

REPORT OF INDEPENDENT ACCOUNTANTS

To the Governor of  
Japan Bank for International Cooperation

We have audited the accompanying non-consolidated Overseas Economic Cooperation Account balance sheets of Japan Bank for International Cooperation as of March 31, 2001 and 2002, and the related non-consolidated Overseas Economic Cooperation Account statements of operations, equity and cash flows for the years ended March 31, 2001 and 2002, all expressed in Japanese yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the non-consolidated financial statements referred to above present fairly the non-consolidated financial position of Overseas Economic Cooperation Account of Japan Bank for International Cooperation as of March 31, 2001 and 2002, and the non-consolidated results of its operations for the years ended March 31, 2001 and 2002 in conformity with accounting principles and practices generally accepted in Japan (see Note 1) applied on a consistent basis.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying non-consolidated financial statements.

*ChuoAoyama Audit Corporation*

ChuoAoyama Audit Corporation

Independent Certified Public Accountants

Tokyo, Japan  
June 26, 2002

**BALANCE SHEETS****JAPAN BANK FOR INTERNATIONAL COOPERATION****Overseas Economic Cooperation Account**

	In millions of yen		In millions of yen		In millions of dollars	
	March 31, 2002		March 31, 2001		March 31, 2002	
<b>Assets</b>						
Cash and due from banks	¥	49,823	¥	67,225	\$	374
Securities		122,674		122,671		921
Loans		11,024,333		10,717,411		82,734
Miscellaneous assets		119,936		103,194		900
Premises and equipment		7,904		7,934		59
Deferred charges on bonds and notes		22		27		0
Allowance for possible loan losses		(296,684)		(331,001)		(2,227)
Allowance for possible investment losses		-		(1,721)		-
<b>Total assets</b>	<b>¥</b>	<b>11,028,009</b>	<b>¥</b>	<b>10,685,743</b>	<b>\$</b>	<b>82,762</b>

	In millions of yen		In millions of yen		In millions of dollars	
	March 31, 2002		March 31, 2001		March 31, 2002	
<b>Liabilities, capital and retained earnings</b>						
<b>Liabilities</b>						
Bonds and notes	¥	25,000	¥	25,000	\$	188
Borrowings		4,699,830		4,783,312		35,271
Miscellaneous liabilities		19,142		18,859		144
Allowance for employee bonuses		226		-		2
Allowance for employee retirement benefits		6,089		5,902		46
<b>Total liabilities</b>	<b>¥</b>	<b>4,750,288</b>	<b>¥</b>	<b>4,833,073</b>	<b>\$</b>	<b>35,649</b>
<b>Capital and retained earnings</b>						
Capital of the Overseas Economic Cooperation Account	¥	6,285,244	¥	6,000,744	\$	47,169
Reserve of the Overseas Economic Cooperation Account		182,296		125,602		1,368
Accumulated deficit at the end of the current year		189,819		273,676		1,425
<b>Total capital and retained earnings</b>	<b>¥</b>	<b>6,277,721</b>	<b>¥</b>	<b>5,852,670</b>	<b>\$</b>	<b>47,112</b>
<b>Total liabilities, capital and retained earnings</b>	<b>¥</b>	<b>11,028,009</b>	<b>¥</b>	<b>10,685,743</b>	<b>\$</b>	<b>82,762</b>

See accompanying "Notes to Financial Statements" which are an integral part of these statements.

## STATEMENT OF OPERATIONS

### JAPAN BANK FOR INTERNATIONAL COOPERATION

#### Overseas Economic Cooperation Account

	In millions of yen		In millions of yen		In millions of dollars	
	Fiscal 2001		Fiscal 2000		Fiscal 2001	
<b>Income</b>						
Interest income	¥	273,183	¥	274,375	\$	2,050
Interest on loans		270,407		272,089		2,029
Interest and dividend income on securities		2,761		2,214		21
Interest income on reverse repurchase agreement		-		8		-
Interest on due from banks		13		62		0
Fees and Commissions		688		656		5
Commissions		688		656		5
Other operating income		91		378		1
Foreign exchange gains		91		378		1
Other ordinary income		1,912		357		14
Reversal of allowance for possible investment losses		1,631		281		12
Others		281		75		2
Reversal of allowance for possible loan losses		34,316		-		258
Profits on sales of premises and equipment		2		313		0
<b>Total income</b>	¥	<b>310,193</b>	¥	<b>276,080</b>	\$	<b>2,328</b>
<b>Expenses</b>						
Interest expenses	¥	157,389	¥	173,848	\$	1,181
Interest on bonds and notes		740		740		6
Amortization of discounts on bonds and notes		5		5		0
Interest on borrowings		156,644		173,103		1,176
Fees and Commissions		1,536		1,459		12
Commissions		1,536		1,459		12
Other operating expenses		1		1		0
Others		1		1		0
General and administrative expenses		9,758		9,717		73
Other ordinary expenses		931		33,890		7
Provision for allowance for possible loan losses		-		4,815		-
Write-off of equities, securities, etc.		759		29,049		6
Others		171		25		1
Losses on disposal of premises and equipment		26		120		0
Other extraordinary loss		-		2,211		-
<b>Total expense</b>	¥	<b>169,643</b>	¥	<b>221,249</b>	\$	<b>1,273</b>
<b>Net income</b>	¥	<b>140,550</b>	¥	<b>54,831</b>	\$	<b>1,055</b>

