

# Summary of the Financial Statements for the First Half of the Fiscal Year 2005 (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 2005 (April 1, 2005 - September 30, 2005) and published them in an official gazette on November 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 28.2 billion yen from the International Financial Account (decreased 7.3 billion yen compared with the same period of the previous fiscal year), a profit of 70.6 billion yen from the Overseas Economic Cooperation Account (increased 14.2 billion yen), and a total profit of 98.8 billion yen (increased 6.9 billion yen) in the first half of FY 2005.

As of the end of the first half of FY 2005, the International Financial Account had total assets of 9,647.5 billion yen (decreased 132.0 billion yen compared with the end of the previous fiscal year), total liabilities of 7,924.7 billion yen (decreased 127.3 billion yen), and total capital and reserves of 1,722.8 billion yen (decreased 4.7 billion yen). The Overseas Economic Cooperation Account had total assets of 11,197 billion yen (decreased 48.1 billion yen), total liabilities of 4,066.9 billion yen (decreased 175.6 billion yen), and total capital and reserves of 7,130.1 billion yen (increased 127.5 billion yen). Overall, the Bank had total assets of 20,844.5 billion yen (decreased 180.1 billion yen), total liabilities of 11,991.6 billion yen (decreased 302.9 billion yen), and total capital and reserves of 8,852.9 billion yen (increased 122.8 billion yen).

## 2. Statement of Earnings

### The Bank

(Unit: hundred millions of yen)

	the first half of FY 2004 (A)	the second half of FY 2004 (B)	the first half of FY 2005 (C)	(C)-(A)
The Bank	919	△ 3	988	69
International Financial Account	355	303	282	△ 73
Overseas Economic Cooperation Account	564	△ 306	706	142

### International Financial Account

(Unit: hundred millions of yen)

	the first half of FY 2004 (A)	the second half of FY 2004 (B)	the first half of FY 2005 (C)	(C)-(A)
Ordinary Income	1,013	1,117	1,561	547
Interest on Loans	526	487	760	234
Interest on Loans in Japanese Yen	487	629	800	313
Interest on Loans in Foreign Currency	19	20	19	△ 0
Guarantee Commissions	-	-	0	0
Interest on Securities	313	286	128	△ 186
Interest on Swaps and Miscellaneous Interest Received	7	18	15	8
Interest on Deposits in Banks	7	6	8	1
Commissions	8	9	27	19
Foreign Exchange Gains	8	3	18	10
Other Income				
Total	1,376	1,458	1,775	400
Ordinary Expenses	544	629	458	△ 87
Interest on Borrowings	204	240	250	46
Interest on Bonds and Notes	136	151	280	144
Interest on Swaps and Miscellaneous Interest Payment	75	78	68	△ 7
Administrative Expenses	4	4	4	△ 1
Depreciation of Premises and Equipment	46	12	38	△ 8
Foreign Exchange Losses	7	18	9	2
Write-off of Loans	9	8	7	△ 2
Amortization of Deferred Accounts	13	23	8	△ 5
Commissions	0	0	1	1
Other Expenses				
Total	1,038	1,163	1,123	85
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses	338	295	652	315
Reversal of Allowance for Possible Loan and Investment Losses	486	468	461	△ 25
Provision of Allowance for Possible Loan and Investment Losses	*1 468	*2 461	*3 831	363
Net Earnings	355	303	282	△ 73

- \*1 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)
- \*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)
- \*3 Allowance for Possible Loan Losses: 237 (3/1,000 of the loan balance. Article 15, No. 1 of the regulation of Ministry of Finance)  
 Specific Allowance for Possible Loan Losses: 337 (Full amount of the debts defined in Article 15, No. 3, No. 4 or No. 5 of the regulation of Ministry of Finance)  
 257 (Full amount of the debts defined in Article 15, No. 6 of the regulation of Ministry of Finance)

## Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		the first half of FY 2004 (A)	the second half of FY 2004 (B)	the first half of FY 2005 (C)	(C)-(A)
Ordinary Income	Interest on Loans	1,235	1,362	1,222	△ 12
	Dividends on Investments	15	20	33	18
	Grant from General Account	150	150	150	-
	Interest on Deposits in Banks	-	-	0	0
	Miscellaneous Interest Received	0	0	0	0
	Commissions	2	5	2	0
	Other Income	3	0	3	△ 0
	Total	1,404	1,537	1,411	6
Ordinary Expenses	Interest on Borrowings	537	495	464	△ 73
	Interest on Bonds and Notes	4	4	4	-
	Miscellaneous Interest Payment	-	4	-	-
	Administrative Expenses	45	47	41	△ 4
	Depreciation of Premises and Equipment	2	2	2	△ 0
	Amortization of Deferred Accounts	0	0	0	-
	Commissions	8	14	7	△ 1
	Loss from Disposal of Investments	-	-	17	17
	Write-off of Loans	234	1,232	159	△ 75
	Other Expenses	0	44	6	6
Total	830	1,842	699	△ 131	
Net Earnings prior to provision for Allowances for Possible Loan and Investment Losses		574	△ 305	712	137
Reversal of Allowance for Possible Loan and Investment Losses		4,018	4,029	4,029	11
Provision of Allowance for Possible Loan and Investment Losses		*4 4,029	*5 4,029	*6 4,035	7
Net Earnings (△Net Loss)		564	△ 306	706	142

- \*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: 3,656 (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)
- \*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): 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)
- \*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): 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: 3,650 (Full amount of the debts defined in Article 16, No. 3 of the regulation of Ministry of Finance)  
Allowance for Possible Investment Losses: 372 (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: hundred millions of yen)

		the first half of FY 2004 (A)	FY 2004 (B)	the first half of FY 2005 (C)	(C)-(B)
Assets	Loans	86,315	84,998	79,036	△ 5,962
	Loans in Japanese Yen	40,313	38,694	35,928	△ 2,766
	Loans in Foreign Currency	46,003	46,304	43,108	△ 3,196
	Investments	0	1	2	1
	Securities	-	-	102	102
	Cash and Cash Equivalents	4,128	1,053	4,313	3,260
	Accrued Interest Incomes	693	628	721	92
	Miscellaneous Assets	2,613	2,310	3,340	1,030
	Premises and Equipment	198	195	192	△ 2
	Deferred Charges	38	36	35	△ 1
	Customers' Liabilities for Acceptance and Guarantee	8,378	9,035	9,565	530
	Allowance for Possible Loan and Investment Losses	△ 486	△ 461	△ 831	△ 370
Total		101,894	97,795	96,475	△ 1,320
Liabilities, Capital & Reserves	Long-term Borrowings including Borrowings Due within One Year	57,613	53,593	52,154	△ 1,438
	Bonds and Notes, including Borrowings Due within One Year	18,353	17,345	16,875	△ 470
	Accrued Interest Expenses	528	480	594	115
	Miscellaneous Liabilities	50	68	58	△ 9
	Acceptances and Guarantee	8,378	9,035	9,565	530
	(Total liabilities)	84,922	80,520	79,247	△ 1,273
	Capital	9,855	9,855	9,855	-
	Reserves	6,763	6,763	7,091	329
	Net Earnings	355	658	282	△ 376
	(Total capital and reserves)	16,972	17,275	17,228	△ 47
Total		101,894	97,795	96,475	△ 1,320

#### Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		the first half of FY 2004 (A)	FY 2004 (B)	the first half of FY 2005 (C)	(C)-(B)
Assets	Loans	113,018	113,405	113,165	△ 240
	ODA Loans	112,966	113,359	113,122	△ 237
	Private-Sector Investment Finance	52	46	44	△ 2
	Investments	1,527	1,551	1,528	△ 23
	Cash and Cash Equivalents	310	637	126	△ 511
	Accrued Interest Income	753	813	1,112	299
	Miscellaneous Assets	6	5	6	0
	Premises and Equipment	70	69	68	△ 1
	Deferred Charges	0	0	0	△ 0
	Allowance for Possible Loan and Investment Losses	△ 4,029	△ 4,029	△ 4,035	△ 6
Total		111,656	112,451	111,970	△ 481
Liabilities, Capital & Reserves	Long-term Borrowings including Borrowings Due within One Year	42,166	42,005	40,251	△ 1,753
	Bonds and Notes, including Borrowings Due within One Year	250	250	250	-
	Accrued Interest Expenses	167	164	163	△ 1
	Miscellaneous Liabilities	23	7	5	△ 1
	(Total liabilities)	42,606	42,425	40,669	△ 1,756
	Capital	67,631	68,912	69,481	569
	Reserves	855	855	1,113	258
	Net Earnings	564	258	706	448
	(Total capital and reserves)	69,050	70,026	71,301	1,275
Total		111,656	112,451	111,970	△ 481

