high level of 37.4% for the Bank Account.

2. Changes in Net Earnings

(Unit: JPY 100 million)

	FY 2001	FY 2002	Increase Δ Decrease FY 2002 – FY 2001
International Financial Account	882	605	△277
General Account	882	605	△277
Special Account	0	-	△0
Overseas Economic Cooperation Account	984	△2,601	△3,585

3. Statement of Earnings

International Financial Account (General Account)

(Unit: JPY 100 million)

		FY 2001	FY 2002	Increase Δ Decrease FY 2002 – FY 2001
Ordinary Income	Interest on Loans	3,910	2,859	△1,050
	Interest on Loans in Japanese Yen	1,898	1,565	△334
	Interest on Loans in Foreign Currency	2,011	1,295	△717
	Interest on Swaps and Miscellaneous Interest Received	338	494	155
	Interest on Deposits in Banks	87	38	△49
	Commissions	32	24	△9
	Foreign Exchange Gains	38	29	△9
	Other Income	31	37	6
	Total	4,438	3,481	△956
Ordinary Expenses	Interest on Borrowings	1,858	1,612	△246
	Interest on Bonds and Notes	756	543	△212
	Interest on Swaps and Miscellaneous Interest Payment	704	293	△410
	Administrative Expenses	156	154	△1
	Depreciation of Premises and Equipment	13	11	△2
	Foreign Exchange Losses	21	41	20
	Write-off of Loans	-	3	3
	Amortization of Deferred Accounts	14	17	3
	Commissions	29	33	4
	Other Expenses	0	1	0
	Total	3,551	2,710	△841
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses		887	772	△115
Reversal of Allowance for Possible Loan and Investment Losses		358	363	5
Provision of Allowance for Possible Loan and Investment Losses		*1 363	*2 529	167
Net Earnings		882	605	△277

*1 Allowance for Possible Loan Losses:

Specific Allowance for Possible Loan Losses:

*2 Allowance for Possible Loan Losses:

Specific Allowance for Possible Loan Losses:

317 (3/1,000 of the loan balance. Article 15, No. 1 of the regulation of Ministry of Finance)

46 (300/1,000 of the debts defined in Article 15, No. 2 of the regulation of Ministry of Finance)

293 (3/1,000 of the loan balance. Article 15, No. 1 of the regulation of Ministry of Finance)

42 (300/1,000 of the debts defined in Article 15, No. 2 of the regulation of Ministry of Finance)

194 (Full amount of the debts defined in Article 15, No. 3, No. 4 or No. 5 of the regulation of Ministry of Finance)

Overseas Economic Cooperation Account

(Unit: JPY 100 million)

		FY 2001	FY 2002	Increase Δ Decrease FY 2002 – FY 2001
Ordinary Income	Interest on Loans	2,649	2,555	△94
	Dividends on Investments	26	26	△0
	Interest on Deposits in Banks	0	0	△0
	Commissions	7	6	△1
	Foreign Exchange Gains	1	0	△1
	Other Income	3	3	△0
Total		2,687	2,590	△97
Ordinary Expenses	Interest on Borrowings	1,566	1,394	△173
	Interest on Bonds and Notes	7	7	-
	Administrative Expenses	94	93	△1
	Depreciation of Premises and Equipment	5	4	△1
	Amortization of Deferred Accounts	0	0	-
	Commissions	18	20	2
	Foreign Exchange Losses	2	0	△2
	Loss from Disposal of Investments	5	-	△5
	Other Expenses	0	3	3
Total		1,698	1,522	△176
Net Earnings prior to provision for Allowances for Possible Loan and Investment Losses		989	1,068	80
Reversal of Allowance for Possible Loan and Investment Losses		346	351	4
Provision of Allowance for Possible Loan and Investment Losses		*3 351	*4 4,020	3,699
Net Earnings		984	△2,601	△3,585

- *3 Allowance for Possible Loan Losses (ODA loans): 11 (0.1/1,000 of the loan balance. Article 16, No. 1 of the regulation of Ministry of Finance)
 Allowance for Possible Loan Losses (Private-sector Investment Finance): 8 (30/1,000 of the loan balance. Article 16, No. 1 of the regulation of Ministry of Finance)
 Allowance for Possible Investment Losses: 332 (In proportion to the ratio of accumulated losses of each invested firm/fund to the total capital hereof. Article 16, No. 2 of the regulation of Ministry of Finance)
- *4 Allowance for Possible Loan Losses (ODA loans): 11 (0.1/1,000 of the loan balance. Article 16, No. 1 of the regulation of Ministry of Finance)
 Allowance for Possible Loan Losses (Private-sector Investment Finance): 2 (30/1,000 of the loan balance. Article 16, No. 1 of the regulation of Ministry of Finance)
 Specific Allowance for Possible Loan Losses: 3,658 (Full amount of the debts defined in Article 16, No. 3 of the regulation of Ministry of Finance)
 Allowance for Possible Investment Losses: 348 (In proportion to the ratio of accumulated losses of each invested firm/fund to the total capital hereof. Article 16, No. 2 of the regulation of Ministry of Finance)

4. Balance Sheets

International Financial Account (General Account)

(Unit: JPY 100 million)