See accompanying "Notes to Financial Statements" which are an integral part of these statements.

**STATEMENT OF CASH FLOWS****JAPAN BANK FOR INTERNATIONAL COOPERATION****Overseas Economic Cooperation Account**

	In millions of yen		In millions of yen		In millions of dollars	
	Fiscal 2001		Fiscal 2000		Fiscal 2001	
<b>Cash flows from operating activities</b>						
Net income	¥	140,550	¥	54,831	\$	1,055
Depreciation and amortization		489		394		4
Increase (decrease) in allowance for possible loan losses		(34,316)		4,815		(258)
Increase (decrease) in allowance for possible investment losses		(1,721)		(281)		(13)
Increase (decrease) in allowance for employee bonuses		226		-		2
Increase (decrease) in reserve for retirement allowances		-		(3,451)		-
Increase (decrease) in allowance for employee retirement benefits		187		5,902		1
Interest income		(273,183)		(274,375)		(2,050)
Interest expenses		157,389		173,848		1,181
Net loss (gain) on securities		800		29,049		6
Foreign exchange loss (gain)		(105)		(381)		(1)
Net loss (gain) on sales of premises and equipment		24		(192)		0
Net decrease (increase) in loans		(306,921)		(413,459)		(2,303)
Net increase (decrease) in borrowings		(83,481)		(7,925)		(626)
Net decrease (increase) in due from banks (excluding cash equivalents)		18,041		25,231		135
Interest received		255,258		270,841		1,916
Interest paid		(157,267)		(172,579)		(1,180)
Others, net		45		259		0
<b>Net cash used in operating activities</b>	<b>¥</b>	<b>(283,985)</b>	<b>¥</b>	<b>(307,472)</b>	<b>\$</b>	<b>(2,131)</b>
<b>Cash flows from investing activities</b>						
Purchases of securities	¥	(1,240)	¥	(429)	\$	(9)
Sales of securities		1,833		-		14
Expenditures on premises and equipment		(502)		(1,341)		(4)
Proceeds from sales of premises and equipment		19		321		0
<b>Net cash used in investing activities</b>	<b>¥</b>	<b>109</b>	<b>¥</b>	<b>(1,450)</b>	<b>\$</b>	<b>1</b>
<b>Cash flows from financing activities</b>						
Proceeds from issuance of capital from Government	¥	284,500	¥	306,300	\$	2,135
<b>Net cash provided by financing activities</b>	<b>¥</b>	<b>284,500</b>	<b>¥</b>	<b>306,300</b>	<b>\$</b>	<b>2,135</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>¥</b>	<b>0</b>	<b>¥</b>	<b>0</b>	<b>\$</b>	<b>0</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>¥</b>	<b>624</b>	<b>¥</b>	<b>(2,622)</b>	<b>\$</b>	<b>5</b>
<b>Cash and cash equivalents at the beginning of the fiscal year</b>	<b>¥</b>	<b>1,991</b>	<b>¥</b>	<b>4,613</b>	<b>\$</b>	<b>15</b>
<b>Cash and cash equivalents at the end of the fiscal year</b>	<b>¥</b>	<b>2,615</b>	<b>¥</b>	<b>1,991</b>	<b>\$</b>	<b>20</b>

See accompanying "Notes to Financial Statements" which are an integral part of these statements.

