

Summary of the Financial Statements for the First Half of the Fiscal Year 2007 (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 2007 (April 1, 2007 - September 30, 2007) and published them in an official gazette on November 30, 2007. 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 31.5 billion yen from the International Financial Account (decreased 13.2 billion yen compared with the same period of the previous fiscal year), a profit of 98.9 billion yen from the Overseas Economic Cooperation Account (increased 5.6 billion yen), and a total profit of 130.3 billion yen (decreased 7.6 billion yen) in the first half of FY 2007.

As of the end of the first half of FY 2007, the International Financial Account had total assets of 9,879.9 billion yen (increased 211.4 billion yen compared with the end of the previous fiscal year), total liabilities of 8,082.5 billion yen (increased 215.0 billion yen), and total capital and reserves of 1,797.4 billion yen (decreased 3.6 billion yen). The Overseas Economic Cooperation Account had total assets of 11,205.6 billion yen (decreased 59.9 billion yen), total liabilities of 3,569.8 billion yen (decreased 158.7 billion yen), and total capital and reserves of 7,635.8 billion yen (increased 98.9 billion yen). Overall, the Bank had total assets of 21,085.5 billion yen (increased 151.5 billion yen), total liabilities of 11,652.3 billion yen (increased 56.3 billion yen), and total capital and reserves of 9,433.2 billion yen (increased 95.2 billion yen).

2. Statement of Earnings

The Bank

(Unit: hundred millions of yen)

	the first half of FY 2006 (A)	the second half of FY 2006 (B)	the first half of FY 2007 (C)	(C)-(A)
The Bank	1,380	717	1,303	76
International Financial Account	447	256	315	132
Overseas Economic Cooperation Account	933	461	989	56

International Financial Account

(Unit: hundred millions of yen)

	the first half of FY 2006 (A)	the second half of FY 2006 (B)	the first half of FY 2007 (C)	(C)-(A)
Ordinary Income	1,717	1,651	1,708	9
Interest on Loans	1,717	1,651	1,708	9
Interest on Loans in Japanese Yen	496	357	332	163
Interest on Loans in Foreign Currency	1,222	1,294	1,376	154
Guarantee Commissions	21	21	25	4
Interest on Securities	1	1	1	0
Interest on Deposits in Banks	39	44	43	4
Interest on Swaps and Miscellaneous Interest Received	74	55	41	33
Commissions	8	8	7	2
Foreign Exchange Gains	20	14	20	0
Other Income	12	10	19	6
Total	1,893	1,806	1,863	30
Ordinary Expenses	390	376	336	54
Interest on Borrowings	390	376	336	54
Interest on Bonds and Notes	362	344	345	17
Interest on Swaps and Miscellaneous Interest Payment	596	694	756	160
Administrative Expenses	70	82	79	9
Depreciation of Premises and Equipment	3	4	4	0
Commissions	4	17	4	0
Foreign Exchange Losses	16	14	12	4
Write-off of Loans	-	7	4	4
Amortization of Deferred Accounts	8	7	6	2
Other Expenses	0	1	0	0
Total	1,450	1,547	1,546	96
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses	443	259	317	126
Reversal of Allowance for Possible Loan and Investment Losses	550	546	550	1
Provision of Allowance for Possible Loan and Investment Losses	*1 546	*2 550	*3 552	6
Net Earnings	447	256	315	132

