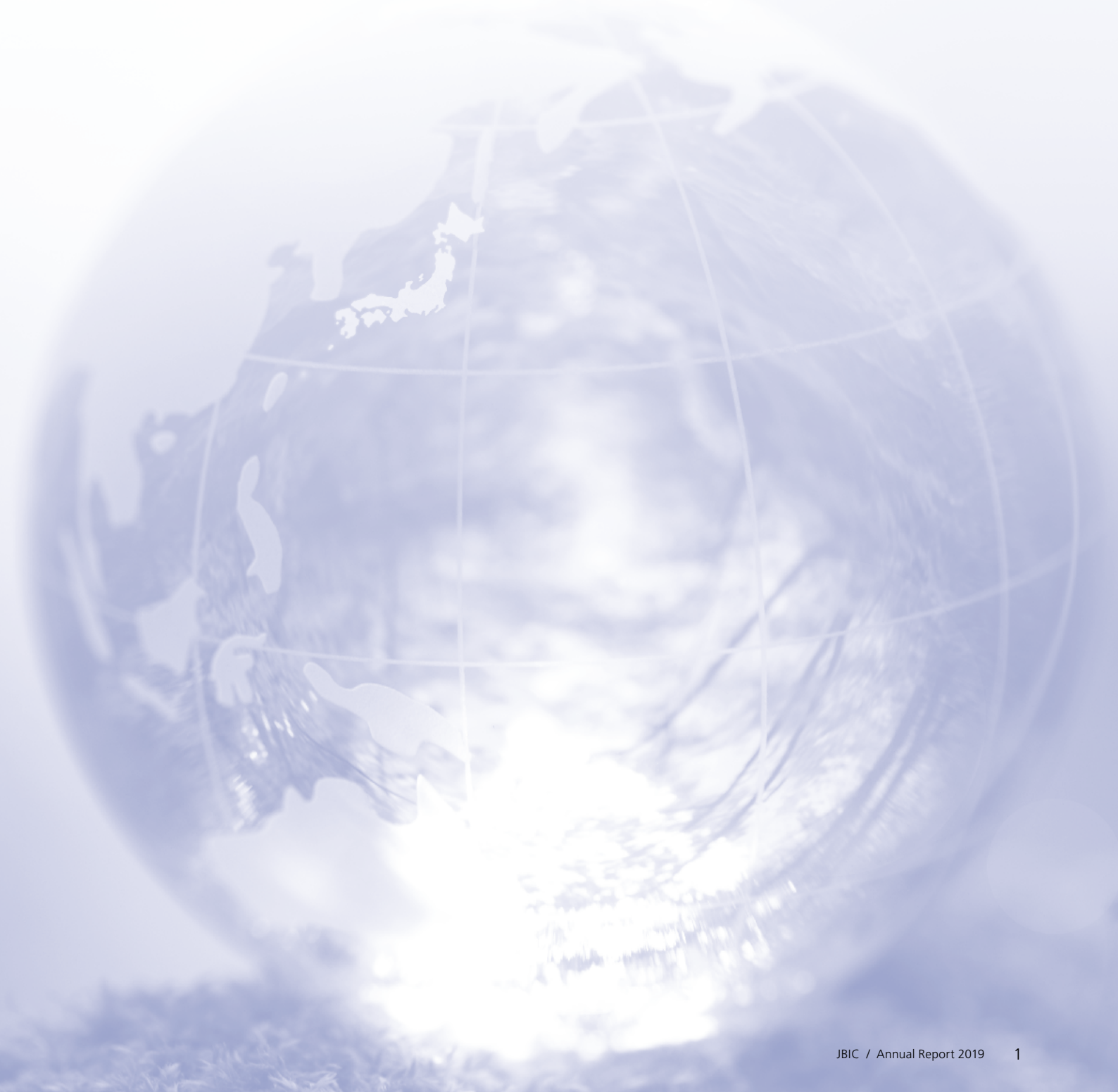


1 Profile of JBIC

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The Purpose of JBIC

Japan Bank for International Cooperation (JBIC) is a policy-based financial institution wholly owned by the Japanese government, which has the objective of contributing to the sound development of Japan and the international economy and society, by conducting financial operations in the following four fields:

- Promoting the overseas development and securement of resources which are important for Japan
- Maintaining and improving the international competitiveness of Japanese industries
- Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming
- Preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruptions

Corporate Slogan

日本の力を、世界のために。

Supporting Your Global Challenges

Corporate Philosophy

The objective of JBIC, as set forth in its statutory law, is to “contribute to the sound development of Japan and the international economy and society” by executing a variety of financial functions. To pursue this objective, we have set out the following corporate philosophy, which espouses three core values: “Hands-on Policy,” “Customer-1st Approach,” and “Forward-looking Action.”

**Positioned at the crossroads of global business opportunities,
JBIC is opening new venues to the future for the Japanese and global economy.**

Hands-on Policy: Pioneering new value by participating at the forefront of overseas project development, and by engaging proactively in projects from the early stages

Customer-1st Approach: Offering customers one-of-a-kind solutions by adopting their perspectives and integrating their views into policy development

Forward-looking Action: Contributing to the sustainable development of Japan and the world as a whole by deploying highly professional skills, with a view to realizing a secure and affluent future society

Operational Principles

JBIC, as a policy-based financial institution and in accordance with the following principles, conducts speedy and well-focused operations based on policy needs in response to economic and financial situations in Japan and abroad.

1. Supplementing the financial transactions implemented by private-sector financial institutions

To effectively perform the functions required for policy-based financing, JBIC shall take account of situations where private-sector financial institutions are placed in their international finance activities and supplement their operations.

2. Ensuring financial soundness and certainty of repayment

Pursuant to the JBIC Act, JBIC shall make efforts to maintain the financial soundness of its operations, and when making financial decisions, to conduct adequate screening regarding the outlook for the recovery of funds.

3. Maintaining and improving international creditworthiness and confidence

In order to conduct adequate operations and effective overseas funding operations, JBIC shall maintain and improve the international creditworthiness and confidence gained by JBIC over the years.

4. Conducting business operations by drawing on its expertise and initiatives

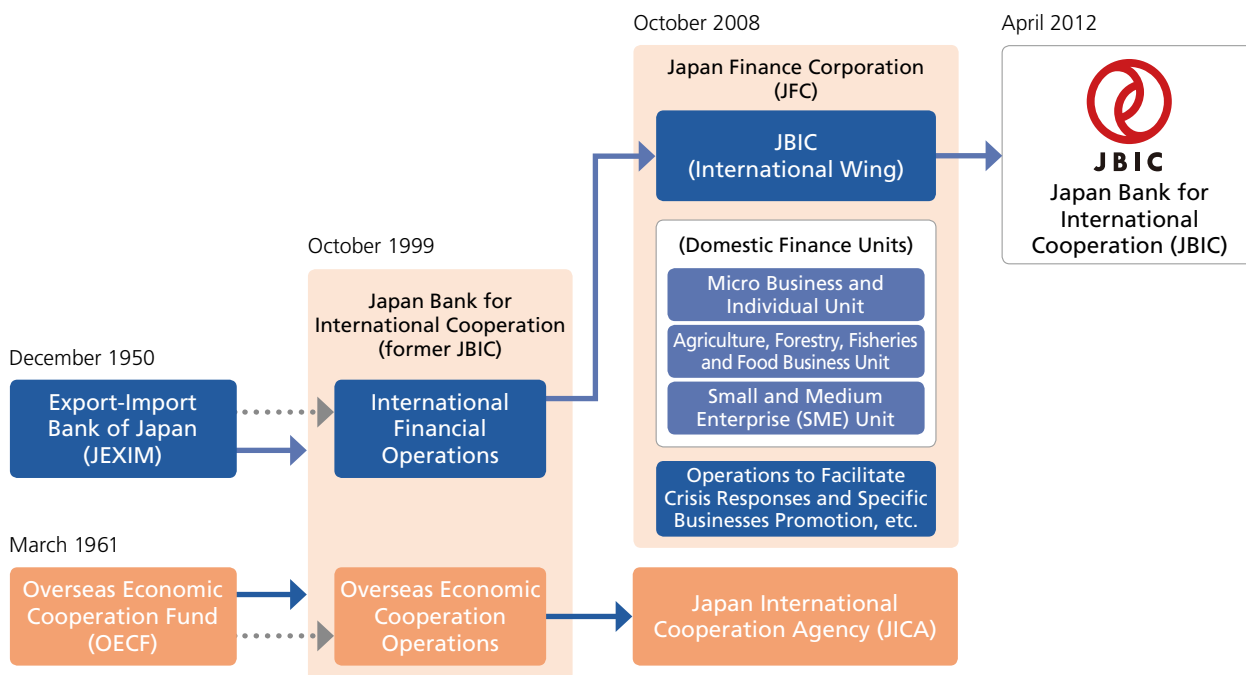
JBIC shall conduct operations by drawing on its own expertise and initiatives on international finance.