**STATEMENT OF EQUITY****JAPAN BANK FOR INTERNATIONAL COOPERATION**

In millions of yen

	Capital of the International Financial Account	Capital of the Overseas Economic Cooperation Account	Reserve of the International Financial Account	Special Reserve of the International Financial Account	Reserve of the Overseas Economic Cooperation Account	Retained earnings (deficit) at the end of the current year	Total Equity
Balance at March 31, 2001	¥985,500	¥6,000,744	¥523,287	¥5,423	¥125,602	(¥302,367)	¥7,338,190
Transfer from retained earnings (deficit) to reserves			40,943	11	56,694	(97,648)	-
Payment to National Treasury				(5,435)		(40,944)	(46,379)
Issuance of capital from Government		284,500					284,500
Net income						261,776	261,776
Balance at March 31, 2002	¥985,500	¥6,285,244	¥564,230	-	¥182,296	(¥179,183)	¥7,838,088
<b>Appropriations:</b>							
Provision for reserve of the International Financial Account			44,105			(44,105)	-
Provision for reserve of the Overseas Economic Cooperation Account					98,422	(98,422)	-
Payment to National Treasury						(44,105)	(44,105)
Total			¥44,105		¥98,422	(¥186,633)	(¥44,105)
Unappropriated retained earnings						(¥365,817)	

See accompanying "Notes to Financial Statements" which are an integral part of these statements.

**STATEMENT OF EQUITY****JAPAN BANK FOR INTERNATIONAL COOPERATION**

In millions of dollars

	Capital of the International Financial Account	Capital of the Overseas Economic Cooperation Account	Reserve of the International Financial Account	Special Reserve of the International Financial Account	Reserve of the Overseas Economic Cooperation Account	Retained earnings (deficit) at the end of the current year	Total Equity
Balance at March 31, 2001	\$7,396	\$45,034	\$3,927	\$41	\$943	(\$2,269)	\$55,071
Transfer from retained earnings (deficit) to reserves			307	0	425	(733)	-
Payment to National Treasury				(41)		(307)	(348)
Issuance of capital from Government		2,135					2,135
Net income						1,965	1,965
Balance at March 31, 2002	\$7,396	\$47,169	\$4,234	-	\$1,368	(\$1,345)	\$58,822
<b>Appropriations:</b>							
Provision for reserve of the International Financial Account			331			(331)	-
Provision for reserve of the Overseas Economic Cooperation Account					739	(739)	-
Payment to National Treasury						(331)	(331)
Total			\$331		\$739	(\$1,401)	(\$331)
Unappropriated retained earnings						(\$2,745)	

See accompanying "Notes to Financial Statements" which are an integral part of these statements.

**NOTES TO FINANCIAL STATEMENTS**  
**JAPAN BANK FOR INTERNATIONAL COOPERATION**  
**Overseas Economic Cooperation Account**

**1. Basis of Presentation**

The accompanying financial statements have been prepared from the accounts maintained by Japan Bank for International Cooperation ("JBIC") in accordance with the provisions set forth in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Accounting Standards.

The financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The Bank's accounts are separated into International Financial Account and Overseas Economic Cooperation Account under Article 41 of the Japan Bank for International Cooperation Law ("JBIC Law") whereby the accounting shall be separated in accordance with the categories of international financial operations and overseas economic cooperation operations and be recorded by establishing the respective account for each. In separating accounts, transactions directly related to either of the operations are attributed to the account for these operations and overhead expenses and others are allocated to both of the accounts by using a certain allocation rate.

Consolidated financial statements are not prepared because JBIC has no subsidiaries.

The amounts indicated in millions of yen are rounded down by omitting the figures less than one million. Totals may not add up exactly because of such omission.

Amounts in U.S. dollars are presented solely for the convenience of readers outside Japan. The rate of ¥133.25=\$1.00, the exchange rate as of March 31, 2002, has been used in translation. The presentation of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

**2. Significant Accounting Policies**

**(a) Cash and cash equivalents**

"Cash and cash equivalents" as stated in the statement of cash flows consists of cash in hand and due from Bank of Japan included in "Cash and due from banks" in the balance sheet.

**(b) Securities**

All securities are classified as "Securities available-for-sale" which have no market value and are carried at cost based on a moving average cost valuation.

**(c) Valuation method for derivative financial instruments**

All derivative financial instruments are carried at fair value.

**(d) Depreciation basis for fixed assets**

Premises and Equipment

Premises and equipment are depreciated on the reducing balance basis except for the buildings (excluding furniture and equipment) acquired on or after April 1, 1998, which are depreciated on the straight-line basis. The principal estimated useful lives are as follows:

Buildings: 38 years to 50 years

Equipment: 2 years to 20 years

Software

Software used by JBIC is amortized on the straight-line basis over its useful life (5 years).

