

Summary of the Financial Statements for the First Half of the Fiscal Year 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 first half of FY 2004 (April 1, 2004 - September 30, 2004) and published them in an official gazette on November 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 35.5 billion yen from the International Financial Account (decreased 4.9 billion yen compared with the same period of the previous fiscal year), a profit of 56.4 billion yen from the Overseas Economic Cooperation Account (decreased 32.1 billion yen), and a total profit of 91.9 billion yen (decreased 37 billion yen) in the first half of FY 2004.

As of the end of the first half of FY 2004, the International Financial Account had total assets of 10,189.4 billion yen (increased 46 billion yen compared with the end of the previous fiscal year), total liabilities of 8,492.2 billion yen (increased 48.2 billion yen), and total capital and reserves of 1,697.2 billion yen (decreased 2.2 billion yen). The Overseas Economic Cooperation Account had total assets of 11,165.6 billion yen (decreased 35.3 billion yen), total liabilities of 4,260.6 billion yen (decreased 150.2 billion yen), and total capital and reserves of 6,905 billion yen (decreased 114.9 billion yen). Overall, the Bank had total assets of 21,355.1 billion yen (increased 10.7 billion yen), total liabilities of 12,752.8 billion yen (decreased 102 billion yen), and total capital and reserves of 8,602.3 billion yen (increased 112.7 billion yen). The capital and reserves to total assets ratio for the first half of FY 2004 was 16.7% for the International Financial Account and 61.8% for the Overseas Economic Cooperation Account, resulting in the maintenance of the high level of 40.3% for the Bank.

2. Statement of Earnings

The Bank

(Unit: JPY 100 million)

	the first half of FY 2003 (A)	the second half of FY 2003 (B)	the first half of FY 2004 (C)	(C)-(A)
The Bank	1,289	113	919	△ 370
International Financial Account	404	349	355	△ 49
Overseas Economic Cooperation Account	885	△ 236	564	△ 321

International Financial Account

(Unit: JPY 100 million)

	the first half of FY 2003 (A)	the second half of FY 2003 (B)	the first half of FY 2004 (C)	(C)-(A)
Ordinary Income				
Interest on Loans	1,133	1,056	1,013	△ 120
Interest on Loans in Japanese Yen	640	589	526	△ 114
Interest on Loans in Foreign Currency	493	467	487	△ 5
Guarantee Commissions	15	16	19	4
Interest on Swaps and Miscellaneous Interest Received	305	323	313	9
Interest on Deposits in Banks	9	8	7	△ 2
Commissions	10	9	7	△ 2
Foreign Exchange Gains	2	6	8	6
Other Income	11	14	8	△ 3
Total	1,484	1,429	1,376	△ 108
Ordinary Expenses				
Interest on Borrowings	647	586	544	△ 103
Interest on Bonds and Notes	218	206	204	△ 15
Interest on Swaps and Miscellaneous Interest Payment	116	121	136	20
Administrative Expenses	75	78	75	△ 0
Depreciation of Premises and Equipment	5	5	4	△ 0
Foreign Exchange Losses	18	32	46	28
Loss from Disposal of Investments	-	11	-	-
Write-off of Loans	-	24	7	7
Amortization of Deferred Accounts	8	7	9	1
Commissions	8	29	13	5
Other Expenses	0	9	0	△ 0
Total	1,095	1,109	1,038	△ 57
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses	389	321	338	△ 51
Reversal of Allowance for Possible Loan and Investment Losses	529	514	486	△ 44
Provision of Allowance for Possible Loan and Investment Losses	*1 514	*2 486	*3 468	△ 46
Net Earnings	404	349	355	△ 49