JBIC Code of Conduct

- Act consistently in the public interest. Contribute to Japan and the international community by pursuing our Mission.
- Prioritize client satisfaction. Deliberate, decide, and act from the client's perspective.
- Accept responsibility as a professional. Perform every task based on your own initiative.
- Undertake challenges daringly. Create new value without fear of failure.
- Work quickly and cost-effectively. Enhance your work quality with an eye to efficiency.
- Focus on teamwork. Share unified objectives with your colleagues to achieve significant successes.
- Maintain high ethical standards and a law-abiding spirit. Observe our moral code as a JBIC member at all times.

History

JBIC was established on April 1, 2012 in accordance with the Japan Bank for International Cooperation Act (JBIC Act), which was promulgated and came into effect on May 2, 2011.



Profile

Name	Japan Bank for International Cooperation (JBIC)
Office	4-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8144, Japan
Capital*	¥1,785.3 billion (wholly owned by the Japanese government)
Outstanding Loans and Equity Participations*	¥14,017.3 billion
Outstanding Guarantees*	¥2,493.3 billion

* As of March 31, 2019

Interview with the Governor

On behalf of the Japan Bank for International Cooperation (JBIC), I would like to express my sincerest appreciation for your continued support for and understanding of JBIC.

The world economy is facing concerns over downside risks to economies particularly in emerging countries, impacted by volatile U.S. financial markets, facing trade frictions and rising geopolitical uncertainties in the Middle East and other areas.

Under these circumstances, the environment surrounding Japan is also changing dramatically. In the energy and natural resources sector, besides the ongoing challenge of securing stable supplies of energy resources by raising the self-development ratio of natural resources, it is an increasingly important issue to ensure the energy security of the entire Asian region in response to rising energy demand. The global trend towards decarbonization is driving expectations for highly efficient projects that help to improve and preserve the global environment by utilizing Japan's advanced environmental technologies.

Looking at the Japanese industry, the Fourth Industrial Revolution, such as the Internet of Things (IoT) and Artificial Intelligence (AI), is rapidly gaining momentum. Amid this trend, it is an urgent need to create new business opportunities through innovation beyond existing industry boundaries. There is also a notable move by Japanese companies to seek new earnings opportunities outside Japan by strengthening their overseas businesses, because of declining domestic demand as a result of a fast-aging population with a low birthrate. In order to survive in international competition by capitalizing on their "competitive technology and knowledge", it becomes important to promote investment in high-quality infrastructure with economic efficiency and safety, as well as exporting integrated infrastructure systems, including the design, construction, operation and management of infrastructure.

Amid major shifts in the international situation and social issues, JBIC formulated the JBIC Third Medium-term Business Plan (FY2018–FY2020) in June 2018 to provide support in response to new initiatives and changes in the Japanese industry. JBIC aims to create new additional value by pursuing its key focus areas and action plans under the Third Medium-term Business Plan through utilizing its relationships with stakeholders and its overseas networking and information-gathering capabilities. I hope that JBIC will "serve as a 'navigator' for Japanese companies to expand overseas business in an uncertain world," as well as pave the way to a new era through efforts to secure a natural resource supply to Japan, invest in high quality infrastructure and help roll out new products and services offered by new industries for the next generation.

As Japan's policy-based financial institution, JBIC will strive to fulfill these responsibilities by meeting the needs and expectations of Japanese industrial and financial communities.

MAEDA Tadashi

Governor
Japan Bank for International Cooperation
(JBIC)



— Could you summarize the past one year since assuming the duties of Governor?

To respond effectively to the changing times, I believe JBIC needs to transform its corporate culture to become more proactive. Specifically, going forward, JBIC must be more proactive in taking risks for supporting Japanese companies, including through equity financing. Such a risk-taking approach can be described by the word “spearhead,” meaning standing at the forefront. I have taken various opportunities to emphasize that “JBIC must act as a spearhead.”

In the Medium-term Business Plan formulated in June 2018, JBIC set objectives as an organization, giving first priority to playing a role as a spearhead. From the perspective of how JBIC can address the issues facing Japanese industries, four high-priority focus areas out of five are explained in the business plan in the order of the most challenging area to less challenging one. These four areas include: “Growth areas, new fields,” “Overseas infrastructure development,” “Global environmental preservation” and “M&As.” Business activities that JBIC has pursued until now are presented in the category of a fifth priority area, titled “Consistent implementation of policy-based finance and restructuring of operations.” Clarifying the priority of its objectives, as mentioned above, has enabled JBIC to be a spearhead in proactively supporting Japanese companies in expanding overseas.

— Could you explain JBIC’s business results for FY2018, the first fiscal year of the Medium-term Business Plan?

In FY2018, JBIC made 117 financial commitments totaling approximately ¥1,717.1 billion in loans, equity participation and guarantees. Although the number of financial commitments was down from the previous fiscal year, reflecting a sluggish global economy, the amount of loans, equity participation and guarantees rose 43% year-on-year by growth in large-scale overseas M&A deals.

Looking at JBIC’s results by key focus area of the Medium-term Business Plan, in “Growth areas, new fields,” JBIC launched an investment fund called JB Nordic Fund I SCSp in collaboration with a fund manager in the Baltic region in January 2019. The purpose of this fund, which receives investments from JBIC and Japanese companies, is to invest in local advanced high-tech companies in the Nordic and Baltic region. The fund is expected to help foster business alliances between those Japanese investors and local advanced IT companies, which would lead to more investment opportunities for Japanese companies. JBIC has invested in several companies through the fund, while dispatching staff to the region to organize business-matching activities.

Until now, JBIC has invested in funds as a limited partner to limit risks in relation to the funds it invests in. However, I believe that JBIC is expected to serve as a general partner that independently manages funds and makes investment decisions. In 2017, JBIC, in collaboration with Industrial Growth Platform, Inc. (IGPI), established an



asset management company called JBIC IG Partners. This helped JBIC to strengthen its capacity to supply funding for projects with relatively high risk profiles. Increasing the supply of funding for risk-assuming projects becomes more important in terms of benefitting from overseas growing markets, which is one of the initiatives defined in Japanese government’s growth strategy. Besides the financing aspect, JBIC dispatches promising young employees to JBIC IG Partners to accumulate experience and know-how as a venture capitalist. This has enabled JBIC to invest in venture companies where it was never involved in the past.

