

Japan Bank for International Cooperation

Summary of the Financial Statements for the Fiscal Year ending March 2008 (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 2007 (April 1, 2007 – March 31, 2008) and published them in an official gazette on June 30, 2008. 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 57.7 billion yen from the International Financial Account (decreased 12.6 billion yen from the previous fiscal year), a profit of 182.3 billion yen from the Overseas Economic Cooperation Account (increased 42.9 billion yen from the previous fiscal year), and a total profit of 240.0 billion yen (increased 30.3 billion yen from the previous fiscal year) in FY 2007.

As of the end of FY 2007, the International Financial Account had total assets of 9,326.0 billion yen (decreased 342.5 billion yen from the end of the previous fiscal year), total liabilities of 7,502.5 billion yen (decreased 365.0 billion yen from the end of the previous fiscal year), and total capital and reserves of 1,823.5 billion yen (increased 22.5 billion yen from the end of the previous fiscal year). The Overseas Economic Cooperation Account had total assets of 11,199.0 billion yen (decreased 66.5 billion yen from the end of the previous fiscal year), total liabilities of 3,320.6 billion yen (decreased 407.9 billion yen from the end of the previous fiscal year), and total capital and reserves of 7,878.4 billion yen (increased 341.4 billion yen from the end of the previous fiscal year). Overall, the Bank had total assets of 20,525.0 billion yen (decreased 409.1 billion yen from the end of the previous fiscal year), total liabilities of 10,823.1 billion yen (decreased 773.0 billion yen from the end of the previous fiscal year), and total capital and reserves of 9,701.9 billion yen (increased 363.9 billion yen from the end of the previous fiscal year).

2. Statement of Earnings

The Bank

(Unit: hundred millions of yen)

	FY2006	FY2007	Increase Decrease FY2007-FY2006
The Bank	2,097	2,400	303
International Financial Account	703	577	126
Overseas Economic Cooperation Account	1,394	1,823	429

International Financial Account

(Unit: hundred millions of yen)

	FY2006	FY2007	Increase Decrease FY2007-FY2006
Ordinary Income			
Interest on Loans	3,369	3,262	107
Interest on Loans in Japanese Yen	853	639	214
Interest on Loans in Foreign Currency	2,516	2,623	107
Guarantee Commissions	43	52	10
Interest on Securities	2	2	0
Interest on Deposits in Banks	83	122	39
Interest on Swaps and Miscellaneous Interest Received	129	91	38
Commissions	16	13	3
Foreign Exchange Gains	34	22	12
Other Income	23	48	25
Total	3,699	3,612	86
Ordinary Expenses			
Interest on Borrowings	765	643	122
Interest on Bonds and Notes	706	686	20
Interest on Swaps and Miscellaneous Interest Payment	1,290	1,427	137
Administrative Expenses	152	167	15
Depreciation of Premises and Equipment	7	8	0
Commissions	22	20	2
Foreign Exchange Losses	30	76	46
Write-off of Loans	7	7	-
Amortization of Deferred Accounts	15	13	2
Other Expenses	1	1	1
Total	2,997	3,049	52
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses	702	563	139
Reversal of Allowance for Possible Loan and Investment Losses	550	550	1
Provision of Allowance for Possible Loan and Investment Losses	*1 550	*2 536	14
Net Earnings	703	577	126

*1 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)

*2 Allowance for Possible Loan Losses : 219 (Article 15, No. 1 of the regulation of Ministry of Finance)
 Specific Allowance for Possible Loan Losses : 142 (Article 15, No. 4 or No. 5 of the regulation of Ministry of Finance)
 175 (Article 15, No. 6 of the regulation of Ministry of Finance)

Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		FY2006	FY2007	Increase Decrease FY2007-FY2006
Ordinary Income	Interest on Loans	2,404	2,319	85
	Dividends on Investments	71	151	79
	Grant from General Account	300	200	100
	Interest on Deposits in Banks	0	2	2
	Interest on Swaps and Miscellaneous Interest Received	0	0	0
	Commissions	6	7	1
	Foreign Exchange Gains	0	0	0
	Gains from Disposal of Investments	1	143	142
	Other Income	3	3	0
Total		2,784	2,824	40
Ordinary Expenses	Interest on Borrowings	810	683	126
	Interest on Bonds and Notes	2	-	2
	Interest on Swaps and Miscellaneous Interest Payment	0	-	0
	Administrative Expenses	92	101	9
	Depreciation of Premises and Equipment	3	3	0
	Commissions	40	42	1
	Foreign Exchange Losses	0	1	1
	Loss from Disposal of Investments	46	-	46
	Write-off of Loans	466	177	289
Other Expenses	6	0	6	
Total		1,465	1,007	458
Net Earnings prior to provision for Allowance for Possible Loan and Investment Losses		1,319	1,817	498
Reversal of Allowance for Possible Loan and Investment Losses		4,016	3,941	75
Provision of Allowance for Possible Loan and Investment Losses		*3 3,941	*4 3,934	6
Net Earnings		1,394	1,823	429

- *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 : 3,635 (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)
- *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 : 3,633 (Article 16, No. 3 of the regulation of Ministry of Finance)
 Allowance for Possible Investment Losses : 289 (Article 16, No. 2 of the regulation of Ministry of Finance)

3. Balance Sheets

International Financial Account

(Unit: hundred millions of yen)