- *1 Allowance for Possible Loan Losses: 233 (Article 15, No. 1 of the regulation of Ministry of Finance)
 Specific Allowance for Possible Loan Losses: 156 (Article 15, No. 4 or No. 5 of the regulation of Ministry of Finance)
 157 (Article 15, No. 6 of the regulation of Ministry of Finance)
- *2 Allowance for Possible Loan Losses: 235 (Article 15, No. 1 of the regulation of Ministry of Finance)
 Specific Allowance for Possible Loan Losses: 149 (Article 15, No. 4 or No. 5 of the regulation of Ministry of Finance)
 166 (Article 15, No. 6 of the regulation of Ministry of Finance)
- *3 Allowance for Possible Loan Losses: 236 (Article 15, No. 1 of the regulation of Ministry of Finance)
 Specific Allowance for Possible Loan Losses: 145 (Article 15, No. 4 or No. 5 of the regulation of Ministry of Finance)
 170 (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 2006 (A)	the second half of FY 2006 (B)	the first half of FY 2007 (C)	(C)-(A)
Ordinary Income	Interest on Loans	1,218	1,185	1,170	48
	Dividends on Investments	24	47	53	29
	Grant from General Account	150	150	100	50
	Interest on Deposits in Banks	0	0	2	2
	Miscellaneous Interest Received	0	0	0	0
	Commissions	2	4	2	1
	Foreign Exchange Gains	-	0	0	0
	Gain on Disposal of Investments	-	1	143	143
	Other Income	2	1	2	0
	Total		1,397	1,388	1,473
Ordinary Expenses	Interest on Borrowings	400	410	327	73
	Interest on Bonds and Notes	1	0	-	1
	Miscellaneous Interest Payment	0	-	-	0
	Administrative Expenses	42	50	48	6
	Depreciation of Premises and Equipment	1	2	2	0
	Commissions	11	30	10	1
	Foreign Exchange Losses	0	0	0	0
	Loss from Disposal of Investments	-	46	-	-
	Write-off of Loans	16	450	100	84
	Other Expenses	0	6	0	0
Total		472	993	488	16
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses		925	394	985	60
Reversal of Allowance for Possible Loan and Investment Losses		4,016	4,008	3,941	75
Provision of Allowance for Possible Loan and Investment Losses		*4 4,008	*5 3,941	*6 3,937	70
Net Earnings		933	461	989	56

*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:	3,638 (Article 16, No. 3 of the regulation of Ministry of Finance)
	Allowance for Possible Investment Losses:	357 (Article 16, No. 2 of the regulation of Ministry of Finance)
*5	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:	3,635 (Article 16, No. 3 of the regulation of Ministry of Finance)
	Allowance for Possible Investment Losses:	293 (Article 16, No. 2 of the regulation of Ministry of Finance)
*6	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:	3,634 (Article 16, No. 3 of the regulation of Ministry of Finance)
	Allowance for Possible Investment Losses:	291 (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 2006 (A)	FY 2006 (B)	the first half of FY 2007 (C)	(C)-(B)
Assets	Loans	77,679	78,237	78,755	519
	Loans in Japanese Yen	30,917	29,513	27,276	2,237
	Loans in Foreign Currency	46,762	48,724	51,479	2,755
	Investments	6	8	8	0
	Securities	93	86	78	9
	Cash and Cash Equivalents	6,576	2,582	3,030	448
	Accrued Interest Incomes	841	796	929	133
	Miscellaneous Assets	592	382	125	257
	Premises and Equipment	189	188	186	3
	Deferred Charges	36	31	28	3
	Customers' Liabilities for Acceptance and Guarantee Allowance for Possible Loan and Investment Losses	11,355	14,924	16,212	1,288
		546	550	552	2
	Total	96,820	96,685	98,799	2,114
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	46,200	43,800	43,214	586
	Bonds and Notes, including Borrowings Due within One Year	20,624	19,145	19,993	848
	Accrued Interest Expenses	785	706	783	77
	Miscellaneous Liabilities	101	99	623	524
	Acceptances and Guarantee	11,355	14,924	16,212	1,288
	(Total liabilities)	79,066	78,675	80,825	2,150
	Capital	9,855	9,855	9,855	-
	Reserves	7,452	7,452	7,804	351
	Net Earnings	447	703	315	388
	(Total capital and reserves)	17,754	18,010	17,974	36
	Total	96,820	96,685	98,799	2,114

Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		the first half of FY 2006 (A)	FY 2006 (B)	the first half of FY 2007 (C)	(C)-(B)
Assets	Loans	113,181	113,786	112,976	810
	ODA Loans	113,141	113,748	112,940	808
	Private-Sector Investment Finance	40	38	36	2
	Investments	1,479	1,399	1,352	48
	Cash and Cash Equivalents	326	680	958	278
	Accrued Interest Income	734	657	635	22
	Miscellaneous Assets	6	6	7	1
	Premises and Equipment	68	68	67	1
	Allowance for Possible Loan and Investment Losses	4,008	3,941	3,937	3
		Total	111,786	112,655	112,056
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	38,083	37,148	35,519	1,629
	Bonds and Notes, including Borrowings Due within One Year	100	-	-	-
	Accrued Interest Expenses	157	136	176	39
	Miscellaneous Liabilities	2	1	3	2
	(Total liabilities)	38,342	37,286	35,698	1,587
	Capital	70,850	72,315	72,315	-
	Reserves	1,661	1,661	3,055	1,394
	Net Earnings	933	1,394	989	405
	(Total capital and reserves)	73,444	75,370	76,358	989
	Total	111,786	112,655	112,056	599

The Bank

(Unit: hundred millions of yen)

		the first half of FY 2006 (A)	FY 2006 (B)	the first half of FY 2007 (C)	(C)-(B)	
Assets	Loans	190,860	192,023	191,731	292	
	Investments	1,485	1,407	1,360	48	
	Securities	93	86	78	9	
	Cash and Cash Equivalents	6,902	3,262	3,988	726	
	Accrued Interest Income	1,575	1,453	1,564	111	
	Miscellaneous Assets	598	388	132	256	
	Premises and Equipment	257	256	253	4	
	Deferred Charges	36	31	28	3	
	Customers' Liabilities for Acceptance and Guarantee	11,355	14,924	16,212	1,288	
	Allowance for Possible Loan and Investment Losses	4,554	4,490	4,489	1	
	Total		208,606	209,341	210,855	1,515
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	84,283	80,948	78,733	2,215	
	Bonds and Notes, including Borrowings Due within One Year	20,724	19,145	19,993	848	
	Accrued Interest Expenses	942	842	959	116	
	Miscellaneous Liabilities	103	101	627	526	
	Acceptances and Guarantee	11,355	14,924	16,212	1,288	
	(Total liabilities)	117,408	115,961	116,523	563	
	Capital of the International Financial Account	9,855	9,855	9,855	-	
	Capital of the Overseas Economic Cooperation Account	70,850	72,315	72,315	-	
	Reserve of the International Financial Account	7,452	7,452	7,804	351	
	Net Earnings of the International Financial Account	447	703	315	388	
	Reserve of the Overseas Economic Cooperation Account	1,661	1,661	3,055	1,394	
	Net Earnings of the Overseas Economic Cooperation Account	933	1,394	989	405	
	(Total capital and reserves)	91,198	93,380	94,332	952	
	Total		208,606	209,341	210,855	1,515

(Unit: hundred millions of yen)

	the first half of FY 2006 (A)	FY 2006 (B)	the first half of FY 2007 (C)	(C)-(B)
International Financial Account				
Total Assets	96,820	96,685	98,799	2,114
Total Capital and Reserves	17,754	18,010	17,974	36
Total Capital and Reserves / Total Assets	18.34%	18.63%	18.19%	0.44%
Overseas Economic Cooperation Account				
Total Assets	111,786	112,655	112,056	599
Total Capital and Reserves	73,444	75,370	76,358	989
Total Capital and Reserves / Total Assets	65.70%	66.90%	68.14%	1.24%
The Bank				
Total Assets	208,606	209,341	210,855	1,515
Total Capital and Reserves	91,198	93,380	94,332	952
Total Capital and Reserves / Total Assets	43.72%	44.61%	44.74%	0.13%

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 2006 (A)	the first half of FY 2007 (B)	(B)-(A)
Loans Past Due - 1	946	947	1
Loans - 2	78,237	78,755	519
1 / 2 (%)	1.21%	1.20%	0.01%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club is 2.4 billion yen as of the end of the half of FY 2007.

Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

	FY 2006 (A)	the first half of FY 2007 (B)	(B)-(A)
Loans Past Due - 1	3,347	3,392	44
Loans - 2	113,786	112,976	810
1 / 2 (%)	2.94%	3.00%	0.06%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club is 0.7 billion yen as of the end of the half of FY 2007. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government is 43.8 billion yen as of the end of the half of FY 2007.