Turning to “Overseas infrastructure development,” JBIC participated in several projects from the early stage of the project development process. Those projects include natural gas-fired thermal power generation projects in Indonesia and in the Emirate of Sharjah, the United Arab Emirates (UAE). Under the Medium-term Business Plan, we also aim to support high-quality infrastructure projects in cooperation between public and private sectors, in “frontier markets” (Africa, the Mekong region and the South Asian region). In January 2019, JBIC signed an agreement to provide an export credit line with the government of Angola for purchase of machinery and equipment used for port development projects from Japanese companies. This is the first financing that JBIC has provided for the port sector in Angola. Sharing information about support for these projects with the International Monetary Fund (IMF), JBIC was able to provide financing that considers debt sustainability of Angola and is consistent with the IMF’s new financial assistance program for the country. Looking ahead, JBIC will continue to actively support Japanese companies in conducting business in Africa that leads to African development and raises Japan’s presence in the region.

Regarding the area of “Global environmental preservation,” we launched a new facility called “JBIC Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG)” in July 2018. Under the facility for QI-ESG, JBIC provided a loan through project finance to the world’s largest offshore wind power generation project in the

United Kingdom. The project has introduced the latest model turbines commercialized by a joint venture between a Japanese and Danish company, which led to support for business expansion by Japanese companies. In FY2018, JBIC made 10 commitments to environmental projects totaling approximately ¥326.0 billion under the facility for QI-ESG, including a waste treatment project in Sweden.

Looking at M&A by Japanese companies, the use of M&A as a strategy to acquire global market share becomes more common practice among Japanese companies. In December 2018, JBIC provided a Japanese pharmaceuticals company with a loan for part of the funds needed for acquiring a prominent pharmaceuticals company in Ireland. In the pharmaceuticals business where significant amount of investments and time are required for new drug development, the actual size of a company determines competitiveness. Through this M&A deal, the Japanese pharmaceuticals company has entered the ranks of the world's top pharmaceuticals companies based on sales. The company was also able to strengthen their business in various fields where growth is expected, while gaining a foothold in U.S. markets. Among other M&A deals, JBIC supported M&A involving a German company that develops rare metals products as well as a Malaysian healthcare company. For FY2018, JBIC made 10 commitments to M&A deals totaling approximately ¥605.0 billion.

In addition to these activities, we also continue to execute business in our conventional operations.

In the energy and natural resources sector, JBIC offered loans to finance a Japanese company to acquire and extend interests in offshore oilfields in the Emirate of Abu Dhabi, UAE. The loans contribute to an increase in the self-development ratio of oil and the strengthening of strategic relationships with oil-producing countries. Looking at the field of mineral resources, JBIC supported copper mine development projects in Chile and Peru. The Japanese government has set the target of attaining a self-sufficiency ratio of 80% or higher for base metals, including copper, by 2030. JBIC's support for the copper mine projects is aligned with this government's strategy. In FY2018, JBIC made eight commitments in the resource sector, amounting to approximately ¥251.0 billion in loans, equity participation and guarantees.

In loans to Japanese mid-tier enterprises and small- and medium-sized enterprises (SMEs), JBIC made 66 commitments, totaling approximately ¥10.0 billion, in cooperation with regional Japanese financial institutions. In recent years, JBIC has strengthened its support for Japanese mid-tier enterprises and SMEs which have unique advanced technologies and plan to expand abroad. In FY2018 we provided wide-ranging support to those Japanese companies, including a company engaged in international courier services in Thailand.

— What points did you focus on in undertaking organizational reforms?

In order to spearhead support for Japanese companies

expanding abroad, JBIC must transform into an organization with operational structures that can respond to risks different from those in the past.

As part of these efforts, JBIC established the Strategic Research Department in August 2018. This department performs advanced analysis of various information from a geo-economics perspective, in cooperation with specialist organizations and professionals in the world, in order to help management make quick and accurate decisions on businesses including financial aspects.

Moreover, JBIC tries to expedite its management and decision-making process, and promote smooth communications by; merging the Corporate Planning Department and the Policy and Strategy Office for Financial Operations, consolidating or abolishing internal committees, optimizing approval process of businesses, as well as streaming operational process. As business operations become more sophisticated and complex, we make efforts to create environments where employees can save time and work more efficiently by adopting various IT, including RPA (Robotic Process Automation). We will continue these organizational and operational reforms to transform into a muscular organization which can spearhead support for Japanese companies.

— Could you talk about your plans for FY2019?

Based on the achievements during the first year of the medium-term plan, JBIC is proactively taking on the challenge of going one step further.

Recently, with projects becoming more sophisticated and complex, JBIC has strengthened collaboration with government agencies around the world and international organizations, with a view to developing future projects. As one example, JBIC concluded a Memorandum of Understanding (MOU) for business collaboration with the European Investment Bank (EIB). EIB is the European Union's public financial institution which provides long-term financing and technical cooperation for projects that contribute to economic integration and balanced development both inside and outside Europe. Renewable energy projects are rapidly increasing in Europe and JBIC will strengthen its support for green investments such as decarbonization, by collaborating with EIB.

In 2017 JBIC entered into an MOU with Overseas Private Investment Corporation (OPIC). Under the agreement, JBIC and OPIC promoted the formation of projects in sectors such as infrastructure, energy, and natural resources in the regions of Asia, the Indo-Pacific, the Middle East and Africa. In 2018, JBIC also signed an MOU with OPIC and the Department of Foreign Affairs and Trade (DFAT) and the Export Finance and Insurance Corporation (Efic), both of Australia. These parties affirmed their shared commitment to maintaining and promoting a free, open, prosperous and inclusive Indo-Pacific region, and to improving regional connectivity through infrastructure development in the region. Specifically, JBIC and the other parties have commenced their support for projects in the infrastructure, energy and natural resources

sectors in South Pacific island countries and Indonesia. In addition, JBIC signed an MOU for business cooperation with an Italian government agency.

JBIC entered into an MOU with the China Development Bank (CDB) to promote cooperation between JBIC and CDB for projects in China and third countries. I believe that it is beneficial not only for Japan and China, but also for a project host country to obtain financial support in accordance with international standards including openness, transparency, economic efficiency, debt sustainability and compliance with laws and regulations. JBIC have already started consultation with CDB regarding potential projects with an aim to finalizing the details of the projects before the end of 2019.

Meanwhile, we will further enhance our risk-taking capability. I think that it is JBIC's another role to support projects that have technological capabilities but are considered to require time before the start of commercial operations. JBIC will be more proactive in taking risks in promoting commercialization of projects, such as those for all solid-state batteries, high-performance sensors for autonomous driving, Carbon Dioxide Capture and Storage (CCS) and coal gasification technologies with little environmental impact.

With regards to support for infrastructure projects, JBIC will encourage Japanese companies to further expand and promote the export of their high-quality infrastructure, by being actively engaged in projects from the initial stage.

— Could you describe initiatives such as work style reforms that create an environment where employees can work more actively and effectively?

I formulated the Plan for Work Style Reform upon assuming the position of Governor in 2018. As "Team JBIC," I also adopted "One for All and All for One" as our slogan. Through the implementation of the work style reform under this slogan, JBIC aims to create an organization where all employees with diverse values can choose work styles suited to their respective values and fully utilize their own capabilities.

