

Japan Bank for International Cooperation

Summary of the Financial Statements for the Fiscal Year ending March 2006 (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 2005 (April 1, 2005 – March 31, 2006) and published them in an official gazette on June 30, 2006. 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 72.2 billion yen from the International Financial Account (increased 6.4 billion yen from the previous fiscal year), a profit of 54.7 billion yen from the Overseas Economic Cooperation Account (increased 28.9 billion yen from the previous fiscal year), and a total profit of 126.9 billion yen (increased 35.3 billion yen from the previous fiscal year) in FY 2005.

As of the end of FY 2005, the International Financial Account had total assets of 9,782.6 billion yen (increased 3.1 billion yen from the end of the previous fiscal year), total liabilities of 8,015.8 billion yen (decreased 36.2 billion yen from the end of the previous fiscal year), and total capital and reserves of 1,766.8 billion yen (increased 39.3 billion yen from the end of the previous fiscal year). The Overseas Economic Cooperation Account had total assets of 11,278.9 billion yen (increased 33.8 billion yen from the end of the previous fiscal year), total liabilities of 4,047.2 billion yen (decreased 195.3 billion yen from the end of the previous fiscal year), and total capital and reserves of 7,231.7 billion yen (increased 229.1 billion yen from the end of the previous fiscal year). Overall, the Bank had total assets of 21,061.5 billion yen (increased 36.9 billion yen from the end of the previous fiscal year), total liabilities of 12,063.0 billion yen (decreased 231.5 billion yen from the end of the previous fiscal year), and total capital and reserves of 8,998.5 billion yen (increased 268.4 billion yen from the end of the previous fiscal year).

2. Statement of Earnings

The Bank

(Unit: hundred millions of yen)

	FY2004	FY2005	Increase Decrease FY2005-FY2004
The Bank	916	1,269	353
International Financial Account	658	722	64
Overseas Economic Cooperation Account	258	547	289

International Financial Account

(Unit: hundred millions of yen)

	FY2004	FY2005	Increase Decrease FY2005-FY2004
Ordinary Income			
Interest on Loans	2,130	3,200	1,070
Interest on Loans in Japanese Yen	1,013	1,417	403
Interest on Loans in Foreign Currency	1,117	1,784	667
Guarantee Commissions	39	39	0
Interest on Securities	-	0	0
Interest on Deposits in Banks	25	59	34
Interest on Swaps and Miscellaneous Interest Received	599	199	400
Commissions	13	16	3
Foreign Exchange Gains	16	63	47
Other Income	11	28	17
Total	2,834	3,605	771
Ordinary Expenses			
Interest on Borrowings	1,174	914	260
Interest on Bonds and Notes	443	541	98
Interest on Swaps and Miscellaneous Interest Payment	287	718	431
Administrative Expenses	152	148	4
Depreciation of Premises and Equipment	9	8	1
Commissions	36	30	6
Foreign Exchange Losses	58	54	3
Write-off of Loans	25	357	332
Amortization of Deferred Accounts	17	16	1
Other Expenses	0	8	7
Total	2,201	2,794	593
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses	633	811	178
Reversal of Allowance for Possible Loan and Investment Losses	486	461	25
Provision of Allowance for Possible Loan and Investment Losses	*1 461	*2 550	89
Net Earnings	658	722	64

- *1 Allowance for Possible Loan Losses : 255 (Article 15, No. 1 of the regulation of Ministry of Finance)
 Specific Allowance for Possible Loan Losses : 42 (Article 15, No. 2 of the regulation of Ministry of Finance)
 164 (Article 15, No. 3, No. 4 or No. 5 of the regulation of Ministry of Finance)
- *2 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. 3, No. 4 or No. 5 of the regulation of Ministry of Finance)
 157 (Article 15, No. 6 of the regulation of Ministry of Finance)

Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		FY2004	FY2005	Increase Decrease FY2005-FY2004
Ordinary Income	Interest on Loans	2,597	2,483	113
	Dividends on Investments	35	57	22
	Grant from General Account	300	300	-
	Interest on Deposits in Banks	-	0	0
	Commissions	7	7	0
	Foreign Exchange Gains	-	0	0
	Other Income	3	3	0
	Total	2,941	2,850	91
Ordinary Expenses	Interest on Borrowings	1,032	890	142
	Interest on Bonds and Notes	7	6	1
	Administrative Expenses	92	89	2
	Depreciation of Premises and Equipment	4	3	0
	Commissions	22	28	6
	Loss from Disposal of Investments	-	17	17
	Write-off of Loans	1,467	1,275	192
	Amortization of Deferred Accounts	0	0	-
	Other Expenses	48	8	40
Total	2,672	2,317	355	
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses		270	534	264
Reversal of Allowance for Possible Loan and Investment Losses		4,018	4,029	11
Provision of Allowance for Possible Loan and Investment Losses		*3 4,029	*4 4,016	14
Net Earnings		258	547	289

- *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 : 3,654 (Article 16, No. 3 of the regulation of Ministry of Finance)
 Allowance for Possible Investment Losses : 363 (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 : 3,647 (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)

3. Balance Sheets

International Financial Account

(Unit: hundred millions of yen)