		FY 2001	FY 2002	Increase Δ Decrease FY 2002 – FY 2001
Assets	Loans	105,577	97,607	△7,970
	Loans in Japanese Yen	54,386	47,781	△6,605
	Loans in Foreign Currency	51,191	49,826	△1,365
	Investments	11	11	-
	Securities	-	-	-
	Cash and Cash Equivalents	3,787	2,287	△1,500
	Accrued Interest Incomes	943	926	△17
	Miscellaneous Assets	324	158	△167
	Premises and Equipment	216	208	△8
	Deferred Charges	36	28	△7
	Customer's liabilities for Acceptance and Guarantee	5,556	6,305	749
	Allowance for Possible Loan and Investment Losses	△363	△529	△167
	Total		116,087	107,000
Liabilities, Capital & Reserves	Long-term Borrowings	75,746	66,070	△9,677
	Bonds and Notes, including Borrowings Due within One Year	16,106	16,433	327
	Accrued Interest Expenses	823	593	△230
	Miscellaneous Liabilities	1,476	1,057	△420
	Acceptances and Guarantee	5,556	6,305	749
	(Total liabilities)	99,707	90,457	△9,250
	Capital	9,855	9,855	-
	Reserves	5,642	6,083	441
	Net Earnings	882	605	△277
	(Total capital and reserves)	16,379	16,543	164
Total		116,087	107,000	△9,086

Overseas Economic Cooperation Account

(Unit: JPY 100 million)

		FY 2001	FY 2002	Increase Δ Decrease FY 2002 – FY 2001
Assets	Loans	110,244	112,341	2,097
	ODA Loans	109,982	112,265	2,283
	Private-Sector Investment Finance	262	76	△186
	Investments	1,538	1,541	3
	Securities	-	-	-
	Cash and Cash Equivalents	496	595	99
	Accrued Interest Income	1,088	1,280	192
	Miscellaneous Assets	5	6	0
	Premises and Equipment	76	73	△2
	Deferred Charges	0	0	△0
	Allowance for Possible Loan and Investment Losses	△351	△4,020	△3,669
Total		113,098	111,817	△1,281
Liabilities, Capital & Reserves	Long-term Borrowings including Borrowings Due within One Year	46,998	46,117	△881
	Bonds and Notes	250	250	-
	Accrued Interest Expenses	176	177	0
	Miscellaneous Liabilities	13	23	10
	(Total liabilities)	47,438	46,567	△871
	Capital	62,852	65,043	2,191
	Reserves	1,823	2,807	984
	Net Earnings	984	△2,601	△3,585
(Total capital and reserves)	65,660	65,250	△410	
Total		113,098	111,817	△1,281

The Bank Account

(Unit: JPY 100 million)

		FY 2001	FY 2002	Increase Δ Decrease FY 2002 – FY 2001
Assets	Loans	215,821	209,948	△5,873
	Investments	1,550	1,553	3
	Securities	-	-	-
	Cash and Cash Equivalents	4,283	2,882	△1,401
	Accrued Interest Income	2,031	2,206	174
	Miscellaneous Assets	330	163	△166
	Premises and Equipment	291	281	△10
	Deferred Charges	36	29	△7
	Customer's Liabilities for Acceptance and Guarantee	5,556	6,305	749
	Allowance for Possible Loan and Investment Losses	△714	△4,549	△3,835
Total		229,184	218,817	△10,367
Liabilities, Capital & Reserves	Long-term Borrowings	122,745	112,187	△10,558
	Bonds and Notes, including Borrowings Due within One Year	16,356	16,683	327
	Accrued Interest Expenses	999	769	△230
	Miscellaneous Liabilities	1,490	1,080	△410
	Acceptances and Guarantees	5,556	6,305	749
	(Total liabilities)	147,145	137,024	△10,121
	Capital of the International Financial Account	9,855	9,855	-
	Capital of the Overseas Economic Cooperation Account	62,852	65,043	2,191
	Reserve of the International Financial Account	5,642	6,083	441
	Net Earnings of the International Financial Account	882	605	△277
	Reserve of the Overseas Economic Cooperation Account	1,823	2,807	984
	Net Earnings of the Overseas Economic Cooperation Account	984	△2,601	△3,585
	(Total capital and reserves)	82,039	81,793	△246
Total		229,184	218,817	△10,367

5. Financial Ratios

(Unit: JPY 100 million)

	FY 2001	FY 2002	Increase Δ Decrease FY 2002 – FY 2001
International Financial Account			
Total Assets	116,087	107,000	△9,086
Total Capital and Reserves	16,379	16,543	164
Total Capital and Reserves / Total Assets	14.1%	15.5%	1.4%
Overseas Economic Cooperation Account			
Total Assets	113,098	111,817	△1,281
Total Capital and Reserves	65,660	65,250	△410
Total Capital and Reserves / Total Assets	58.1%	58.4%	0.3%
The Bank			
Total Assets	229,184	218,817	△10,367
Total Capital and Reserves	82,039	81,793	△246
Total Capital and Reserves / Total Assets	35.8%	37.4%	1.6%

6. Loans Past Due*

*(Note) "Loans Past Due" are loans which are placed on non-accrual status if they are past due for more than six months.

International Financial Account (General Account)

(Unit: JPY 100 million)

	End of FY 2001	End of FY 2002	Increase Δ Decrease FY 2002 – FY 2001
Loans Past Due - ①	1,513	1,133	△379
Loans - ②	105,577	97,607	△7,970
① / ② (%)	1.43%	1.16%	△0.27%

(Note) The loans excluded from the Loans Past Due due to debt relief agreement established in Paris Club were 91.1 billion yen and 342 billion yen as of the end of FY 2001 and FY 2002, respectively.

Overseas Economic Cooperation Account

(Unit: JPY 100 million)

	FY 2001	FY 2002	Increase Δ Decrease FY 2002 – FY 2001
Loans Past Due - ①	4,415	3,872	△273
Loans - ②	110,244	112,341	2,097
① / ② (%)	3.76%	3.45%	△0.31%

(Note) The loans excluded from the Loans Past Due due to debt relief agreement established in Paris Club were 479.7 billion yen and 1,550 billion yen as of the end of FY 2001 and FY 2002, respectively.

End