

## Summary of the Financial Statements for the First Half of the Fiscal Year 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 first half of FY 2003 (April 1, 2003 - September 30, 2003) and published them in an official gazette on November 28, 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 40.4 billion yen from the International Financial Account (decreased 3.4 billion yen compared with the same period of the previous year), a profit of 88.5 billion yen from the Overseas Economic Cooperation Account (increased 36 billion yen), and a total profit of 128.9 billion yen (increased 32.6 billion yen) in the first half of FY 2003.

As of the end of the first half of FY 2003, the International Financial Account had total assets of 10,598.9 billion yen (decreased 1,187 billion yen compared with the end of the same period of the previous year), total liabilities of 8,934.4 billion yen (decreased 1,213.9 billion yen), and total capital and reserves of 1,664.5 billion yen (increased 26.8 billion yen). The Overseas Economic Cooperation Account had total assets of 11,141.3 billion yen (decreased 245.6 billion yen), total liabilities of 4,468.8 billion yen (decreased 223.6 billion yen), and total capital and reserves of 6,672.5 billion yen (decreased 22.1 billion yen). Overall, the Bank had total assets of 21,740.2 billion yen (decreased 1,432.7 billion yen), total liabilities of 13,403.2 billion yen (decreased 1,437.4 billion yen), and total capital and reserves of 8,337 billion yen (increased 4.8 billion yen). The capital and reserves to total assets ratio for the first half of FY 2003 was 15.7% for the International Financial Account and 59.9% for the Overseas Economic Cooperation Account, resulting in the maintenance of the high level of 38.3% for the Bank.

## 2. Changes in Net Earnings

(Unit: JPY 100 million)

	the first half of FY 2002 (A)	the second half of FY 2002 (B)	the first half of FY 2003(C)	(C) - (A)
The Bank	963	△2,959	1,289	326
International Financial Account	439	166	404	△34
Overseas Economic Cooperation Account	525	△3,125	885	360

## 3. Statement of Earnings

### International Financial Account

(Unit: JPY 100 million)

		the first half of FY 2002 (A)	the second half of FY 2002 (B)	the first half of FY 2003 (C)	(C) - (A)
Ordinary Income	Interest on Loans	1,514	1,345	1,133	△381
	Interest on Loans in Japanese Yen	809	756	640	△168
	Interest on Loans in Foreign Currency	706	589	493	△213
	Guarantee Commissions	14	14	15	1
	Interest on Swaps and Miscellaneous	222	272	305	83
	Interest Received				
	Interest on Deposits in Banks	23	15	9	△14
	Commissions	13	10	10	△4
	Foreign Exchange Gains	21	8	2	△19
	Other Income	6	3	11	4
	Total	1,814	1,667	1,484	△331
Ordinary Expenses	Interest on Borrowings	806	806	647	△159
	Interest on Bonds and Notes	308	235	218	△90
	Interest on Swaps and Miscellaneous	169	125	116	△52
	Interest Payment				
	Administrative Expenses	72	83	75	4
	Depreciation of Premises and Equipment	5	6	5	△1
	Foreign Exchange Losses	10	31	18	9
	Write-off of Loans	-	3	-	-
	Amortization of Deferred Accounts	9	8	8	△2
	Commissions	5	28	8	3
	Other Expenses	1	0	0	△0
	Total	1,384	1,326	1,095	△289
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses		430	341	389	△41
Reversal of Allowance for Possible Loan and Investment Losses		363	355	529	167
Provision of Allowance for Possible Loan and Investment Losses		*1 355	*2 529	*3 514	160
Net Earnings		439	166	404	△34

\*1 Allowance for Possible Loan Losses: 308 (3/1,000 of the loan balance. Article 15, No. 1 of the regulation of Ministry of Finance)  
Specific Allowance for Possible Loan Losses: 46 (300/1,000 of the debts defined in Article 15, No. 2 of the regulation of Ministry of Finance)

\*2 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)

\*3 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)

