

Summary of the Financial Statements for the Fiscal Year Ending March 2004
(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 2003 (April 1, 2003 - March 31, 2004) and published them in an official gazette on June 30, 2004. 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 75.4 billion yen from the International Financial Account (decreased 14.9 billion yen from the previous term), a profit of 64.8 billion yen from the Overseas Economic Cooperation Account (increased 324.9 billion yen from the previous term), and a total profit of 140.2 billion yen (increased 339.7 billion yen) in FY 2003.

As of the end of FY 2003, the International Financial Account had total assets of 10,143.4 billion yen (decreased 556.6 billion yen compared with the previous year), total liabilities of 8,444 billion yen (decreased 601.7 billion yen), and total capital and reserves of 1,699.4 billion yen (increased 45.1 billion yen). The Overseas Economic Cooperation Account had total assets of 11,200.9 billion yen (increased 19.2 billion yen), total liabilities of 4,410.8 billion yen (decreased 245.9 billion yen), and total capital and reserves of 6,790.1 billion yen (increased 265.1 billion yen). Overall, the Bank had total assets of 21,344.3 billion yen (decreased 537.4 billion yen), total liabilities of 12,854.7 billion yen (decreased 847.7 billion yen), and total capital and reserves of 8,489.6 billion yen (increased 310.2 billion yen). The capital and reserves to total assets ratio for FY 2003 was 16.8% for the International Financial Account and 60.6% for the Overseas Economic Cooperation Account, resulting in the maintenance of the high level of 39.8% for the Bank.

2. Changes in Net Earnings

(Unit: JPY 100 million)

	FY2002	FY2003	Increase△Decrease FY2003 - FY2002
The Bank	△1,996	1,402	3,397
International Financial Account	605	754	149
Overseas Economic Cooperation Account	△2,601	648	3,249

3. Statement of Earnings

International Financial Account

(Unit: JPY 100 million)

	FY2002	FY2003	Increase△Decrease FY2003 - FY2002
Ordinary Income			
Interest on Loans	2,859	2,189	△ 671
Interest on Loans in Japanese Yen	1,565	1,229	△ 336
Interest on Loans in Foreign Currency	1,295	960	△ 335
Guarantee Commissions	27	31	3
Interest on Swaps and Miscellaneous Interest Received	494	627	134
Interest on Deposits in Banks	38	17	△ 21
Commissions	24	18	△ 6
Foreign Exchange Gains	29	8	△ 22
Other Income	10	24	14
Total	3,481	2,913	△ 568
Ordinary Expenses			
Interest on Borrowings	1,612	1,233	△ 380
Interest on Bonds and Notes	543	424	△ 119
Interest on Swaps and Miscellaneous Interest Payment	293	238	△ 55
Administrative Expenses	154	153	△ 2
Depreciation of Premises and Equipment	11	10	△ 1
Loss from Disposal of Investments	-	11	11
Foreign Exchange Losses	41	51	10
Write-off of Loans	3	24	20
Amortization of Deferred Accounts	17	15	△ 2
Commissions	33	36	3
Other Expenses	1	9	9
Total	2,710	2,204	△ 506
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses	772	710	△ 62
Reversal of Allowance for Possible Loan and Investment Losses	363	529	167
Provision of Allowance for Possible Loan and Investment Losses	*1 529	*2 486	△ 44
Net Earnings	605	754	149

- *1 Allowance for Possible Loan Losses: 293 (3/1,000 of the loan balance. Article 15, No. 1 of the regulation of Ministry of Finance)
- Specific Allowance for Possible Loan Losses: 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)
- *2 Allowance for Possible Loan Losses: 273 (3/1,000 of the loan balance. Article 15, No. 1 of the regulation of Ministry of Finance)
- Specific Allowance for Possible Loan Losses: 42 (300/1,000 of the debts defined in Article 15, No. 2 of the regulation of Ministry of Finance)
171 (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)

		FY2002	FY2003	Increase△Decrease FY2003 - FY2002
Ordinary Income	Interest on Loans	2,555	2,690	135
	Dividends on Investments	26	23	△3
	Grant from General Account	-	300	300
	Interest on Deposits in Banks	0	0	△0
	Commissions	6	6	0
	Foreign Exchange Gains	0	-	△0
	Other Income	3	6	2
	Total	2,590	3,026	435
Ordinary Expenses	Interest on Borrowings	1,394	1,211	△183
	Interest on Bonds and Notes	7	7	-
	Administrative Expenses	93	92	△1
	Depreciation of Premises and Equipment	4	4	△0
	Amortization of Deferred Accounts	0	0	-
	Commissions	20	22	2
	Foreign Exchange Losses	0	-	△0
	Loss from Disposal of Investments	-	4	4
	Write-off of Loans	-	1,031	1,031
	Other Expenses	3	7	4
Total	1,522	2,379	857	
Net Earnings prior to provision for Allowances for Possible Loan and Investment Losses		1,068	647	△421
Reversal of Allowance for Possible Loan and Investment Losses		351	4,020	3,669
Provision of Allowance for Possible Loan and Investment		*3 4,020	*4 4,018	△1
Net Earnings (△Net Loss)		△2,601	648	3,249

*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):	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	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:	347 (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

(Unit: JPY 100 million)

