

# Japan Bank for International Cooperation

## Summary of the Financial Statements for the Fiscal Year ending March 2005 (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 2004 (April 1, 2004 – March 31, 2005) and published them in an official gazette on June 30, 2005. 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 65.8 billion yen from the International Financial Account (decreased 9.6 billion yen from the previous fiscal year), a profit of 25.8 billion yen from the Overseas Economic Cooperation Account (decreased 39.0 billion yen from the previous fiscal year), and a total profit of 91.6 billion yen (decreased 48.6 billion yen from the previous fiscal year) in FY 2004.

As of the end of FY 2004, the International Financial Account had total assets of 9,779.5 billion yen (decreased 363.9 billion yen from the end of the previous fiscal year), total liabilities of 8,052.0 billion yen (decreased 392.0 billion yen from the end of the previous fiscal year), and total capital and reserves of 1,727.5 billion yen (increased 28.1 billion yen from the end of the previous fiscal year). The Overseas Economic Cooperation Account had total assets of 11,245.1 billion yen (increased 44.2 billion yen from the end of the previous fiscal year), total liabilities of 4,242.5 billion yen (decreased 168.3 billion yen from the end of the previous fiscal year), and total capital and reserves of 7,002.6 billion yen (increased 212.4 billion yen from the end of the previous fiscal year). Overall, the Bank had total assets of 21,024.6 billion yen (decreased 319.7 billion yen from the end of the previous fiscal year), total liabilities of 12,294.5 billion yen (decreased 560.3 billion yen from the end of the previous fiscal year), and total capital and reserves of 8,730.1 billion yen (increased 240.5 billion yen from the end of the previous fiscal year). The capital and reserves to total assets ratio for FY 2004 was 17.7% for the International Financial Account and 62.3% for the Overseas Economic Cooperation Account, resulting in the maintenance of the high level of 41.5% for the Bank.

## 2. Changes in Net Earnings

(Unit: hundred millions of yen)

	FY2003	FY2004	Increase△Decrease FY2004 △ FY2003
The Bank	1,402	916	△ 486
International Financial Account	754	658	△ 96
Overseas Economic Cooperation Account	648	258	△ 390

## 3. Statement of Earnings

### International Financial Account

(Unit: hundred millions of yen)

	FY2003	FY2004	Increase△Decrease FY2004△FY2003
Ordinary Income			
Interest on Loans	2,189	2,130	△ 58
Interest on Loans in Japanese Yen	1,229	1,013	△ 216
Interest on Loans in Foreign Currency	960	1,117	157
Guarantee Commissions	31	39	8
Interest on Swaps and Miscellaneous Interest Received	627	599	△ 28
Interest on Deposits in Banks	17	25	8
Commissions	18	13	△ 5
Foreign Exchange Gains	8	16	8
Other Income	24	11	△ 13
Total	2,913	2,834	△ 80
Ordinary Expenses			
Interest on Borrowings	1,233	1,174	△ 59
Interest on Bonds and Notes	424	443	19
Interest on Swaps and Miscellaneous Interest Payment	238	287	49
Administrative Expenses	153	152	△ 0
Depreciation of Premises and Equipment	10	9	△ 1
Loss from Disposal of Investments	11	-	△ 11
Foreign Exchange Losses	51	58	7
Write-off of Loans	24	25	2
Amortization of Deferred Accounts	15	17	2
Commissions	36	36	△ 0
Other Expenses	9	0	△ 9
Total	2,204	2,201	△ 3
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses	710	633	△ 77
Reversal of Allowance for Possible Loan and Investment Losses	529	486	△ 44
Provision of Allowance for Possible Loan and Investment Losses	*1 486	*2 461	△ 25
Net Earnings	754	658	△ 96

- \*1 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)
- \*2 Allowance for Possible Loan Losses : 255 (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)
- 164 (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: hundred millions of yen)

		FY2003	FY2004	Increase△Decrease FY2004-FY2003
Ordinary Income	Interest on Loans	2,690	2,597	△ 94
	Dividends on Investments	23	35	11
	Grant from General Account	300	300	-
	Interest on Deposits in Banks	0	-	△ 0
	Commissions	6	7	1
	Other Income	6	3	△ 2
	Total	3,026	2,941	△ 84
Ordinary Expenses	Interest on Borrowings	1,211	1,032	△ 179
	Interest on Bonds and Notes	7	7	-
	Administrative Expenses	92	92	△ 0
	Depreciation of Premises and Equipment	4	4	△ 0
	Amortization of Deferred Accounts	0	0	-
	Commissions	22	22	△ 0
	Loss from Disposal of Investments	4	-	△ 4
	Write-off of Loans	1,031	1,467	435
	Other Expenses	7	48	41
Total	2,379	2,672	293	
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses		647	270	△ 377
Reversal of Allowance for Possible Loan and Investment Losses		4,020	4,018	△ 1
Provision of Allowance for Possible Loan and Investment Losses		*3 4,018	*4 4,029	11
Net Earnings		648	258	△ 390

- \*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 : 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 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) : 1 (30/1,000 of the loan balance. Article 16, No. 1 of the regulation of Ministry of Finance)
- Specific Allowance for Possible Loan Losses : 3,654 (Full amount of the debts defined in Article 16, No. 3 of the regulation of Ministry of Finance)
- Allowance for Possible Investment Losses : 363 (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: hundred millions of yen)

