

# Japan Bank for International Cooperation

## Summary of the Financial Statements for the Fiscal Year ending March 2007 (In accordance with the JBIC Law)

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 fiscal year 2006 (April 1, 2006 – March 31, 2007) and published them in an official gazette on June 29, 2007. 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 70.3 billion yen from the International Financial Account (decreased 1.9 billion yen from the previous fiscal year), a profit of 139.4 billion yen from the Overseas Economic Cooperation Account (increased 84.7 billion yen from the previous fiscal year), and a total profit of 209.7 billion yen (increased 82.8 billion yen from the previous fiscal year) in FY 2006.

As of the end of FY 2006, the International Financial Account had total assets of 9,668.5 billion yen (decreased 114.0 billion yen from the end of the previous fiscal year), total liabilities of 7,867.5 billion yen (decreased 148.2 billion yen from the end of the previous fiscal year), and total capital and reserves of 1,801.0 billion yen (increased 34.2 billion yen from the end of the previous fiscal year). The Overseas Economic Cooperation Account had total assets of 11,265.5 billion yen (decreased 13.4 billion yen from the end of the previous fiscal year), total liabilities of 3,728.6 billion yen (decreased 318.6 billion yen from the end of the previous fiscal year), and total capital and reserves of 7,537.0 billion yen (increased 305.3 billion yen from the end of the previous fiscal year). Overall, the Bank had total assets of 20,934.1 billion yen (decreased 127.4 billion yen from the end of the previous fiscal year), total liabilities of 11,596.1 billion yen (decreased 466.9 billion yen from the end of the previous fiscal year), and total capital and reserves of 9,338.0 billion yen (increased 339.5 billion yen from the end of the previous fiscal year).

## 2. Statement of Earnings

### The Bank

(Unit: hundred millions of yen)

	FY2005	FY2006	Increase FY2006-FY2005	Decrease
The Bank	1,269	2,097		828
International Financial Account	722	703		19
Overseas Economic Cooperation Account	547	1,394		847

### International Financial Account

(Unit: hundred millions of yen)

	FY2005	FY2006	Increase FY2006-FY2005	Decrease
Ordinary Income				
Interest on Loans	3,200	3,369		168
Interest on Loans in Japanese Yen	1,417	853		564
Interest on Loans in Foreign Currency	1,784	2,516		732
Guarantee Commissions	39	43		4
Interest on Securities	0	2		2
Interest on Deposits in Banks	59	83		25
Interest on Swaps and Miscellaneous Interest Received	199	129		70
Commissions	16	16		0
Foreign Exchange Gains	63	34		29
Other Income	28	23		6
Total	3,605	3,699		94
Ordinary Expenses				
Interest on Borrowings	914	765		148
Interest on Bonds and Notes	541	706		165
Interest on Swaps and Miscellaneous Interest Payment	718	1,290		572
Administrative Expenses	148	152		4
Depreciation of Premises and Equipment	8	7		0
Commissions	30	22		8
Foreign Exchange Losses	54	30		24
Write-off of Loans	357	7		350
Amortization of Deferred Accounts	16	15		1
Other Expenses	8	1		7
Total	2,794	2,997		203
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses	811	702		109
Reversal of Allowance for Possible Loan and Investment Losses	461	550		89
Provision of Allowance for Possible Loan and Investment Losses	*1 550	*2 550		1
Net Earnings	722	703		19

\*1 Allowance for Possible Loan Losses : 237 (Article 15, No. 1 of the regulation of Ministry of Finance)  
 Specific Allowance for Possible Loan Losses : 156 (Article 15, No. 4 or No. 5 of the regulation of Ministry of Finance)  
 157 (Article 15, No. 6 of the regulation of Ministry of Finance)

\*2 Allowance for Possible Loan Losses : 235 (Article 15, No. 1 of the regulation of Ministry of Finance)  
 Specific Allowance for Possible Loan Losses : 149 (Article 15, No. 4 or No. 5 of the regulation of Ministry of Finance)  
 166 (Article 15, No. 6 of the regulation of Ministry of Finance)

## Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		FY2005	FY2006	Increase Decrease FY2006-FY2005
Ordinary Income	Interest on Loans	2,483	2,404	80
	Dividends on Investments	57	71	14
	Grant from General Account	300	300	-
	Interest on Deposits in Banks	0	0	0
	Commissions	7	6	1
	Foreign Exchange Gains	0	0	0
	Other Income	3	4	0
	Total	2,850	2,784	66
Ordinary Expenses	Interest on Borrowings	890	810	80
	Interest on Bonds and Notes	6	2	4
	Administrative Expenses	89	92	2
	Depreciation of Premises and Equipment	3	3	0
	Commissions	28	40	12
	Loss from Disposal of Investments	17	46	29
	Write-off of Loans	1,275	466	809
	Amortization of Deferred Accounts	0	-	0
	Other Expenses	8	6	2
Total	2,317	1,465	852	
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses		534	1,319	785
Reversal of Allowance for Possible Loan and Investment Losses		4,029	4,016	14
Provision of Allowance for Possible Loan and Investment Losses		*3 4,016	*4 3,941	75
Net Earnings		547	1,394	847

- \*3 Allowance for Possible Loan Losses (ODA Loans) : 11 (Article 16, No. 1 of the regulation of Ministry of Finance)  
 Allowance for Possible Loan Losses (Private-sector Investment Finance) : 1 (Article 16, No. 1 of the regulation of Ministry of Finance)  
 Specific Allowance for Possible Loan Losses : 3,647 (Article 16, No. 3 of the regulation of Ministry of Finance)  
 Allowance for Possible Investment Losses : 356 (Article 16, No. 2 of the regulation of Ministry of Finance)
- \*4 Allowance for Possible Loan Losses (ODA Loans) : 11 (Article 16, No. 1 of the regulation of Ministry of Finance)  
 Allowance for Possible Loan Losses (Private-sector Investment Finance) : 1 (Article 16, No. 1 of the regulation of Ministry of Finance)  
 Specific Allowance for Possible Loan Losses : 3,635 (Article 16, No. 3 of the regulation of Ministry of Finance)  
 Allowance for Possible Investment Losses : 293 (Article 16, No. 2 of the regulation of Ministry of Finance)

### 3. Balance Sheets

#### International Financial Account

(Unit: hundred millions of yen)

		FY 2005	FY 2006	Increase Decrease FY2006-FY2005
Assets	Loans	79,006	78,237	769
	Loans in Japanese Yen	33,046	29,513	3,533
	Loans in Foreign Currency	45,960	48,724	2,764
	Investments	4	8	4
	Securities	102	86	16
	Cash and Cash Equivalents	6,281	2,582	3,699
	Accrued Interest Incomes	715	796	81
	Miscellaneous Assets	1,486	382	1,104
	Premises and Equipment	191	188	3
	Deferred Charges	40	31	10
	Customer's liabilities for Acceptance and Guarantee	10,551	14,924	4,374
	Allowance for Possible Loan and Investment Losses	550	550	1
	Total	97,826	96,685	1,140
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	49,066	43,800	5,265
	Bonds and Notes, including Borrowings Due within One Year	19,814	19,145	669
	Accrued Interest Expenses	659	706	47
	Miscellaneous Liabilities	68	99	32
	Acceptances and Guarantee	10,551	14,924	4,374
	(Total liabilities)	80,158	78,675	1,482
	Capital	9,855	9,855	-
	Reserves	7,091	7,452	361
	Net Earnings	722	703	19
	(Total capital and reserves)	17,668	18,010	342
	Total	97,826	96,685	1,140

#### Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		FY 2005	FY 2006	Increase Decrease FY2006-FY2005
Assets	Loans	114,289	113,786	503
	ODA Loans	114,247	113,748	499
	Private-Sector Investment Finance	42	38	4
	Investments	1,528	1,399	129
	Cash and Cash Equivalents	184	680	495
	Accrued Interest Income	729	657	72
	Miscellaneous Assets	6	6	0
	Premises and Equipment	68	68	0
	Deferred Charges	-	-	-
	Allowance for Possible Loan and Investment Losses	4,016	3,941	75
		Total	112,789	112,655
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	40,202	37,148	3,054
	Bonds and Notes, including Borrowings Due within One Year	100	-	100
	Accrued Interest Expenses	159	136	23
	Miscellaneous Liabilities	10	1	9
	(Total liabilities)	40,472	37,286	3,186
	Capital	70,656	72,315	1,659
	Reserves	1,113	1,661	547
	Net Earnings	547	1,394	847
	(Total capital and reserves)	72,317	75,370	3,053
	Total	112,789	112,655	134

The Bank Account

(Unit: hundred millions of yen)

		FY 2005	FY 2006	Increase Decrease FY2006-FY2005
Assets	Loans	193,295	192,023	1,272
	Investments	1,532	1,407	124
	Securities	102	86	16
	Cash and Cash Equivalents	6,466	3,262	3,204
	Accrued Interest Income	1,443	1,453	9
	Miscellaneous Assets	1,492	388	1,104
	Premises and Equipment	260	256	3
	Deferred Charges	40	31	10
	Customer's Liabilities for Acceptance and Guarantee	10,551	14,924	4,374
	Allowance for Possible Loan and Investment Losses	4,566	4,490	75
	Total		210,615	209,341
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	89,268	80,948	8,320
	Bonds and Notes, including Borrowings Due within One Year	19,914	19,145	769
	Accrued Interest Expenses	819	842	24
	Miscellaneous Liabilities	78	101	23
	Acceptances and Guarantees	10,551	14,924	4,374
	(Total liabilities)	120,630	115,961	4,669
	Capital of the International Financial Account	9,855	9,855	-
	Capital of the Overseas Economic Cooperation Account	70,656	72,315	1,659
	Reserve of the International Financial Account	7,091	7,452	361
	Net Earnings of the International Financial Account	722	703	19
	Reserve of the Overseas Economic Cooperation Account	1,113	1,661	547
	Net Earnings of the Overseas Economic Cooperation Account	547	1,394	847
	(Total capital and reserves)	89,985	93,380	3,395
	Total		210,615	209,341

(Unit: hundred millions of yen)

		FY 2005	FY 2006	Increase Decrease FY2006-FY2005
International Financial Account				
Total Assets		97,826	96,685	1,140
Total Capital and Reserves		17,668	18,010	342
Total Capital and Reserves / Total Assets		18.06%	18.63%	0.57%
Overseas Economic Cooperation Account				
Total Assets		112,789	112,655	134
Total Capital and Reserves		72,317	75,370	3,053
Total Capital and Reserves / Total Assets		64.12%	66.90%	2.79%
The Bank				
Total Assets		210,615	209,341	1,274
Total Capital and Reserves		89,985	93,380	3,395
Total Capital and Reserves / Total Assets		42.73%	44.61%	1.88%

#### 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: hundred millions of yen)	
	FY 2005 (A)	FY 2006 (B)	Increase Decrease (B)-(A)
Loans Past Due - 1	972	946	25
Loans - 2	79,006	78,237	769
1 / 2 (%)	1.23%	1.21%	0.02%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 43.1 billion yen and 7.0 billion yen as of the end of FY 2005 and FY 2006, respectively.

Overseas Economic Cooperation Account		(Unit: hundred millions of yen)	
	FY 2005 (A)	FY 2006 (B)	Increase Decrease (B)-(A)
Loans Past Due - 1	3,332	3,347	16
Loans - 2	114,289	113,786	503
1 / 2 (%)	2.92%	2.94%	0.03%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 114.8 billion yen and 64.8 billion yen as of the end of FY 2005 and FY 2006, respectively. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government was 8.4 billion yen and 44.7 billion yen as of the end of FY 2005 and FY 2006, respectively.