As part of the work style reform, we listen carefully to the opinions of employees while promoting initiatives such as further improving flexible working hour arrangements including staggered working hours and shorter working hours, as well as utilizing telecommuting. I received feedback from my employees saying that their working conditions at JBIC were improved not only to juggle work and family responsibilities such as child raising and nursing care, but also to choose to work with work-life balance meeting their values and needs. Continuing to improve employee's working conditions, we will strive to create a work place where employees can work with diverse work style and a sense of reassurance according to the situation of each employee and their values.

As for our human resource development plan to train staffs capable of working on the international environment, I drew on my own experiences when I worked at the Representative office in Washington D.C.

of the Export-Import Bank of Japan, JBIC's predecessor, in the 1980s. At that time, the Export-Import Bank of Japan played a central role in negotiating with the World Bank and the IMF. Although I was merely one staff member, I proactively interacted with top U.S. government officials to build good relationships. This experience provided me an opportunity to increase my negotiation abilities. Based on this experience, I recommend that young employees take on challenges that enable them to fully utilize their own capabilities. I have created opportunities for young employees to accompany me on overseas business trips in order to let them see how their top management negotiates on the international stage. Besides, I introduced a system for dispatching new employees to JBIC's overseas representative offices for three months. Through these initiatives, JBIC will pursue its three core values of "Hands-on Policy," "Customer-1st Approach" and "Forward-looking Action," while developing employees with diverse abilities to achieve JBIC's corporate philosophy: "Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy."

— What is your message to stakeholders?

Although the international political-economic situation is shifting dramatically, I believe Japan stands in an extremely favorable position. Infrastructure investment is expected to increase dramatically across the world and the need for natural resource procurement will also rise further. PPP (Public Private Partnership)-based projects mobilizing private-sector funds are vigorously promoted in each country and the range of PPP projects where Japanese companies can participate is expanded.

JBIC will continue to deepen its support for Japanese companies expanding overseas and create environments where private-sector financial institutions can also provide financing in collaboration with JBIC through its enhanced risk-taking ability. In particular, JBIC will actively make investments in business fields that will drive industrial development for the next generation, in anticipation of major transformations of the industrial structure in the world.

To this end, I would like to increase opportunities for policy dialogue with the governments and agencies of various countries with an eye to seeking new partnerships.

JBIC will contribute to driving Japan's growth and increasing its presence in the global markets by "serving as a navigator for Japanese companies expanding overseas in an uncertain world," while spearheading support for projects that help to secure stable supplies of natural resources and energy, increase export of Japan's quality infrastructure as well as develop new industries for the next generation.

Directors, Managing Executive Officers and Corporate Auditors (As of October 1, 2019)



(Back row, from left)	Managing Director KOIZUMI Shinichi	Senior Managing Director KUROISHI Kuninori	Senior Managing Director OYA Toshio	Senior Managing Director TAKESADA Tatsuhiko	Managing Director KAWAMURA Yoshinori
(Front row, from left)	Deputy Governor HAYASHI Nobumitsu	Governor MAEDA Tadashi	Executive Managing Director AMAKAWA Kazuhiko		



Corporate Auditor TSUCHIYA Mitsuki	Corporate Auditor OTA Yasuo	Corporate Auditor TAMAI Yuko
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■ Directors

Governor	MAEDA Tadashi
Deputy Governor	HAYASHI Nobumitsu
Executive Managing Director	AMAKAWA Kazuhiko
Senior Managing Director	OYA Toshio
Senior Managing Director	KUROISHI Kuninori
Senior Managing Director	TAKESADA Tatsuhiko
Managing Director (Outside Director)	KOIZUMI Shinichi
Managing Director (Outside Director)	KAWAMURA Yoshinori

■ Corporate Auditors

Corporate Auditor (Full-Time Corporate Auditor)	OTA Yasuo
Corporate Auditor (Outside Corporate Auditor)	TSUCHIYA Mitsuaki
Corporate Auditor (Outside Corporate Auditor)	TAMAI Yuko

■ Managing Executive Officers

Managing Executive Officer, Global Head of Corporate Planning Group	HASHIYAMA Shigeto
Managing Executive Officer, Global Head of Credit, Assessment and Risk Management Group	FUNADA Yutaka
Managing Executive Officer, Global Head of Treasury and Systems Group	TANAKA Kazuhiko
Managing Executive Officer, Global Head of Energy and Natural Resources Finance Group	NISHITANI Tsuyoshi
Managing Executive Officer, Global Head of Infrastructure and Environment Finance Group	TANIMOTO Masayuki
Managing Executive Officer, Global Head of Industry Finance Group	ISOBE Koichi
Managing Executive Officer, Global Head of Equity Finance Group	FUJINO Shinji

Since its establishment in April 2012, JBIC has provided proactive support for the projects such as natural resources and infrastructure development projects overseas, M&A transactions involving Japanese companies and the overseas businesses of Japanese SMEs. The Bank participates from the early stages of projects, and provides funds for projects with relatively high risk profiles through various financial instruments. Under its medium-term business plan for FY2015–2017, JBIC has aimed to “contribute to exploring and creating new business opportunities that will lead to the sustainable growth of Japan, through supporting the strengthening of Japanese companies’ overseas business deployment and resource acquisition, by exercising the financial intermediary functions unique to JBIC.”

The environment surrounding Japan is changing significantly. In addition to progress in the Fourth Industrial Revolution, increasing geo-political risks and international efforts to address global environmental problems, there are structural issues, such as a declining workforce and a fast-aging population with a low birthrate in the domestic market. These factors further increase the uncertainty in

the surrounding environment. Under such circumstances, Japanese industries are facing urgent tasks, such as collaboration across different sectors to boost productivity and pursuing new technological development through innovation. Japanese industries are also continuing and strengthening their efforts to benefit from the growth of overseas markets, while managing increasing business risks in a proper manner.

JBIC’s third medium-term business plan for FY2018–2020 identifies eight key focus areas and sets out 21 action plans. Accomplishing these will allow the Bank to accurately navigate increasingly uncertain domestic and international situations and to provide support in response to the new tasks and challenges faced by Japanese industries.

JBIC will create new additional value and contribute to the sound development of Japan and the international economy and society under its third medium-term business plan by capitalizing on its relationships with stakeholders and its overseas networking and information-gathering abilities.

Mid- to Long-term Vision Setting

In its third medium-term business plan, JBIC sets out a “mid- to long-term vision” that provides a picture of where or what JBIC wishes to be or become in 10 years, in light of the environment surrounding JBIC and its view of the

future environment. The mid- to long-term vision bridges the corporate philosophy. (Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy.)

JBIC’s mid- to long-term vision

To serve as a “navigator” for Japanese companies to expand overseas business in an uncertain world

JBIC’s view of the international environment

There are growing uncertainties in the international environment, such as complex international relations and the emergence of anti-globalization and protectionism, which will bring the world amplified risks and challenges.

Changes in the environment surrounding JBIC

1. As a result of global population and economic growth,
 - i) Increasing demand for energy, water, food and healthcare services raises the need to increase global supplies and establish and improve supply chains;
 - ii) Increasing global demand for infrastructure raises the need to supply funds to fill the gap in financial demand and supply;
 - iii) An ongoing global effort for environmental issues, including greenhouse gas reductions, is required to achieve the international commitment for the environment.
2. A fast-aging population with a low birthrate and declining labor force, which are issues specific to Japan, raise the need to boost the productivity of domestic industries and benefit from overseas economic growth.
3. The progress in the Fourth Industrial Revolution requires Japanese industries to collaborate across different sectors to generate new products and businesses, or pursue new technological development through innovation.