The Bank

(Unit: hundred millions of yen)

		the first half of FY 2004 (A)	FY 2004 (B)	the first half of FY 2005 (C)	(C)-(B)	
Assets	Loans	199,334	198,403	192,201	△ 6,202	
	Investments	1,527	1,552	1,530	△ 22	
	Securities	-	-	102	102	
	Cash and Cash Equivalents	4,438	1,690	4,439	2,749	
	Accrued Interest Income	1,446	1,442	1,833	391	
	Miscellaneous Assets	2,619	2,316	3,346	1,030	
	Premises and Equipment	268	264	261	△ 3	
	Deferred Charges	38	36	35	△ 1	
	Customers' Liabilities for Acceptance and Guarantee	8,378	9,035	9,565	530	
	Allowance for Possible Loan and Investment Losses	△ 4,497	△ 4,490	△ 4,866	△ 376	
	Total		213,551	210,246	208,445	△ 1,801
Liabilities, Capital & Reserves	Long-term Borrowings including Borrowings Due within One Year	99,778	95,597	92,405	△ 3,192	
	Bonds and Notes, including Borrowings Due within One Year	18,603	17,595	17,125	△ 470	
	Accrued Interest Expenses	696	644	757	114	
	Miscellaneous Liabilities	73	74	64	△ 11	
	Acceptances and Guarantee	8,378	9,035	9,565	530	
	(Total liabilities)	127,528	122,945	119,916	△ 3,029	
	Capital of the International Financial Account	9,855	9,855	9,855	-	
	Capital of the Overseas Economic Cooperation Account	67,631	68,912	69,481	569	
	Reserve of the International Financial Account	6,763	6,763	7,091	329	
	Net Earnings of the International Financial Account	355	658	282	△ 376	
	Reserve of the Overseas Economic Cooperation Account	855	855	1,113	258	
	Net Earnings of the Overseas Economic Cooperation Account	564	258	706	448	
	(Total capital and reserves)	86,023	87,301	88,529	1,228	
	Total		213,551	210,246	208,445	△ 1,801

(Unit: hundred millions of yen)

		the first half of FY 2004 (A)	FY 2004 (B)	the first half of FY 2005 (C)	(C)-(B)
International Financial Account					
Total Assets		101,894	97,795	96,475	△ 1,320
Total Capital and Reserves		16,972	17,275	17,228	△ 47
Total Capital and Reserves / Total Assets		16.66%	17.66%	17.86%	0.20%
Overseas Economic Cooperation Account					
Total Assets		111,656	112,451	111,970	△ 481
Total Capital and Reserves		69,050	70,026	71,301	1,275
Total Capital and Reserves / Total Assets		61.84%	62.27%	63.68%	1.41%
The Bank					
Total Assets		213,551	210,246	208,445	△ 1,801
Total Capital and Reserves		86,023	87,301	88,529	1,228
Total Capital and Reserves / Total Assets		40.28%	41.52%	42.47%	0.95%

#### 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 2004 (A)	the first half of FY 2005 (B)	(B)-(A)
Loans Past Due - 1	1,426	1,482	56
Loans - 2	84,998	79,036	△ 5,962
1 / 2 (%)	1.68%	1.88%	0.20%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club is 48.7 billion yen as of the end of the half of FY 2005. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government is 1.1 billion yen as of the end of the half of FY 2005.

##### Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

	FY 2004 (A)	the first half of FY 2005 (B)	(B)-(A)
Loans Past Due - 1	3,738	3,781	43
Loans - 2	113,405	113,165	△ 240
1 / 2 (%)	3.30%	3.34%	0.05%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club is 485.6 billion yen as of the end of the half of FY 2005. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government is 39.5 billion yen as of the end of the half of FY 2005.