- *1 Allowance for Possible Loan Losses: 277 (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)
- *3 Allowance for Possible Loan Losses: 259 (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)
 167 (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)

		the first half of FY 2003 (A)	the second half of FY 2003 (B)	the first half of FY 2004 (C)	(C)-(A)
Ordinary Income	Interest on Loans	1,408	1,282	1,235	△ 174
	Dividends on Investments	11	12	15	4
	Grant from General Account	150	150	150	-
	Interest on Deposits in Banks	0	-	-	△ 0
	Commissions	2	4	2	△ 0
	Other Income	5	0	3	△ 3
	Total	1,577	1,448	1,404	△ 173
Ordinary Expenses	Interest on Borrowings	628	582	537	△ 91
	Interest on Bonds and Notes	4	4	4	-
	Administrative Expenses	45	47	45	△ 0
	Depreciation of Premises and Equipment	2	2	2	△ 0
	Amortization of Deferred Accounts	0	0	0	-
	Commissions	5	18	8	3
	Loss from Disposal of Investments	4	-	-	△ 4
	Write-off of Loans	1	1,030	234	233
	Other Expenses	4	3	0	△ 4
Total	693	1,686	830	137	
Net Earnings prior to provision for Allowances for Possible Loan and Investment Losses		884	△ 238	574	△ 310
Reversal of Allowance for Possible Loan and Investment Losses		4,020	4,019	4,018	△ 1
Provision of Allowance for Possible Loan and Investment Losses		*4 4,019	*5 4,018	*6 4,029	9
Net Earnings (△Net Loss)		885	△ 236	564	△ 321

- *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)
- *5 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)
- *6 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: 3,656 (Full amount of the debts defined in Article 16, No. 3 of the regulation of Ministry of Finance)
Allowance for Possible Investment Losses: 360 (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)

3. Balance Sheets

International Financial Account

(Unit: JPY 100 million)

		the first half of FY 2003 (A)	FY 2003 (B)	the first half of FY 2004 (C)	(C)-(B)
Assets	Loans	92,495	90,870	86,315	△ 4,555
	Loans in Japanese Yen	43,887	42,818	40,313	△ 2,506
	Loans in Foreign Currency	48,608	48,051	46,003	△ 2,049
	Investments	11	-	0	0
	Cash and Cash Equivalents	4,708	1,852	4,128	2,276
	Accrued Interest Incomes	799	689	693	4
	Miscellaneous Assets	1,303	820	2,613	1,793
	Premises and Equipment	206	202	198	△ 4
	Deferred Charges	27	29	38	8
	Customers' Liabilities for Acceptance and Guarantee	6,953	7,457	8,378	920
	Allowance for Possible Loan and Investment Losses	△514	△ 486	△ 486	17
Total		105,989	101,434	101,894	460
Liabilities, Capital & Reserves	Long-term Borrowings including Borrowings Due within One Year	63,848	60,270	57,613	△ 2,657
	Bonds and Notes, including Borrowings Due within One Year	17,435	16,163	18,353	2,190
	Accrued Interest Expenses	610	511	528	17
	Miscellaneous Liabilities	498	38	50	12
	Acceptances and Guarantee	6,953	7,457	8,378	920
	(Total liabilities)	89,344	84,440	84,922	482
	Capital	9,855	9,855	9,855	-
	Reserves	6,386	6,386	6,763	377
	Net Earnings	404	754	355	△ 399
	(Total capital and reserves)	16,645	16,994	16,972	△ 22
Total		105,989	101,434	101,894	460

Overseas Economic Cooperation Account

(Unit: JPY 100 million)

		the first half of FY 2003 (A)	FY 2003 (B)	the first half of FY 2004 (C)	(C)-(B)
Assets	Loans	112,741	113,257	113,018	△ 238
	ODA Loans	112,676	113,198	112,966	△ 232
	Private-Sector Investment Finance	65	58	52	△ 6
	Investments	1,539	1,533	1,527	△ 6
	Cash and Cash Equivalents	213	347	310	△ 37
	Accrued Interest Income	861	813	753	△ 59
	Miscellaneous Assets	6	6	6	△0
	Premises and Equipment	73	72	70	△ 2
	Deferred Charges	0	0	0	△0
	Allowance for Possible Loan and Investment Losses	△4,019	△ 4,018	△ 4,029	△ 10
	Total		111,413	112,009	111,656
Liabilities, Capital & Reserves	Long-term Borrowings including Borrowings Due within One Year	44,244	43,659	42,166	△ 1,493
	Bonds and Notes	250	250	250	-
	Accrued Interest Expenses	174	172	167	△ 5
	Miscellaneous Liabilities	20	27	23	△ 3
	(Total liabilities)	44,688	44,108	42,606	△ 1,502
	Capital	65,633	67,046	67,631	585
	Reserves	207	207	855	648
	Net Earnings	885	648	564	△ 84
	(Total capital and reserves)	66,725	67,901	69,050	1,149
Total		111,413	112,009	111,656	△ 353