Principles, Key Focus Areas and Action Plans

JBIC's medium-term business plan identifies eight key focus areas and 21 action plans to be pursued following the three principles.

Principles

1. Enhance JBIC's risk-taking capability by capitalizing on its strength and attributes as a policy-based financial institution
2. Respond to changing social situations and clients' needs in a flexible manner, while having the objective of supplementing the financial transactions implemented by private-sector financial institutions
3. Strengthen organizational competency

Key Focus Areas		Action Plans
Business area I	Growth areas, new fields	<ol style="list-style-type: none"> 1. To take strategic actions to promote innovation 2. To support Japanese companies in expanding into frontier markets 3. To promote energy and natural resource projects in response to the new market environment
Business area II	Overseas infrastructure development	<ol style="list-style-type: none"> 1. To support infrastructure projects that are highly important on the policy front 2. To help geo-economically important countries to establish frameworks for promoting infrastructure development
Business area III	Global environmental preservation	<ol style="list-style-type: none"> 1. To contribute to global efforts for the transition to a low-carbon society 2. To further promote global environmental preservation
Business area IV	M&As	<ol style="list-style-type: none"> 1. To support overseas M&As that are important on the policy front 2. To support overseas M&As in collaboration with private financial institutions
Business area V	Consistent implementation of policy-based finance and restructuring of operations	<ol style="list-style-type: none"> 1. To implement policy-based finance in a consistent manner 2. To restructure operations in response to the changing external environment 3. To support Japanese SMEs in expanding overseas
Organizational area I	Enhancement of operational functions	<ol style="list-style-type: none"> 1. To promote formation of projects that are geo-economically important 2. To improve operational functions to quickly respond to the changing business environment 3. To further mobilize private funds amid the changing business model of the financial sector
Organizational area II	Enhancement of management capabilities	<ol style="list-style-type: none"> 1. To ensure an executive management system that facilitates speedy and decisive operation 2. To further enhance the financial and risk management systems to support top management decisions
Organizational area III	Strengthening of organizational foundation	<ol style="list-style-type: none"> 1. To promote work-style reform 2. To streamline operational workflow 3. To ensure stability and safety while performing operations 4. To enhance human capital

Details of Action Plans for Business Performance

I Growth areas, new fields

Action plan I-1. To take strategic actions to promote innovation

(1) Taking up innovation, Creating new business and rolling them out worldwide

Amid the progress in the Fourth Industrial Revolution, where industrial society is transforming into “Connected Industries” which are connecting humans, machines and technologies across firms and borders to create new value, JBIC will support Japanese companies in taking in innovation from overseas, creating new business through innovation and rolling them out worldwide.

(2) Building relationships with key entities/organizations

JBIC will promote relationships with new entities/organizations, such as start-up companies, venture companies established within universities as well as foreign companies and funds that engage in generating and developing new products and businesses through innovation, while re-building relationships with Japanese companies with a focus on advancing innovation.

Action plan I-2. To support Japanese companies in expanding into frontier markets

(1) Creating business opportunities for Japanese companies through support for identification and formation of projects

JBIC will support Japanese companies in expanding to regions which are expected to further strengthen relationships with Japan—such as Africa, the Mekong Region and South Asia—by enhancing its risk-taking capability and collaborations with international organizations and state financial institutions around the world.

(2) Strengthening efforts to facilitate business in Africa towards TICAD VII

JBIC will promote the formation of projects by formulating strategies to encourage Japanese companies to find business opportunities in Africa.

Action plan I-3. To promote energy and natural resource projects in response to the new market environment

(1) Structuring financing schemes to respond to changing markets

JBIC will provide financial support in response to more diversified pricing formulas and contracts in the LNG market, which is at a turning point in its supply and demand balance.

(2) Supporting projects that are expected to help to establish an energy value chain

JBIC will support infrastructure projects, such as projects for Gas-to-Power and LNG receiving terminals, aiming to contribute to Japan’s energy security.

(3) Ensuring new resources and energy sources

JBIC will provide support to secure strategic natural resources to be used for innovation, as well as support to secure new energy sources and establish supply chains to facilitate the transition to a low-carbon society.

II Overseas infrastructure development

Action plan II-1. To support infrastructure projects that are highly important on the policy front

JBIC, in collaboration with the Japanese government and its agencies, will proactively lead project formation to support Japanese companies in participating in overseas infrastructure projects that are highly important on the policy front (e.g. high-speed railways and ports).

Action plan II-2. To help geo-economically important countries to establish frameworks for promoting infrastructure development

JBIC will help geo-economically important countries with high potential as destinations for infrastructure exports to establish a public-private partnership (PPP) framework, through policy dialogue with the governments of those countries and workshops to share knowledge of PPP.

III Global environmental preservation

Action plan III-1. To contribute to global efforts for the transition to a low-carbon society

Taking account of the policies of host governments and their needs, JBIC will support the transition toward low-carbonization of thermal power generation and encourage Japanese companies to develop low-carbon infrastructure projects such as renewable energy projects.

Action plan III-2. To further promote global environmental preservation

To respond to social demand for clean air and water, and waste disposal considering environmental impact, JBIC will contribute to sustainable economic growth by promoting the use of Japanese companies' superb environmental technology and expertise such as desulfurization and denitration equipment, waste water treatment equipment and waste-to-energy generation technology.

IV M&As

Action plan IV-1. To support overseas M&As that are important on the policy front

JBIC will support overseas M&As by Japanese companies, while considering the importance of their business strategies and Japanese government policy.

Action plan IV-2. To support overseas M&As in collaboration with private financial institutions

JBIC will provide financing for overseas M&A transactions in the form of two-step loans, in collaboration with Japanese private financial institutions which have broad customer bases.

V Consistent implementation of policy-based finance and restructuring of operations

Action plan V-1. To implement policy-based finance in a consistent manner

(1) Fulfilling JBIC's mission by enhancing its risk-taking capability

Amid a changing environment surrounding Japan in terms of geo-economic aspects such as the emergence of new entities/organizations, JBIC will support the business activities of Japanese companies particularly in the areas of developing and acquiring interests in strategically important energy and natural resources overseas as well as of maintaining and increasing the international competitiveness of Japanese industries. JBIC will carry out its mission by enhancing its risk-taking capability and utilizing its various financial tools, while considering the needs of host countries' governments.

(2) Responding to the changing international financial environment

JBIC will take measures in a proactive and flexible manner to prevent global financial disorder or respond to financial turmoil by monitoring the international financial environment and corporate funding activities.

Action plan V-2. To restructure operations in response to the changing external environment

JBIC will restructure its existing operations for increased efficiency, in order to quickly respond to the changes in international situations, the financial environment as well as in the Japanese government's policies and clients' expectations for policy-based finance.

Action plan V-3. To support Japanese SMEs in expanding overseas

JBIC will provide its unique support to Japanese SMEs which plan to expand overseas, in close cooperation with Japanese private-sector financial institutions such as regional banks and Shinkin (credit) banks.

Details of Action Plans for Organizational Competency

I Enhancement of operational functions

Action plan I-1. To promote formation of projects that are geo-economically important

(1) Promoting projects that are geo-economically important, through JBIC's strategic research capability

JBIC will offer strategic information to the Japanese government and other stakeholders and help to structure financing schemes for projects that are geo-economically important by utilizing its strategic research capability.

(2) Collaborating with bilateral and international organizations

JBIC will materialize strategic project formation and appropriate risk sharing with bilateral and international organizations, while contributing to rulemaking for the financing of public agencies.