**(e) Method of amortization for deferred charges**

"Discounts on Bonds and Notes" are amortized over terms of redemption, and "Bonds and Notes Issuance Costs" are amortized over 3 years, on the straight-line basis in accordance with the Commercial Code of Japan.

**(f) Foreign currency translation and revaluation method**

JBIC maintains its accounting records in Japanese yen. Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the market exchange rate prevailing at the fiscal year end.

In the fiscal year ended March 31, 2001, JBIC applied the "New Foreign Accounting Standards," pursuant to "Temporary Auditing Treatment for Continuous Application of the 'New Foreign Exchange Accounting Standard' in the Banking Industry" (the Japanese Institute of Certified Public Accountants, "JICPA", April 10, 2000). However, effective April 1, 2001, JBIC applied the revised accounting standard for foreign currency transactions ("Opinion Report Concerning Amendment of Accounting Standards Applied for Foreign Currency Transactions," issued by

the Business Accounting Deliberation Council, October 22, 1999), except for the accounting treatment stipulated in "Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No.20).

**(g) Allowance for possible loan losses**

JBIC provided "Allowance for possible loan losses" as follows:

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 after the write-offs described in Note 5 and the deductions of the amount expected to be collected through the disposal of collateral and execution of guarantees.

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 assessment of the overall solvency of the debtors after deducting the amount expected to be collected through the disposal of collateral or the execution of guarantees.

The allowance for claims on debtors other than the above (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 considering the political and economic situations of these countries.

All claims are assessed initially by the operational departments and secondly by risk evaluation departments based on internal rules for self-assessment of asset quality. The internal audit department, which is independent from the operational departments, reviews these self-assessments, and the allowance is provided based on the results of the assessment.

**(h) Allowance for possible investment losses**

"Allowance for possible investment losses" is provided based on the estimated liabilities of possible losses on securities and other investments.

**(i) Allowance for employee bonuses**

"Allowance for employee bonuses" is set aside to pay employee bonuses with respect to the portion of estimated bonus payments to employees that correspond to the current period. "Allowance for employee bonuses" includes allowance for bonuses to executive directors.

Although JBIC recorded the accrued employee bonuses as an accrued expense under Miscellaneous liabilities as of March 31, 2001, effective April 1, 2001, it is reporting the amount of accrued employee bonuses as Allowance for employee bonuses, in accordance with "Concerning Financial Statement Titles to Be Used for Accrued Bonuses for Employees" (JICPA Research Center Review Information No.15). As a result of this change, accrued expense under Miscellaneous liabilities decreased by ¥226 million, and Allowance for employee bonuses increased by the same amount.

**(j) Allowance for employee retirement benefits**

Allowance for employee retirement benefits represents the future payment for pension and retirement to employees, and is recorded as the amount accrued at the fiscal year end, based on the projected benefit obligations, and the estimated pension plan asset amount at the fiscal year end. The method of accounting for net actuarial gains/losses is as follows:

Net Actuarial Gains/Losses are charged to net income of the year.

"Allowance for employee retirement benefits" includes allowance for retirement benefits to executive directors.

**(k) Consumption tax**

Consumption tax including local consumption tax is excluded from the transaction amounts.



### 3. Cash and Cash Equivalents

The reconciliation between the balance of cash and cash equivalents at the end of each fiscal year and the amount of cash and due from banks reported in the balance sheets as of March 31, 2002 and 2001 are as follows:

	March 31, 2002 (In millions of yen)		March 31, 2001 (In millions of yen)		March 31, 2002 (In millions of dollars)	
Cash and Due from Banks	¥	49,823	¥	67,225	\$	374
Due from Banks (*)		(47,207)		(65,234)		(354)
Cash and Cash Equivalents	¥	2,615	¥	1,991	\$	20

(\*) Excluding Due from Bank of Japan

### 4. Securities

Securities as of March 31, 2002 and 2001 are as follows:

	March 31, 2002 (In millions of yen)		March 31, 2001 (In millions of yen)		March 31, 2002 (In millions of dollars)	
Held-to-maturity Debt Securities	¥	-	¥	-	\$	-
Unlisted Foreign Securities		-		-		-
Available-for-sale Securities		122,674		180,671		921
Unlisted Japanese Equities other than Over-the-counter		119,134		119,894		894
Unlisted Foreign Equities		2,844		2,099		21
Unlisted Japanese Local Government Bonds		-		-		-
Unlisted Japanese Corporate Bonds		-		-		-
Unlisted Foreign bonds		-		-		-
Other Japanese securities		-		58,000		-
Other Unlisted Foreign Securities		695		677		5
	¥	122,674	¥	180,671	\$	921