## Overseas Economic Cooperation Account

(Unit: JPY 100 million)

		the first half of FY 2002 (A)	the second half of FY 2002 (B)	the first half of FY 2003 (C)	(C) - (A)
Ordinary Income	Interest on Loans	1,288	1,267	1,408	121
	Dividends on Investments	7	19	11	4
	Grant from General Account	-	-	150	150
	Interest on Deposits in Banks	0	0	0	△0
	Commissions	2	4	2	0
	Foreign Exchange Gains	0	-	-	△0
	Other Income	2	0	5	3
	Total	1,300	1,290	1,577	277
Ordinary Expenses	Interest on Borrowings	720	674	628	△91
	Interest on Bonds and Notes	4	4	4	-
	Administrative Expenses	43	50	45	2
	Depreciation of Premises and Equipment	2	2	2	△0
	Amortization of Deferred Accounts	0	0	0	-
	Commissions	3	17	5	2
	Foreign Exchange Losses	-	0	-	-
	Loss from Disposal of Investments	-	-	4	4
	Write-off of Loans	-	-	1	1
	Other Expenses	3	0	4	1
Total	775	747	693	△82	
Net Earnings prior to provision for Allowances for Possible Loan and Investment Losses		525	543	884	359
Reversal of Allowance for Possible Loan and Investment Losses		351	351	4,020	3,669
Provision of Allowance for Possible Loan and Investment Losses		*4 351	*5 4,020	*6 4,019	3,668
Net Earnings (△Net Loss)		525	△3,125	885	360

- \*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): 7 (30/1,000 of the loan balance. Article 16, No. 1 of the regulation of Ministry of Finance)  
 Allowance for Possible Investment Losses: 333 (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: 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)
- \*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: 3,658 (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

(Unit: JPY 100 million)

		the first half of FY 2002 (A)	FY 2002 (B)	the first half of FY 2003(C)	(C)-(B)	(C)-(A)
Assets	Loans	102,758	97,607	92,495	△5,112	△10,263
	Loans in Japanese Yen	50,319	47,781	43,887	△3,894	△6,432
	Loans in Foreign Currency	52,440	49,826	48,608	△1,218	△3,831
	Investments	11	11	11	-	-
	Cash and Cash Equivalents	8,155	2,287	4,708	2,421	△3,447
	Accrued Interest Incomes	1,023	926	799	△127	△225
	Miscellaneous Assets	122	158	1,303	1,146	1,181
	Premises and Equipment	211	208	206	△1	△4
	Deferred Charges	36	28	27	△1	△9
	Customer's Liabilities for Acceptance and Guarantee	5,896	6,305	6,953	648	1,056
	Allowance for Possible Loan and Investment Losses	△355	△529	△514	15	△160
		<b>Total</b>	<b>117,859</b>	<b>107,000</b>	<b>105,989</b>	<b>△1,012</b>
Liabilities, Capital & Reserves	Borrowings	72,808	66,070	63,848	△2,222	△8,960
	Bonds and Notes	18,446	16,433	17,435	1,002	△1,011
	Accrued Interest Expenses	834	593	610	17	△224
	Miscellaneous Liabilities	3,498	1,057	498	△559	△3,000
	Acceptances and Guarantee	5,896	6,305	6,953	648	1,056
	(Total liabilities)	101,482	90,457	89,344	△1,113	△12,139
	Capital	9,855	9,855	9,855	-	-
	Reserves	6,083	6,083	6,386	302	302
	Net Earnings	439	605	404	△201	△34
	(Total capital and reserves)	16,377	16,543	16,645	102	268
	<b>Total</b>	<b>117,859</b>	<b>107,000</b>	<b>105,989</b>	<b>△1,012</b>	<b>△11,870</b>

Overseas Economic Cooperation Account

(Unit: JPY 100 million)

		the first half of FY 2002 (A)	FY 2002 (B)	the first half of FY 2003(C)	(C)-(B)	(C)-(A)
Assets	Loans	111,203	112,341	112,741	400	1,538
	ODA Loans	110,954	112,265	112,676	411	1,723
	Private-Sector Investment Finance	249	76	65	△11	△185
	Investments	1,540	1,541	1,539	△2	△1
	Cash and Cash Equivalents	228	595	213	△383	△15
	Accrued Interest Income	1,170	1,280	861	△419	△309
	Miscellaneous Assets	6	6	6	0	△0
	Premises and Equipment	74	73	73	△0	△1
	Deferred Charges	0	0	0	△0	△0
	Allowance for Possible Loan and Investment Losses	△351	△4,020	△4,019	0	△3,668
	<b>Total</b>	<b>113,869</b>	<b>111,817</b>	<b>111,413</b>	<b>△404</b>	<b>△2,456</b>
Liabilities, Capital & Reserves	Borrowings	46,478	46,117	44,244	△1,873	△2,234
	Bonds and Notes	250	250	250	-	-
	Accrued Interest Expenses	178	177	174	△3	△5
	Miscellaneous Liabilities	18	23	20	△3	3
	(Total liabilities)	46,924	46,567	44,688	△1,879	△2,236
	Capital	63,613	65,043	65,633	590	2,020
	Reserves	2,807	2,807	207	△2,601	△2,601
	Net Earnings (△Net Loss)	525	△2,601	885	3,485	360
(Total capital and reserves)	66,945	65,250	66,725	1,475	△221	
	<b>Total</b>	<b>113,869</b>	<b>111,817</b>	<b>111,413</b>	<b>△404</b>	<b>△2,456</b>