(3) Strengthening relationships with foreign governments and companies

JBIC will enhance relationships with governments and companies in host countries in order to form projects taking into account the Japanese government's foreign policy and the importance of geo-economic aspects.

Action plan I-2. To improve operational functions to quickly respond to the changing business environment

JBIC will improve operational flows, launch new financial instruments and prepare operational conditions in order to deliver services in response to the changing business environment.

Action plan I-3. To further mobilize private funds amid the changing business model of the financial sector

Considering a changing financial environment due to factors such as the Basel requirements, JBIC will supplement the financial transactions implemented by private financial institutions through various means including co-financing, two-step loans and loan guarantees. JBIC will also strive to create new investment opportunities for private financial institutions by offering opportunities to purchase receivables related to the loans granted by JBIC or by other measures such as investment information sharing through seminars.

II Enhancement of management capabilities

Action plan II-1. To ensure an executive management system that facilitates speedy and decisive operation

(1) Strengthening capability to execute corporate strategy

JBIC will enhance its capability to address organizational issues in an effective manner by establishing a structure under which Group-wide planning agendas are integrated.

(2) Reviewing decision-making processes

JBIC will eliminate/consolidate internal committees, increase/decrease the number of committee members depending on the purpose of the committees, as well as review decision-making processes.

Action plan II-2. To further enhance the financial and risk management systems to support top management decisions

(1) Enhancing capital adequacy to strengthen risk-taking capability

JBIC will enhance its capital adequacy to exert its risk-taking capability in large projects.

(2) Improving capacity to raise funds in a diversified and stable manner, and preparing a more effective financial reporting system

JBIC will diversify the means to raise funds over the long term, such as borrowing foreign currencies, and establish its accounting and financial reporting system in response to the changes in its operations and market regulations.

(3) Strengthening the risk management system

To increase risk tolerance, JBIC will improve its overall risk management process and risk analysis ability by, for example, strengthening its risk monitoring practices, increasing its analytical capabilities for asset-liability management and profitability, improving its credit risk management system used for evaluating the creditworthiness of its clients, and collecting data for credit analysis.

III Strengthening of organizational foundation

Action plan III-1. To promote work-style reform

JBIC will develop and implement its “Plan for Work Style Reform.”

Action plan III-2. To streamline operational workflow

(1) Ensuring implementation of operational procedures without errors or omissions

JBIC will streamline its operations by using IT technologies and promote other streamlining measures to implement operations in a more accurate and flexible manner.

(2) Ensuring safe and stable operation of IT system

JBIC will renovate its core IT system and upgrade existing IT infrastructure.

Action plan III-3. To ensure stability and safety while performing operations

JBIC will ensure the effectiveness of its business continuity plan (BCP) and strengthen its responsiveness to information security incidents.

Action plan III-4. To enhance human capital

JBIC will secure and develop human resources to correspond to diversified operations.

Outline of Operations in FY2018

Operational Highlights

The total amount of commitments JBIC made during FY2018 in loans, equity participations, and guarantees was approximately ¥1,717.1 billion, which is an increase of 43.9% from FY 2017. The outstanding amount of loans, equity participations and guarantees as of March 31, 2019 was approximately ¥16,510.6 billion.

The following is a report on JBIC's major operations in each sector during FY2018.

Efforts in the Energy and Natural Resources Sector

As Japan depends on imports from overseas for most of its resources, it is an important challenge that the country secures a stable supply of energy and mineral resources in the medium to long term by increasing its self-development ratio of those resources. In FY2018, JBIC made a total of eight financial commitments in the natural resources sector, amounting to approximately JPY251.0 billion in loans and equity participation.

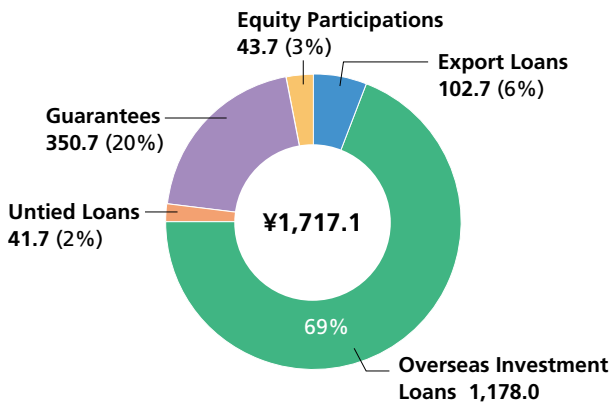
JBIC provided financing for a Japanese company to acquire interests in an offshore oil field in the Emirate of Abu Dhabi in the United Arab Emirates. JBIC also conducted equity participation in a business in Vietnam that manufactures a raw material of zirconium compounds used for various industrial goods, such as emissions purification catalysts for automobiles and other industrial catalysts, and exports them to Japan.

Supporting Strategic Overseas Business Activities by Japanese Companies

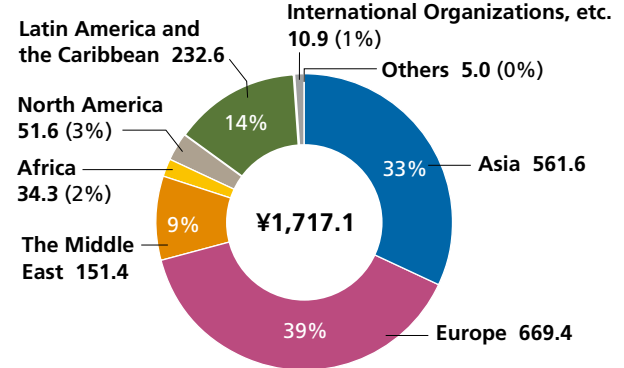
Amid a growing move by Japanese industries to seek business opportunities outside Japan due to declining domestic demand, JBIC supports Japanese companies, through its various financial instruments, in implementing their overseas business strategies as well as maintaining and strengthening their global supply chains.

With the aim of supporting overseas investments by Japanese companies, JBIC together with Japanese

Commitments by Purpose of Financing
(FY2018; unit: billions of yen)

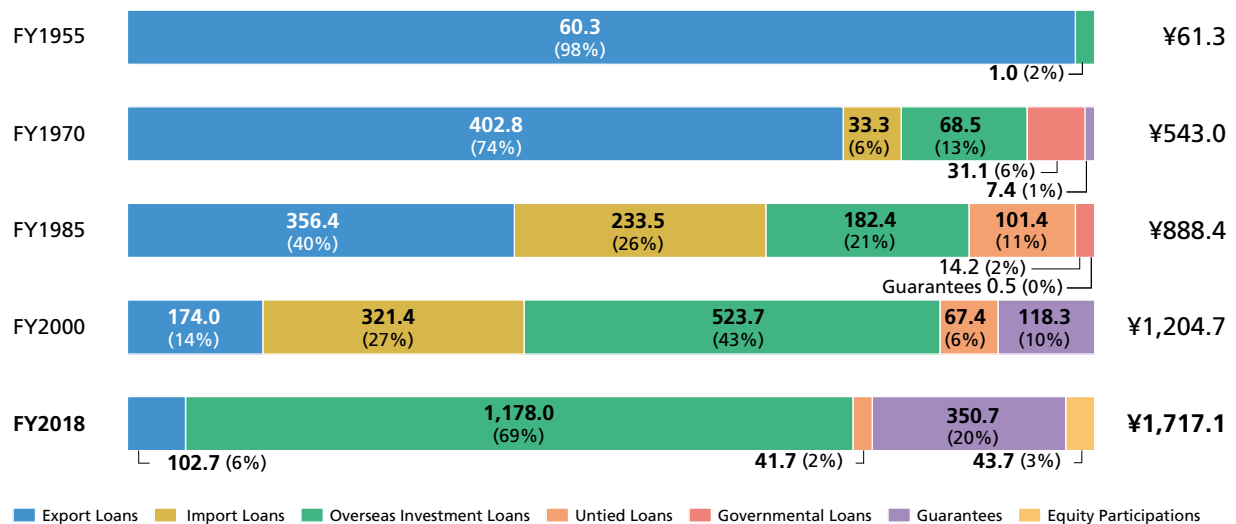


Commitments by Region
(FY2018; unit: billions of yen)



Changing Composition of Loans, Equity Participations, and Guarantees (Commitments)

(Unit: billions of yen)



companies, invested in a fund that focuses on advanced IT companies in the Nordic and Baltic regions. The fund was launched by JBIC IG Partners¹. Moreover, to support the overseas M&A activities of Japanese companies, JBIC provided a loan for funds needed for acquiring a pharmaceuticals company in Ireland by a Japanese company.