### 5. Loans

All of Loans are loans on deeds. The amounts reported in the balance sheets as of March 31, 2002 and 2001 are as follows:

	March 31, 2002 (In millions of yen)		March 31, 2001 (In millions of yen)		March 31, 2002 (In millions of dollars)	
Bankrupt Loans	¥		¥		\$	
Non-accrual Loans		381,146		379,981		2,860
Past Due Loans (3 Months or More)		81,880		30,621		614
Restructured Loans		900		2,020		7
	¥	463,928	¥	412,622	\$	3,482

- (a) "Bankrupt Loans", which are placed non-accrual status, are loans to borrowers who have begun bankruptcy, composition, reorganization, winding-up or special liquidation proceedings under the Bankruptcy Law, the Corporate Reorganization Law, the Civil Rehabilitation Law, the Commercial Code or other similar laws of Japan, or who have had their transactions with the promissory note clearinghouse suspended, or loans to borrowers who have begun similar proceedings under any foreign law. Those loans are categorized as loans to "Bankrupt Borrowers" under self-assessment of asset quality.
- (b) "Non-accrual loans" are loans which are placed non-accrual status and are other than "Bankrupt loans." Those loans are categorized as loans to "Substantially Bankrupt Borrowers" or "Potentially Bankrupt Borrowers" under self-assessment of asset quality.

- (c) "Past due loans (3 month or more)" are loans whose principal and/or interest is past due three months or more counted from the date following the scheduled payment date, and are other than "Bankrupt loans" and "Non-accrual loans." Those loans are also categorized as loans to "Watch borrowers" under self-assessment of asset quality.
- (d) "Restructured loans" are loans whose contracts were amended in favor of obligors (e.g. reduction of or exemption from stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate restructuring processes of the obligors in financial difficulties, and are other than "Bankrupt Loans", "Non-accrual loans", and "Past due loans (3 month or more)". Those loans are also categorized as loans to "Watch borrowers" under self-assessment of asset quality.
- (e) The amounts of Loans indicated above are the gross amounts prior to reduction of allowance for possible loan losses.
- (f) In the event that a debtor country which becomes temporarily difficult to pay and requests debt rescheduling with respect to external public debt (whose creditors are nations, Trade Insurance Institutions and Export Credit Institutions, etc.) because of the unfavorable balance of international payment, meetings of creditor countries (the "Paris Club") would be held to discuss debt relief measures (rescheduling). When creditor countries agree on debt relief measures, debt-rescheduling agreements between the creditors and a debtor are agreed, and temporary liquidity assistance is made according to the agreements. Since the debtor carries out Economic Restructuring Program which was agreed with the International Monetary Fund ("IMF") and continues to make repayments of the debt, those loans are excluded, in principle, from the above amounts. The principal amount of loans for which JBIC has agreed to provide debt relief pursuant to the Paris Club agreements is as follows:

	March 31, 2002 (In millions of yen)	March 31, 2001 (In millions of yen)	March 31, 2002 (In millions of dollars)
Overseas Economic Cooperation Account ¥	1,265,900 ¥	732,298 \$	9,500

Public creditors agreed to support the countries, which were regarded as Heavily Indebted Poor Countries ("HIPCs") by the World Bank and the IMF and also were identified as the "HIPCs Initiative", which was qualified and agreed to reduce a part of the debt of HIPCs after the establishment of economic reform programs by the international financial institutions (IMF, World Bank, etc.) in Lyon Summit in June, 1996 and in Cologne Summit in June, 1999. After the debtor countries agreed to the economic reform programs, the Paris Club creditors agreed to the application of the HIPCs Initiative. JBIC categorized HIPCs Initiative countries as follows:

The debtors whose economic reform programs and HIPCs Initiative schemes had been agreed are "Watch borrowers".

The others are "Potentially Bankrupt Borrowers".

Those loans are disclosed in accordance with the definitions in the above (a) – (e). The principal amount of loans to HIPCs Initiative countries is as follows:

	March 31, 2002 (In millions of yen)	March 31, 2001 (In millions of yen)	March 31, 2002 (In millions of dollars)
Overseas Economic Cooperation Account ¥	716,367 ¥	721,598 \$	5,376

JBIC's ODA Loans to the HIPCs Initiative countries are substantially secured by matching grants to the HIPCs extended by the Government of Japan, because, as to debt reduction of ODA Loans to HIPCs, Japanese government announced, in "Statements by Chief Cabinet Secretary on Japan's proposal for the Debt Initiative for the Heavily Indebted Poor Countries" dated April 28, 1999, expansion of bilateral grant aid for debt relief to provide HIPCs with the amount equivalent to repayment amount of principal and interest HIPCs owed under ODA Loans from Japan.