The Bank

(Unit: JPY 100 million)

		the first half of FY 2003 (A)	FY 2003 (B)	the first half of FY 2004 (C)	(C)-(B)
Assets	Loans	205,236	204,126	199,334	△ 4,793
	Investments	1,550	1,533	1,527	△ 6
	Cash and Cash Equivalents	4,921	2,199	4,438	2,239
	Accrued Interest Income	1,659	1,501	1,446	△ 55
	Miscellaneous Assets	1,309	826	2,619	1,793
	Premises and Equipment	279	274	268	△ 6
	Deferred Charges	27	29	38	8
	Customers' Liabilities for Acceptance and Guarantee	6,953	7,457	8,378	920
	Allowance for Possible Loan and Investment Losses	△ 4,534	△ 4,504	△ 4,497	7
	Total		217,402	213,443	213,551
Liabilities, Capital & Reserves	Long-term Borrowings including Borrowings Due within One Year	108,092	103,929	99,778	△ 4,151
	Bonds and Notes, including Borrowings Due within One Year	17,685	16,413	18,603	2,190
	Accrued Interest Expenses	783	683	696	13
	Miscellaneous Liabilities	518	65	73	9
	Acceptances and Guarantee	6,953	7,457	8,378	920
	(Total liabilities)	134,032	128,547	127,528	△ 1,020
	Capital of the International Financial Account	9,855	9,855	9,855	-
	Capital of the Overseas Economic Cooperation Account	65,633	67,046	67,631	585
	Reserve of the International Financial Account	6,386	6,386	6,763	377
	Net Earnings of the International Financial Account	404	754	355	△ 399
	Reserve of the Overseas Economic Cooperation Account	207	207	855	648
	Net Earnings of the Overseas Economic Cooperation Account	885	648	564	△ 84
	(Total capital and reserves)	83,370	84,896	86,023	1,127
	Total		217,402	213,443	213,551

(Unit: JPY 100 million)

		the first half of FY 2003 (A)	FY 2003 (B)	the first half of FY 2004 (C)	(C)-(B)
International Financial Account					
Total Assets		105,989	101,434	101,894	460
Total Capital and Reserves		16,645	16,994	16,972	△ 22
Total Capital and Reserves / Total Assets		15.70%	16.75%	16.66%	△0.10%
Overseas Economic Cooperation Account					
Total Assets		111,413	112,009	111,656	△ 353
Total Capital and Reserves		66,725	67,901	69,050	1,149
Total Capital and Reserves / Total Assets		59.89%	60.62%	61.84%	1.22%
The Bank					
Total Assets		217,402	213,443	213,551	107
Total Capital and Reserves		83,370	84,896	86,023	1,127
Total Capital and Reserves / Total Assets		38.35%	39.77%	40.28%	0.51%

4. 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 2003 (A)	the first half of FY 2004 (B)	(B)-(A)
Loans Past Due - 1	1,874	1,869	△ 5
Loans - 2	90,870	86,315	△ 4,555
1 / 2 (%)	2.06%	2.17%	0.10%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club is 12.5 billion yen as of the end of the half of FY 2004. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government is 1.5 billion yen as of the end of the half of FY 2004.

Overseas Economic Cooperation Account

(Unit: JPY 100 million)

	FY 2003 (A)	the first half of FY 2004 (B)	(B)-(A)
Loans Past Due - 1	3,595	3,791	196
Loans - 2	113,257	113,018	△ 238
1 / 2 (%)	3.17%	3.35%	0.18%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club is 81.2 billion yen as of the end of the half of FY 2004. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government is 201.7 billion yen as of the end of the half of FY 2004.