Supporting Exports by Japanese Companies

JBIC supported Japanese companies in exporting construction-related equipment and services to the port sector in Angola as well as a complete backbone telecommunication network system to Uzbekistan. JBIC also concluded a loan agreement with Banco de la Nación Argentina, the largest commercial bank in Argentina, to set up an export credit line² to encourage Japanese exports of infrastructure equipment to Argentina.

Supporting Overseas Business Deployment of Japanese Mid-tier Enterprises and SMEs

To assist Japanese mid-tier enterprises and small- and medium-sized enterprises (SMEs) in expanding overseas, JBIC made a total of 66 financial commitments, aggregating approximately ¥10.2 billion in loan, equity participations and guarantees, in co-financing with Japanese private financial institutions, including regional banks and Shinkin (credit) banks. The support included loans for the sales and repairing business for watches in Cambodia and Vietnam, and international courier services business in Thailand. In addition to this, JBIC, in cooperation with Japanese regional financial institutions, hosted various seminars and events to provide information that might help Japanese companies expand overseas as well as opportunities for business matching.

Efforts in the Environment-related Sector

Under its Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) Operations (refer to page 56 for detail), JBIC concluded loan agreements to set up a credit line with the Central American Bank for Economic Integration (CABEI) to finance smart energy projects in Latin America and with Banco Nacional de Desenvolvimento Econômico e Social (BNDES), Brazilian Development Bank to support renewable energy projects in Brazil. In the environmental sector, JBIC made a total of four financial commitments amounting to approximately ¥21.8 billion in loans and guarantees in FY2018.

In July 2018, JBIC launched its new Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG). The aim of this facility is to provide a wide range of financing support for infrastructure development, including in the renewable energy sector, which is expected to help to preserve the global environment. Under the new facility, JBIC provided project financing³ to an offshore wind power project in the U.K. and a loan to a waste treatment project in Sweden.

Supporting Japanese Companies with Local Currency Loans

JBIC provided 19 local currency denominated loans⁴ totaling the equivalent of approximately ¥122.7 billion. The loans included Mexican peso and Thai baht loans to fund the manufacturing and sales of automobile parts in Mexico and Thailand, as well as a Swedish krona loan to support a waste treatment project in Sweden.

-
1. Joint venture established by JBIC and Industrial Growth Platform, Inc., in June 2017 to provide advisory services to overseas investment funds
 2. An export credit line is a form of export financing in which JBIC makes a commitment to provide a maximum amount of credit to be extended to the borrower (foreign banks or other entities) to finance exports of machinery, equipment, and services from Japan.
 3. Project finance is a financing scheme in which repayments for a loan are made solely from the cash flows generated by the project.
 4. Currencies other than JPY, USD, and EUR.

Operation Results

JBIC made total disbursements of ¥1,451.3 billion in FY2018.

Planned and Actual Lending and Investments

(Unit: billions of yen)

	FY2015		FY2016		FY2017		FY2018	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Export Loans	200.0	148.8	290.0	227.2	315.0	279.4	352.9	100.0
Import Loans and Overseas Investment Loans	1,450.0	1,867.9	1,560.0	1,922.4	2,115.0	1,357.2	1,730.0	1,269.6
Untied Loans	70.0	44.5	90.0	32.2	50.0	50.3	50.0	39.2
Equity Participations	100.0	42.4	120.0	18.5	130.0	39.8	124.0	42.4
Total	1,820.0	2,103.8	2,060.0	2,200.4	2,610.0	1,726.9	2,256.9	1,451.3

Financial Results

Principles of Accounting

(1) Separate Accounting

Pursuant to Article 26-2 of the Japan Bank for International Cooperation Act, JBIC shall apply separate accounting to Operations other than the Special Operations (Ordinary Operations) and Special Operations.

(2) Preparation of Financial Statements

Pursuant to the Companies Act and Article 26 of the Japan Bank for International Cooperation Act, JBIC prepares financial statements and submits them to the Minister of Finance. The report on the final settlement of accounts is submitted to the government of Japan, together with the financial statements and, after examination by the Board of Audit of Japan, to the Diet.

Pursuant to the Companies Act, JBIC prepares consolidated financial statements and pursuant to Article 5 of the Ordinance of the Ministry of Finance regarding Japan Bank for International Cooperation, JBIC submits the consolidated balance sheet and the consolidated statement of operations to the Minister of Finance.

Ordinary Operations

(1) Statement of Operations

In FY2018, JBIC recorded ¥450.3 billion in Interest Income and ¥476.7 billion in Ordinary Income. This was for various reasons including support to promote the acquisition of interests and development of natural resources and to expand the overseas operations of Japanese companies, such as infrastructure projects. On the other hand, JBIC recorded ¥423.7 billion in Ordinary Expenses as a result of posting ¥365.8 billion funding costs, such as Interest expenses. Therefore, Net Income totaled ¥53.0 billion, which included Ordinary Profit and Extraordinary Income and others.

(2) Balance Sheet

Total Assets amounted to ¥17,390.6 billion. This was due primarily to a decrease in Cash and Due from Banks (decreased by ¥554.7 billion to ¥946.1 billion compared with FY2017) mainly because of a decrease in excess cash. Total Liabilities amounted to ¥14,961.8 billion. This was mainly due to a decrease in Borrowed Money (decreased by ¥796.0 billion to ¥7,574.7 billion compared with FY2017) because of a decrease in borrowing from the Fiscal Investment and Loan Program (FILP) and the Foreign Exchange Fund Special Account. Total Net Assets was ¥2,428.7 billion. This was due mainly to the capital increase and Net Income of ¥53.0 billion, despite the payment to national treasury through appropriation of retained earnings in FY2017.

Special Operations

(1) Statement of Operations

In FY2018, Ordinary Income was ¥155 million. This was due mainly to Interest Income of ¥154 million. On the other hand, Ordinary Expenses of ¥328 million were recorded since ¥221 million in General and Administrative Expenses such as personnel expenses were incurred. As a result, Ordinary Loss and Net Loss amounted to ¥172 million, respectively.

(2) Balance Sheet

Total Assets amounted to ¥250.5 billion. This was due mainly to an increase in Loans and Bills Discounted (increased by ¥4.3 billion to ¥5.3 billion compared with FY2017) due to the execution of loans while Cash and Due from Banks decreased (decreased by ¥5.0 billion to ¥244.9 billion compared with FY2017). Total Liabilities was ¥320 million. Total Net Assets was ¥250.2 billion. This was due mainly to a Net Loss of ¥100 million.