		FY 2004	FY 2005	Increase Decrease FY2005-FY2004
Assets	Loans	84,998	79,006	5,992
	Loans in Japanese Yen	38,694	33,046	5,648
	Loans in Foreign Currency	46,304	45,960	344
	Investments	1	4	3
	Securities	-	102	102
	Cash and Cash Equivalents	1,053	6,281	5,228
	Accrued Interest Incomes	628	715	86
	Miscellaneous Assets	2,310	1,486	824
	Premises and Equipment	195	191	3
	Deferred Charges	36	40	5
	Customer's liabilities for Acceptance and Guarantee	9,035	10,551	1,516
	Allowance for Possible Loan and Investment Losses	461	550	89
		Total	97,795	97,826
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	53,593	49,066	4,527
	Bonds and Notes, including Borrowings Due within One Year	17,345	19,814	2,469
	Accrued Interest Expenses	480	659	180
	Miscellaneous Liabilities	68	68	0
	Acceptances and Guarantee	9,035	10,551	1,516
	(Total liabilities)	80,520	80,158	362
	Capital	9,855	9,855	-
	Reserves	6,763	7,091	329
	Net Earnings	658	722	64
	(Total capital and reserves)	17,275	17,668	393
		Total	97,795	97,826

Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		FY 2004	FY 2005	Increase Decrease FY2005-FY2004
Assets	Loans	113,405	114,289	884
	ODA Loans	113,359	114,247	888
	Private-Sector Investment Finance	46	42	4
	Investments	1,551	1,528	23
	Cash and Cash Equivalents	637	184	453
	Accrued Interest Income	813	729	85
	Miscellaneous Assets	5	6	1
	Premises and Equipment	69	68	1
	Deferred Charges	0	-	0
	Allowance for Possible Loan and Investment Losses	4,029	4,016	14
		Total	112,451	112,789
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	42,005	40,202	1,802
	Bonds and Notes, including Borrowings Due within One Year	250	100	150
	Accrued Interest Expenses	164	159	4
	Miscellaneous Liabilities	7	10	4
	(Total liabilities)	42,425	40,472	1,953
	Capital	68,912	70,656	1,744
	Reserves	855	1,113	258
	Net Earnings	258	547	289
	(Total capital and reserves)	70,026	72,317	2,291
		Total	112,451	112,789

The Bank Account

(Unit: hundred millions of yen)

		FY 2004	FY 2005	Increase Decrease FY2005-FY2004
Assets	Loans	198,403	193,295	5,108
	Investments	1,552	1,532	20
	Securities	-	102	102
	Cash and Cash Equivalents	1,690	6,466	4,775
	Accrued Interest Income	1,442	1,443	2
	Miscellaneous Assets	2,316	1,492	823
	Premises and Equipment	264	260	4
	Deferred Charges	36	40	5
	Customer's Liabilities for Acceptance and Guarantee	9,035	10,551	1,516
	Allowance for Possible Loan and Investment Losses	4,490	4,566	76
	Total		210,246	210,615
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	95,597	89,268	6,329
	Bonds and Notes, including Borrowings Due within One Year	17,595	19,914	2,319
	Accrued Interest Expenses	644	819	175
	Miscellaneous Liabilities	74	78	4
	Acceptances and Guarantees	9,035	10,551	1,516
	(Total liabilities)	122,945	120,630	2,315
	Capital of the International Financial Account	9,855	9,855	-
	Capital of the Overseas Economic Cooperation Account	68,912	70,656	1,744
	Reserve of the International Financial Account	6,763	7,091	329
	Net Earnings of the International Financial Account	658	722	64
	Reserve of the Overseas Economic Cooperation Account	855	1,113	258
	Net Earnings of the Overseas Economic Cooperation Account	258	547	289
	(Total capital and reserves)	87,301	89,985	2,684
	Total		210,246	210,615

(Unit: hundred millions of yen)

		FY 2004	FY 2005	Increase Decrease FY2005-FY2004
International Financial Account				
Total Assets		97,795	97,826	31
Total Capital and Reserves		17,275	17,668	393
Total Capital and Reserves / Total Assets		17.66%	18.06%	0.40%
Overseas Economic Cooperation Account				
Total Assets		112,451	112,789	338
Total Capital and Reserves		70,026	72,317	2,291
Total Capital and Reserves / Total Assets		62.27%	64.12%	1.84%
The Bank				
Total Assets		210,246	210,615	369
Total Capital and Reserves		87,301	89,985	2,684
Total Capital and Reserves / Total Assets		41.52%	42.73%	1.20%

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)	FY 2005 (B)	Increase Decrease (B)-(A)
Loans Past Due - 1	1,426	972	454
Loans - 2	84,998	79,006	5,992
1 / 2 (%)	1.68%	1.23%	0.45%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 55.8 billion yen and 43.1billion yen as of the end of FY 2004 and FY 2005, 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 2004.

Overseas Economic Cooperation Account		(Unit: hundred millions of yen)	
	FY 2004 (A)	FY 2005 (B)	Increase Decrease (B)-(A)
Loans Past Due - 1	3,738	3,332	406
Loans - 2	113,405	114,289	884
1 / 2 (%)	3.30%	2.92%	0.38%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 95.5 billion yen and 114.8 billion yen as of the end of FY 2004 and FY 2005, respectively. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government was 88.3 billion yen and 8.4 billion yen as of the end of FY 2004 and FY 2005, respectively.