		FY 2002	FY 2003	Increase△Decrease FY2003 - FY2002
Assets	Loans	97,607	90,870	△6,737
	Loans in Japanese Yen	47,781	42,818	△4,963
	Loans in Foreign Currency	49,826	48,051	△1,775
	Investments	11	-	△11
	Cash and Cash Equivalents	2,287	1,852	△435
	Accrued Interest Incomes	926	689	△237
	Miscellaneous Assets	158	820	663
	Premises and Equipment	208	202	△5
	Deferred Charges	28	29	1
	Customer's liabilities for Acceptance and Guarantee	6,305	7,457	1,152
	Allowance for Possible Loan and Investment Losses	△529	△486	44
	Total		107,000	101,434
Liabilities, Capital & Reserves	Long-term Borrowings	66,070	60,270	△5,799
	Bonds and Notes, including Borrowings Due within One Year	16,433	16,163	△270
	Accrued Interest Expenses	593	511	△82
	Miscellaneous Liabilities	1,057	38	△1,019
	Acceptances and Guarantee	6,305	7,457	1,152
	(Total liabilities)	90,457	84,440	△6,017
	Capital	9,855	9,855	-
	Reserves	6,083	6,386	302
	Net Earnings	605	754	149
	(Total capital and reserves)	16,543	16,994	451
Total		107,000	101,434	△5,566

Overseas Economic Cooperation Account

(Unit: JPY 100 million)

		FY 2002	FY 2003	Increase△Decrease FY2003 - FY2002	
Assets	Loans	112,341	113,257	916	
	ODA Loans	112,265	113,198	933	
	Private-Sector Investment Finance	76	58	△18	
	Investments	1,541	1,533	△8	
	Cash and Cash Equivalents	595	347	△249	
	Accrued Interest Income	1,280	813	△467	
	Miscellaneous Assets	6	6	0	
	Premises and Equipment	73	72	△1	
	Deferred Charges	0	0	△0	
	Allowance for Possible Loan and Investment Losses	△4,020	△4,018	△1	
	Total		111,817	112,009	192
	Liabilities, Capital & Reserves	Long-term Borrowings including Borrowings Due within One Year	46,117	43,659	△2,458
Bonds and Notes		250	250	-	
Accrued Interest Expenses		177	172	△5	
Miscellaneous Liabilities		23	27	4	
(Total liabilities)		46,567	44,108	△2,459	
Capital		65,043	67,046	2,003	
Reserves		2,807	207	△2,601	
Net Earnings (△Net Loss)		△2,601	648	3,249	
(Total capital and reserves)		65,250	67,901	2,651	
Total		111,817	112,009	192	

The Bank Account

		FY 2002	FY 2003	Increase△Decrease FY2003 - FY2002
Assets	Loans	209,948	204,126	△5,822
	Investments	1,553	1,533	△19
	Cash and Cash Equivalents	2,882	2,199	△684
	Accrued Interest Income	2,206	1,501	△704
	Miscellaneous Assets	163	826	663
	Premises and Equipment	281	274	△6
	Deferred Charges	29	29	1
	Customer's Liabilities for Acceptance and Guarantee	6,305	7,457	1,152
	Allowance for Possible Loan and Investment Losses	△4,549	△4,504	△45
	Total		218,817	213,443
Liabilities, Capital & Reserves	Long-term Borrowings	112,187	103,929	△8,258
	Bonds and Notes, including Borrowings Due within One Year	16,683	16,413	△270
	Accrued Interest Expenses	769	683	△86
	Miscellaneous Liabilities	1,080	65	△1,015
	Acceptances and Guarantees	6,305	7,457	1,152
	(Total liabilities)	137,024	128,547	△8,477
	Capital of the International Financial Account	9,855	9,855	-
	Capital of the Overseas Economic Cooperation	65,043	67,046	2,003
	Reserve of the International Financial Account	6,083	6,386	302
	Net Earnings of the International Financial Account	605	754	149
	Reserve of the Overseas Economic Cooperation	2,807	207	△2,601
	Net Earnings of the Overseas Economic Cooperation Account	△2,601	648	3,249
	(Total capital and reserves)	81,793	84,896	3,102
Total		218,817	213,443	△5,374

		FY 2002	FY 2003	Increase△Decrease FY2003 - FY2002
International Financial Account				
Total Assets		107,000	101,434	△5,566
Total Capital and Reserves		16,543	16,994	451
Total Capital and Reserves / Total Assets		15.46%	16.75%	1.29%
Overseas Economic Cooperation Account				
Total Assets		111,817	112,009	192
Total Capital and Reserves		65,250	67,901	2,651
Total Capital and Reserves / Total Assets		58.35%	60.62%	2.27%
The Bank				
Total Assets		218,817	213,443	△5,374
Total Capital and Reserves		81,793	84,896	3,102
Total Capital and Reserves / Total Assets		37.38%	39.77%	2.39%

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 (Unit: JPY 100 million)

	FY 2002 (A)	FY 2003 (B)	(B)-(A)
Loans Past Due - 1	1,133	1,874	740
Loans - 2	97,607	90,870	△6,737
1 / 2 (%)	1.16%	2.06%	0.9%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 342 billion yen and 11.2 billion yen as of the end of FY 2002 and FY 2003, respectively. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government was 1.5 billion yen as of the end of FY2003.

Overseas Economic Cooperation Account (Unit: JPY 100 million)

	FY 2002 (A)	FY 2003 (B)	(B)-(A)
Loans Past Due - 1	3,872	3,595	△277
Loans - 2	112,341	113,257	916
1 / 2 (%)	3.45%	3.17%	△0.27%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 1,550 billion yen and 21.2 billion yen as of the end of FY 2002 and FY 2003, respectively. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government was 208.7 billion yen as of the end of FY2003.