		FY 2006	FY 2007	Increase Decrease FY2007-FY2006
Assets	Loans	78,237	73,058	5,179
	Loans in Japanese Yen	29,513	25,602	3,911
	Loans in Foreign Currency	48,724	47,456	1,268
	Investments	8	9	1
	Securities	86	69	17
	Cash and Cash Equivalents	2,582	3,242	659
	Accrued Interest Incomes	796	749	47
	Miscellaneous Assets	382	276	106
	Premises and Equipment	188	184	4
	Deferred Charges	31	34	4
	Customer's liabilities for Acceptance and Guarantee	14,924	16,175	1,250
	Allowance for Possible Loan and Investment Losses	550	536	14
		Total	96,685	93,260
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	43,800	36,655	7,145
	Bonds and Notes, including Borrowings Due within One Year	19,145	21,309	2,164
	Accrued Interest Expenses	706	592	114
	Miscellaneous Liabilities	99	294	195
	Acceptances and Guarantee	14,924	16,175	1,250
	(Total liabilities)	78,675	75,025	3,650
	Capital	9,855	9,855	-
	Reserves	7,452	7,804	351
	Net Earnings	703	577	126
	(Total capital and reserves)	18,010	18,235	225
	Total	96,685	93,260	3,425

Overseas Economic Cooperation Account

(Unit: hundred millions of yen)

		FY 2006	FY 2007	Increase Decrease FY2007-FY2006
Assets	Loans	113,786	113,871	85
	ODA Loans	113,748	113,837	89
	Private-Sector Investment Finance	38	34	4
	Investments	1,399	1,346	53
	Cash and Cash Equivalents	680	15	664
	Accrued Interest Income	657	618	39
	Miscellaneous Assets	6	7	1
	Premises and Equipment	68	67	1
	Allowance for Possible Loan and Investment Losses	3,941	3,934	6
		Total	112,655	111,990
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	37,148	33,067	4,081
	Accrued Interest Expenses	136	136	0
	Miscellaneous Liabilities	1	3	2
	(Total liabilities)	37,286	33,206	4,079
	Capital	72,315	73,906	1,591
	Reserves	1,661	3,055	1,394
	Net Earnings	1,394	1,823	429
(Total capital and reserves)	75,370	78,784	3,414	
	Total	112,655	111,990	665

The Bank Account

(Unit: hundred millions of yen)

		FY 2006	FY 2007	Increase Decrease FY2007-FY2006
Assets	Loans	192,023	186,929	5,093
	Investments	1,407	1,355	52
	Securities	86	69	17
	Cash and Cash Equivalents	3,262	3,257	5
	Accrued Interest Income	1,453	1,367	86
	Miscellaneous Assets	388	283	105
	Premises and Equipment	256	251	6
	Deferred Charges	31	34	4
	Customer's Liabilities for Acceptance and Guarantee	14,924	16,175	1,250
	Allowance for Possible Loan and Investment Losses	4,490	4,470	20
	Total		209,341	205,250
Liabilities, Capital & Reserves	Long-term Borrowings, including Borrowings Due within One Year	80,948	69,722	11,226
	Bonds and Notes, including Borrowings Due within One Year	19,145	21,309	2,164
	Accrued Interest Expenses	842	728	114
	Miscellaneous Liabilities	101	297	197
	Acceptances and Guarantees	14,924	16,175	1,250
	(Total liabilities)	115,961	108,231	7,730
	Capital of the International Financial Account	9,855	9,855	-
	Capital of the Overseas Economic Cooperation Account	72,315	73,906	1,591
	Reserve of the International Financial Account	7,452	7,804	351
	Net Earnings of the International Financial Account	703	577	126
	Reserve of the Overseas Economic Cooperation Account	1,661	3,055	1,394
	Net Earnings of the Overseas Economic Cooperation Account	1,394	1,823	429
	(Total capital and reserves)	93,380	97,019	3,639
	Total		209,341	205,250

(Unit: hundred millions of yen)

	FY 2006	FY 2007	Increase Decrease FY2007-FY2006
International Financial Account			
Total Assets	96,685	93,260	3,425
Total Capital and Reserves	18,010	18,235	225
Total Capital and Reserves / Total Assets	18.63%	19.55%	0.93%
Overseas Economic Cooperation Account			
Total Assets	112,655	111,990	665
Total Capital and Reserves	75,370	78,784	3,414
Total Capital and Reserves / Total Assets	66.90%	70.35%	3.45%
The Bank			
Total Assets	209,341	205,250	4,091
Total Capital and Reserves	93,380	97,019	3,639
Total Capital and Reserves / Total Assets	44.61%	42.27%	2.66%

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)	FY 2007 (B)	Increase Decrease (B)-(A)
Loans Past Due - 1	946	946	-
Loans - 2	78,237	73,058	5,179
1 / 2 (%)	1.21%	1.30%	0.09%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 7.0 billion yen and 2.4 billion yen as of the end of FY 2006 and FY 2007, respectively.

Overseas Economic Cooperation Account		(Unit: hundred millions of yen)	
	FY 2006 (A)	FY 2007 (B)	Increase Decrease (B)-(A)
Loans Past Due - 1	3,347	3,353	6
Loans - 2	113,786	113,871	85
1 / 2 (%)	2.94%	2.94%	0.00%

(Note)The loans excluded from the "Loans Past Due" due to debt relief agreement established in Paris Club were 64.8 billion yen and 0.2 billion yen as of the end of FY 2006 and FY 2007, respectively. The loans excluded from the "Loans Past Due" due to the decision to waive by Japanese government was 44.7 billion yen and 48.0 billion yen as of the end of FY 2006 and FY 2007, respectively.