- (g) As JBIC's debtors need mostly long-term loans, JBIC generally enters into commitment line contracts with these debtors. JBIC is committed to lend necessary funds up to the predetermined amount, which shall be within the borrowers' financing needs for the projects and up to the agreed maximum to lend, upon borrowers'

request, provided that the request meets terms and conditions for disbursement prescribed in the Loan Agreement. The total balance of unused commitment lines as of March 31, 2002 and 2001 are ¥4,424,721 million and ¥4,567,289 million respectively.

- (h) With respect to the claims with collateral or guarantees on debtors who are legally or substantially bankrupt ("Bankrupt Borrowers and Substantially Bankrupt Borrowers"), the remaining booked amount of the claims after deduction of the amount which is deemed collectible through the disposal of collateral or the execution of guarantees was written-off against the respective claims. The amount of the accumulated write-offs as of March 31, 2002 and March 31, 2001 are ¥105 million and ¥105 million respectively.

## 6. Miscellaneous Assets

Miscellaneous assets as of March 31, 2001 are as follows:

- (a) **Accrued income** "Accrued income" includes ¥88,682 million of accrued interest on loans and others.  
 (b) **Other assets** "Other assets" includes ¥97 million of suspense payments and others.

Miscellaneous assets as of March 31, 2002 are as follows:

- (a) **Accrued income** "Accrued income" includes ¥118,201 million (\$887 million) of accrued interest on loans and others.  
 (b) **Other assets** "Other assets" includes ¥10 million (\$0 million) of suspense payments and others.

## 7. Premises and Equipment

Premises and Equipment as of March 31, 2002 and 2001 are as follows:

	March 31, 2002 ( In millions of yen )	March 31, 2001 ( In millions of yen )	March 31, 2002 ( In millions of dollars )
Tangible Fixed Assets	¥	¥	\$
Land	3,016	3,016	23
Buildings	6,933	6,739	52
Equipment	1,275	1,312	10
Construction in Progress	86	155	1
Total	¥ 11,312	¥ 11,225	\$ 85
Less - Accumulated Depreciation	4,060	3,761	30
Net Book Value	¥ 7,252	¥ 7,463	\$ 54

	( In millions of yen )	( In millions of yen )	( In millions of dollars )
Intangible fixed assets	¥	¥	\$
Software	387	139	3
Guarantee deposit	331	341	2
Others	-	-	-
Total	¥ 718	¥ 481	\$ 5
Less - Accumulated Depreciation	66	10	0
Net Book Value	¥ 652	¥ 470	\$ 5

## 8. Deferred Charges on Bonds and Notes

Deferred charges on Bonds and Notes as of March 31, 2002 and 2001 are as follows:

	March 31, 2002 (In millions of yen)	March 31, 2001 (In millions of yen)	March 31, 2002 (In millions of dollars)
Deferred Discount on Bonds and Notes	¥ 22	¥ 27	\$ 0
Deferred Bonds and Notes Issuance Costs	-	-	-
	¥ 22	¥ 27	\$ 0

## 9. Allowance for Possible Loan Losses

Allowance for possible loan losses as of March 31, 2002 and 2001 are as follows:

	March 31, 2002 (In millions of yen)	March 31, 2001 (In millions of yen)	March 31, 2002 (In millions of dollars)
General Allowance for Possible Loan Losses	¥ 238,865	¥ 273,633	\$ 1,793
Specific Allowance for Possible Loan Losses	57,819	57,367	434
Allowance for Possible Losses on Specific Overseas Loans	-	-	-
	296,684	331,001	2,227
Allowance for Possible Investment Losses	-	1,721	-
	¥ 296,684	¥ 332,722	\$ 2,227

## 10. Bonds and Notes

Bonds and Notes as of March 31, 2002 and 2001 are as follows:

Description of Bonds and Notes	Issue date	Currency and Amounts (In millions)	Interest Rate(%)	Maturity date	March 31, 2002 (In millions of yen)	March 31, 2001 (In millions of yen)	March 31, 2002 (In millions of dollars)
Overseas Economic Cooperation Fund Bonds guaranteed by Japan 8,9	December 1995- November 1996	JPY 25,000	2.9 ~ 3.0	December 2005- November 2006	¥ 25,000	¥ 25,000	\$ 188
					¥ 25,000	¥ 25,000	\$ 188

Bonds and Notes with redemption of 5 years or less are shown in the following table.