		FY 2003	FY 2004	Increase Δ/Decrease FY2004-FY2003
Assets	Loans	90,870	84,998	△ 5,872
	Loans in Japanese Yen	42,818	38,694	△ 4,125
	Loans in Foreign Currency	48,051	46,304	△ 1,748
	Investments	-	1	1
	Cash and Cash Equivalents	1,852	1,053	△ 798
	Accrued Interest Incomes	689	628	△ 60
	Miscellaneous Assets	820	2,310	1,490
	Premises and Equipment	202	195	△ 8
	Deferred Charges	29	36	6
	Customer's liabilities for Acceptance and Guarantee	7,457	9,035	1,577
	Allowance for Possible Loan and Investment Losses	△ 486	△ 461	25
	Total		101,434	97,795
Liabilities, Capital & Reserves	Long-term Borrowings	60,270	53,593	△ 6,677
	Bonds and Notes, including Borrowings Due within One Year	16,163	17,345	1,182
	Accrued Interest Expenses	511	480	△ 31
	Miscellaneous Liabilities	38	68	30
	Acceptances and Guarantee	7,457	9,035	1,577
	(Total liabilities)	84,440	80,520	△ 3,920
	Capital	9,855	9,855	-
	Reserves	6,386	6,763	377
	Net Earnings	754	658	△ 96
	(Total capital and reserves)	16,994	17,275	281
Total		101,434	97,795	△ 3,639

## Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		FY 2003	FY 2004	Increase Δ/Decrease FY2004-FY2003
Assets	Loans	113,257	113,405	148
	ODA Loans	113,198	113,359	161
	Private-Sector Investment Finance	58	46	△ 13
	Investments	1,533	1,551	17
	Cash and Cash Equivalents	347	637	290
	Accrued Interest Income	813	813	1
	Miscellaneous Assets	6	5	△ 0
	Premises and Equipment	72	69	△ 3
	Deferred Charges	0	0	△ 0
	Allowance for Possible Loan and Investment Losses	△ 4,018	△ 4,029	△ 11
Total		112,009	112,451	442
Liabilities, Capital & Reserves	Long-term Borrowings including Borrowings Due within One Year	43,659	42,005	△ 1,654
	Bonds and Notes	250	250	-
	Accrued Interest Expenses	172	164	△ 8
	Miscellaneous Liabilities	27	7	△ 20
	(Total liabilities)	44,108	42,425	△ 1,683
	Capital	67,046	68,912	1,866
	Reserves	207	855	648
	Net Earnings	648	258	△ 390
(Total capital and reserves)	67,901	70,026	2,124	
Total		112,009	112,451	442

The Bank Account

(Unit: hundred millions of yen)

		FY 2003	FY 2004	Increase△Decrease FY2004-FY2003
Assets	Loans	204,126	198,403	△ 5,724
	Investments	1,533	1,552	18
	Cash and Cash Equivalents	2,199	1,690	△ 508
	Accrued Interest Income	1,501	1,442	△ 60
	Miscellaneous Assets	826	2,316	1,490
	Premises and Equipment	274	264	△ 11
	Deferred Charges	29	36	6
	Customer's Liabilities for Acceptance and Guarantee	7,457	9,035	1,577
	Allowance for Possible Loan and Investment Losses	△ 4,504	△ 4,490	14
	Total		213,443	210,246
Liabilities, Capital & Reserves	Long-term Borrowings	103,929	95,597	△ 8,332
	Bonds and Notes, including Borrowings Due within One Year	16,413	17,595	1,182
	Accrued Interest Expenses	683	644	△ 40
	Miscellaneous Liabilities	65	74	10
	Acceptances and Guarantees	7,457	9,035	1,577
	(Total liabilities)	128,547	122,945	△ 5,603
	Capital of the International Financial Account	9,855	9,855	-
	Capital of the Overseas Economic Cooperation Account	67,046	68,912	1,866
	Reserve of the International Financial Account	6,386	6,763	377
	Net Earnings of the International Financial Account	754	658	△ 96
	Reserve of the Overseas Economic Cooperation Account	207	855	648
	Net Earnings of the Overseas Economic Cooperation Account	648	258	△ 390
	(Total capital and reserves)	84,896	87,301	2,405
Total		213,443	210,246	△ 3,197

(Unit: hundred millions of yen)

		FY 2003	FY 2004	Increase△Decrease FY2004-FY2003
International Financial Account				
Total Assets		101,434	97,795	△ 3,639
Total Capital and Reserves		16,994	17,275	281
Total Capital and Reserves / Total Assets		16.75%	17.66%	0.91%
Overseas Economic Cooperation Account				
Total Assets		112,009	112,451	442
Total Capital and Reserves		67,901	70,026	2,124
Total Capital and Reserves / Total Assets		60.62%	62.27%	1.65%
The Bank				
Total Assets		213,443	210,246	△ 3,197
Total Capital and Reserves		84,896	87,301	2,405
Total Capital and Reserves / Total Assets		39.77%	41.52%	1.75%

## 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: hundred millions of yen)

	FY 2003 (A)	FY 2004 (B)	(B)-(A)
Loans Past Due - 1	1,874	1,426	△ 448
Loans - 2	90,870	84,998	△ 5,872
1 / 2 (%)	2.06%	1.68%	△ 0.38%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 11.2 billion yen and 55.8 billion yen as of the end of FY 2003 and FY 2004, 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 FY 2003 and FY 2004, respectively.

Overseas Economic Cooperation Account (Unit: hundred millions of yen)

	FY 2003 (A)	FY 2004 (B)	(B)-(A)
Loans Past Due - 1	3,595	3,738	143
Loans - 2	113,257	113,405	148
1 / 2 (%)	3.17%	3.30%	0.13%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 21.2 billion yen and 95.5 billion yen as of the end of FY 2003 and FY 2004, respectively. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government was 208.7 billion yen and 88.3 billion yen as of the end of FY 2003 and FY 2004, respectively.