The Bank

(Unit: JPY 100 million)

		the first half of FY 2002 (A)	FY 2002 (B)	the first half of FY 2003(C)	(C)-(B)	(C)-(A)
Assets	Loans	213,961	209,948	205,236	△4,712	△8,725
	Investments	1,551	1,553	1,550	△2	△1
	Cash and Cash Equivalents	8,383	2,882	4,921	2,039	△3,462
	Accrued Interest Income	2,194	2,206	1,659	△546	△534
	Miscellaneous Assets	128	163	1,309	1,146	1,181
	Premises and Equipment	285	281	279	△2	△5
	Deferred Charges	36	29	27	△1	△9
	Customer's Liabilities for Acceptance and Guarantee	5,896	6,305	6,953	648	1,056
	Allowance for Possible Loan and Investment Losses	△706	△4,549	△4,534	16	△3,828
Total		231,728	218,817	217,402	△1,416	△14,327
Liabilities, Capital & Reserves	Borrowings	119,286	112,187	108,092	△4,095	△11,194
	Bonds and Notes	18,696	16,683	17,685	1,002	△1,011
	Accrued Interest Expenses	1,012	769	783	14	△229
	Miscellaneous Liabilities	3,516	1,080	518	△561	△2,997
	Acceptances and Guarantees	5,896	6,305	6,953	648	1,056
	(Total liabilities)	148,406	137,024	134,032	△2,992	△14,374
	Capital of the International Financial Account	9,855	9,855	9,855	-	-
	Capital of the Overseas Economic Cooperation Account	63,613	65,043	65,633	590	2,020
	Reserve of the International Financial Account	6,083	6,083	6,386	302	302
	Net Earnings of the International Financial Account	439	605	404	△201	△34
	Reserve of the Overseas Economic Cooperation Account	2,807	2,807	207	△2,601	△2,601
	Net Earnings (△Net Loss) of the Overseas Economic Cooperation Account	525	△2,601	885	3,485	360
	(Total capital and reserves)	83,322	81,793	83,370	1,576	48
Total		231,728	218,817	217,402	△1,416	△14,327

5. Financial Ratios

(Unit: JPY 100 million)

	the first half of FY 2002 (A)	FY 2002 (B)	the first half of FY 2003(C)	(C)-(B)	(C)-(A)
International Financial Account					
Total Assets	117,859	107,000	105,989	△1,012	△11,870
Total Capital and Reserves	16,377	16,543	16,645	102	268
Total Capital and Reserves / Total Assets	13.90%	15.46%	15.70%	0.24%	1.81%
Overseas Economic Cooperation Account					
Total Assets	113,869	111,817	111,413	△404	△2,456
Total Capital and Reserves	66,945	65,250	66,725	1,475	△221
Total Capital and Reserves / Total Assets	58.79%	58.35%	59.89%	1.54%	1.10%
The Bank					
Total Assets	231,728	218,817	217,402	△1,416	△14,327
Total Capital and Reserves	83,322	81,793	83,370	1,576	48
Total Capital and Reserves / Total Assets	35.96%	37.38%	38.35%	0.97%	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)	the first half of FY 2003 (B)	(B)-(A)
Loans Past Due - ①	1,133	1,892	758
Total Loans - ②	97,607	92,495	△5,112
① / ② (%)	1.16%	2.05%	0.88%

(Note) The loans excluded from the Loans Past Due due to debt relief agreement established in Paris Club were 342 billion yen and 65.1 billion yen as of the end of FY 2002 and the first half of FY 2003, respectively.

### Overseas Economic Cooperation Account

(Unit: JPY 100 million)

	FY 2002 (A)	the first half of FY 2003 (B)	(B)-(A)
Loans Past Due - ①	3,872	3,825	△47
Total Loans - ②	112,341	112,741	400
① / ② (%)	3.45%	3.39%	△0.05%

(Note) The loans excluded from the Loans Past Due due to debt relief agreement established in Paris Club were 1,550 billion yen and 268 billion yen as of the end of FY 2002 and the first half of FY 2003, respectively.