Fiscal	2002	2003	2004	2005	2006
¥	-	-	-	15,000 million	10,000
\$	-	-	-	113 million	75

## 11. Borrowings

Borrowings as of March 31, 2002 and 2001, are as follows:

			March 31, 2002	March 31, 2001	March 31, 2002
	Average interest rate(%)	Due date of repayment	( In millions of yen )	( In millions of yen )	(In millions of dollars)
Long-term borrowings			¥	¥	\$
Borrowings from the Government Fund for Fiscal Investment and Loan Program	3.10	September 2002-December 2016	4,571,520	4,628,958	34,308
Borrowing from the Government Post Office Life Insurance Special Account	2.59		128,310	154,354	963
			¥ 4,699,830	¥ 4,783,312	\$ 35,271

Long-term borrowings with maturities within 5 years outstanding as of March 31, 2002 are as follows:

Fiscal 2002	¥	522,113 million	\$	3,918 million
2003		540,310		4,055
2004		534,348		4,010
2005		512,009		3,842
2006		456,221		3,424

## 12. Miscellaneous Liabilities

Miscellaneous liabilities as of March 31, 2001, are as follows:

- (a) Accrued expenses** "Accrued expenses" includes ¥17,474 million of accrued interest on borrowings and ¥22 million of accrued interest on bonds and notes and others.
- (b) Other liabilities** "Other liabilities" includes ¥1,032 million of suspense receipts and others.

Miscellaneous liabilities as of March 31, 2002, are as follows:

- (a) Accrued expenses** "Accrued expenses" includes ¥17,591 million (\$132 million) of accrued interest on borrowings and ¥22 million (\$0 million) of accrued interest on bonds and notes and others.
- (b) Other liabilities** "Other liabilities" includes ¥1,341 million (\$10 million) of suspense receipts and others.

### 13. Employee Retirement Benefits

JBIC has defined benefit pension plans which consist of welfare pension fund plan and lump-sum severance indemnity plan.

#### (a) The Funded Status of the Pension Plans

Disposition		March 31, 2002	March 31, 2001	March 31, 2002
		(In millions of yen)	(In millions of yen)	(In millions of dollars)
Projected Benefit Obligation	(A)	¥ (7,824)	¥ (7,663)	\$ (59)
Fair Value of Plan Assets	(B)	1,735	1,761	13
Unfunded Pension Obligation	(C)=(A)+(B)	(6,089)	(5,902)	(46)
Unrecognized Net Obligation at Transition	(D)	-	-	-
Unrecognized Net Actuarial Gains/Losses	(E)	-	-	-
Unrecognized Prior Service Cost	(F)	-	-	-
Net Amount Recognized on the Balance Sheet	(G)=(C)+(D)+(E)+(F)	(6,089)	(5,902)	(46)
Prepaid Pension Cost	(H)	-	-	-
Allowance for Employee Retirement Benefits	(G)-(H)	¥ (6,089)	¥ (5,902)	\$ (46)

(Note) The above Projected Benefit Obligations include a portion in which the pension fund acts for the government welfare program

#### (b) Component of Pension Cost

Disposition	March 31, 2002	March 31, 2001	March 31, 2002
	(In millions of yen)	(In millions of yen)	(In millions of dollars)
Service Cost	¥ 425	¥ 397	\$ 3
Interest Cost	190	186	1
Expected Return on Plan Assets	(70)	(74)	(1)
Amortization of Prior Service Cost	-	-	-
Amortization of Net Actuarial Gains/Losses	192	252	1
Amortization of Net Obligation at Transition	-	2,211	-
Other Costs	-	-	-
Net Pension Cost	¥ 737	¥ 2,974	\$ 6

#### (c) Principal Assumptions Used

	March 31, 2002	March 31, 2001
Discount Rate	2.5%	2.5%
Expected Rate of Return on Plan Assets	4.0%	4.0%
Method of Attributing the Projected Benefits to Periods of Services	Straight-line basis	Straight-line basis
Amortization Period of Prior Service Costs	-	-
Amortization Period of Actuarial Gains/Losses	Gains/losses are charged to net income of the year	Gains/losses are charged to net income of the year
Amortization Period of Net Obligation at Transition	-	JBIC charged the entire net obligation to income for the year ended March 31, 2001

## 14. Assets Pledged as Collateral

There were no assets pledged as collateral as of March 31, 2002 and 2001.

## 15. Retained Earnings

Net earnings of the Overseas Economic Cooperation Account were entirely appropriated for reserve of the Overseas Economic Cooperation Account, pursuant to Article 44 of the JBIC Law, the related law and the related cabinet order.

Therefore, losses carried forward to the following fiscal year are simply the sum of "Accumulated deficit at the fiscal year ended March 31, 2002" and statutory appropriation of net earnings as stipulated by the related law of JBIC.

## 16. Leased Transactions

Leased transactions in the fiscal year ended March 31, 2001 are as follows:

- (a) Finance lease transactions, excluding leases where the ownership of the property is deemed to be transferred to the lessee.

Not applicable

- (b) Operating lease transactions:  
• Future Lease Payment Obligations

	<u>Within 1 year</u>	<u>More than 1 year</u>	<u>Total</u>
(In millions of yen)	¥21	¥10	¥32

Leased transactions in the fiscal year ended March 31, 2002 are as follows:

- (a) Finance lease transactions, excluding leases where the ownership of the property is deemed to be transferred to the lessee.

Not applicable

- (b) Operating lease transactions:  
• Future Lease Payment Obligations

	<u>Within 1 year</u>	<u>More than 1 year</u>	<u>Total</u>
(In millions of yen)	¥8	¥3	¥12
(In millions of dollars)	\$ 0	\$0	\$0

## 17. Derivative Transactions

There were no derivative transactions in the fiscal year ended March 31, 2002 and 2001.

## 18. Market Value of Securities

Notes to market value of securities as of March 31, 2002 are as follows:

The followings includes "Securities" and negotiable due from banks in "Cash and Due from Banks"

(a) **Trading Securities**

Not applicable

(b) **Held-to-maturities Debt Securities**

Not applicable

(c) **Available-for-sale Securities with market value**

Not applicable

(d) **Held-to-maturities Debt Securities sold**

Not applicable

(e) **Available-for-sale Securities sold**

Not applicable

**(f) Held-to-maturity Debt Securities and Available-for-sale Securities whose market value is not readily determinable are as follows**

	March 31, 2002 ( In millions of yen )	March 31, 2002 ( In millions of dollars )
	¥	\$
Held-to-maturity Debt Securities	-	-
Unlisted Foreign Securities	-	-
Available-for-sale Securities	122,674	921
Unlisted Japanese Equities other than		
Over-the-counter	119,134	894
Unlisted Foreign Equities	2,844	21
Unlisted Japanese Local Government Bonds	-	-
Unlisted Japanese Corporate Bonds	-	-
Unlisted Foreign bonds	-	-
Other Japanese securities	-	-
Other unlisted foreign securities	695	5
Total	¥ 122,674	\$ 921

**(g) Change of Classification of Securities**

Not applicable

**(h) Redemption Schedule of Available-for-Securities with Maturity**

Not applicable

**(i) Money Held in Trust**

Not applicable

**(j) Net Unrealized Gain (Loss) on Available-for-sale Securities**

Not applicable

Notes to market value of securities as of March 31, 2001 are as follows:

The followings includes "Securities" and negotiable due from banks in "Cash and Due from Banks"

**(a) Trading Securities**

Not applicable

**(b) Held-to-maturities Debt Securities**

Not applicable

**(c) Available-for-sale Securities with market value**

Not applicable

**(d) Held-to-maturities Debt Securities sold**

Not applicable

**(e) Available-for-sale Securities sold**

Not applicable

**(f) Held-to-maturity Debt Securities and Available-for-sale Securities whose market value is not readily determinable are as follows**

	March 31, 2001 ( In millions of yen )
	¥
Held-to-maturity Debt Securities	-
Unlisted Foreign Securities	-
Available-for-sale Securities	180,671
Unlisted Japanese Equities other than	
Over-the-counter	119,894
Unlisted Foreign Equities	2,099
Unlisted Japanese Local Government Bonds	-
Unlisted Japanese Corporate Bonds	-
Unlisted Foreign bonds	-
Other Japanese securities	58,000
Other unlisted foreign securities	677
Total	¥ 180,671

**(g) Change of Classification of Securities**

Not applicable



**(h) Redemption Schedule of Available-for-Securities with Maturity**

March 31, 2001  
(In millions of yen)

Maturities	Within 1 year	1 to 5 years	5 to 10 years	More than 10 years
Japanese Government Bonds	-	-	-	-
Japanese Local Government Bonds	-	-	-	-
Japanese Corporate Bonds	-	-	-	-
Others	58,000	-	-	-
Total	58,000	-	-	-

**(i) Money Held in Trust**

Not applicable

**(j) Net Unrealized Gain (Loss) on Available-for-sale Securities**

Not applicable