The Seventh Term for JBIC (FY2018)

[Consolidated Financial Statements]
Consolidated Statement of Operations

(April 1, 2018–March 31, 2019; unit: millions of yen)

Accounts	Amounts
Ordinary Income	479,113
Interest Income	450,798
Fees and Commissions	23,030
Other Ordinary Income	272
Other Income	5,012
Ordinary Expenses	426,085
Interest Expenses	365,878
Fees and Commissions Payments	2,993
Other Ordinary Expenses	2,638
General and Administrative Expenses	21,200
Other Expenses	33,375
Ordinary Profit	53,028
Extraordinary Income	6
Extraordinary Loss	—
Net Income Before Income Taxes	53,034
Income Taxes – Current	4
Total Income Taxes	4
Net Income	53,030
Net Income Attributable to Non-controlling Interests	7
Net Income Attributable to Owner of Parent	53,022

[Non-consolidated (JBIC only)]
Statement of Operations

(April 1, 2018–March 31, 2019; unit: millions of yen)

Accounts	Amounts
Ordinary Income	476,885
Interest Income	450,481
Fees and Commissions	22,713
Other Ordinary Income	272
Other Income	3,416
Ordinary Expenses	424,013
Interest Expenses	365,878
Fees and Commissions Payments	2,323
Other Ordinary Expenses	2,695
General and Administrative Expenses	20,801
Other Expenses	32,314
Ordinary Profit	52,871
Extraordinary Income	6
Extraordinary Loss	—
Net Income	52,877

Consolidated Balance Sheet

(As of March 31, 2019; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	1,191,463	Borrowed Money	7,574,713
Securities Note 6	367,026	Bonds Payable Note 8	4,583,492
Loans and Bills Discounted Note 7	13,576,561	Other Liabilities	304,718
Other Assets Note 8	280,568	Provision for Bonuses	566
Property, Plant and Equipment Note 9	27,979	Provision for Directors' Bonuses	9
Intangible Assets	6,710	Net Defined Benefit Liability	6,988
Customers' Liabilities for Acceptances and Guarantees	2,491,767	Provision for Directors' Retirement Benefits	31
Allowance for Loan Losses	(293,126)	Acceptances and Guarantees	2,491,767
		Total Liabilities	14,962,287
		Capital Stock	1,785,300
		Retained Earnings	905,474
		Total Shareholder's Equity	2,690,774
		Valuation Difference on Available-for-sale Securities	(557)
		Deferred Gains or Losses on Hedges	(11,048)
		Foreign Currency Translation Adjustment	7,260
		Total Accumulated Other Comprehensive Income (Loss)	(4,345)
		Non-controlling Interests	235
		Total Net Assets	2,686,664
Total Assets	17,648,951	Total Liabilities and Net Assets	17,648,951

Note: See Notes 6 to 9 on pages 114 to 115 for details.

Balance Sheet

(As of March 31, 2019; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	1,191,040	Borrowed Money	7,574,713
Securities	362,975	Bonds Payable	4,583,492
Loans and Bills Discounted	13,576,561	Other Liabilities	304,608
Other Assets	277,353	Provision for Bonuses	566
Property, Plant and Equipment	27,940	Provision for Directors' Bonuses	9
Intangible Assets	6,701	Provision for Retirement Benefits	6,988
Customers' Liabilities for Acceptances and Guarantees	2,491,767	Provision for Directors' Retirement Benefits	31
Allowance for Loan Losses	(293,126)	Acceptances and Guarantees	2,491,767
		Total Liabilities	14,962,176
		Capital Stock	1,785,300
		Retained Earnings	905,343
		Total Shareholder's Equity	2,690,643
		Valuation Difference on Available-for-sale Securities	(557)
		Deferred Gains or Losses on Hedges	(11,048)
		Total Valuation and Translation Adjustments	(11,606)
		Total Net Assets	2,679,037
Total Assets	17,641,214	Total Liabilities and Net Assets	17,641,214

[Ordinary Operations Account]
Statement of Operations

(April 1, 2018–March 31, 2019; unit: millions of yen)

Accounts	Amounts
Ordinary Income	476,750
Interest Income	450,327
Fees and Commissions	22,713
Other Ordinary Income	272
Other Income	3,436
Ordinary Expenses	423,705
Interest Expenses	365,856
Fees and Commissions Payments	2,303
Other Ordinary Expenses	2,694
General and Administrative Expenses	20,601
Other Expenses	32,249
Ordinary Profit	53,044
Extraordinary Income	6
Net Income	53,050

[Special Operations Account]
Statement of Operations

(April 1, 2018–March 31, 2019; unit: millions of yen)

Accounts	Amounts
Ordinary Income	155
Interest Income	154
Other Income	1
Ordinary Expenses	328
Interest Expenses	22
Fees and Commissions Payments	20
Other Ordinary Expenses	0
General and Administrative Expenses	221
Other Expenses	64
Ordinary Loss	172
Net Loss	172

Balance Sheet

(As of March 31, 2019; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	946,130	Borrowed Money	7,574,713
Securities	362,975	Bonds Payable	4,583,492
Loans and Bills Discounted	13,571,215	Other Liabilities	304,321
Other Assets	276,949	Provision for Bonuses	560
Property, Plant and Equipment	27,940	Provision for Directors' Bonuses	9
Intangible Assets	6,701	Provision for Retirement Benefits	6,975
Customers' Liabilities for Acceptances and Guarantees	2,491,767	Provision for Directors' Retirement Benefits	30
Allowance for Loan Losses	(293,039)	Acceptances and Guarantees	2,491,767
		Total Liabilities	14,961,871
		Capital Stock	1,534,300
		Retained Earnings	905,802
		Total Shareholder's Equity	2,440,102
		Valuation Difference on Available-for-sale Securities	(557)
		Deferred Gains or Losses on Hedges	(10,775)
		Total Valuation and Translation Adjustments	(11,333)
		Total Net Assets	2,428,769
Total Assets	17,390,640	Total Liabilities and Net Assets	17,390,640

Balance Sheet

(As of March 31, 2019; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	244,910	Other Liabilities	300
Loans and Bills Discounted	5,345	Provision for Bonuses	6
Other Assets	419	Provision for Directors' Bonuses	0
Allowance for Loan Losses	(87)	Provision for Retirement Benefits	13
		Provision for Directors' Retirement Benefits	0
		Total Liabilities	320
		Capital Stock	251,000
		Retained Earnings	(458)
		Total Shareholder's Equity	250,541
		Deferred Gains or Losses on Hedges	(272)
		Total Valuation and Translation Adjustments	(272)
		Total Net Assets	250,268
Total Assets	250,588	Total Liabilities and Net Assets	250,588

Funding Sources

JBIC finances its operations through various sources, including borrowings from the Fiscal Investment and Loan Program (FILP) Fiscal Loan, Government-guaranteed Foreign Bond issuance, Government-guaranteed Long-term Loans in Foreign Currency, FILP Agency Bond issuance, capital contributions from FILP Industrial Investment, and borrowings from the Foreign Exchange Fund Special Account.

As JBIC provides long-term financing, its operations are financed by long-term funds to match maturities between funding and lending instruments.

Borrowings from FILP Fiscal Loan, Government-guaranteed Foreign Bond issuance, Government-guaranteed Long-term Loans in Foreign Currency, and Capital Contributions from FILP Industrial Investment, etc., are included in the national budget (either as an item in the General Account budget or the Special Account budget), and requests for them are submitted to the Diet for approval along the operating budget of JBIC. Recent funding results and plans for FY2019 are shown in the table below.

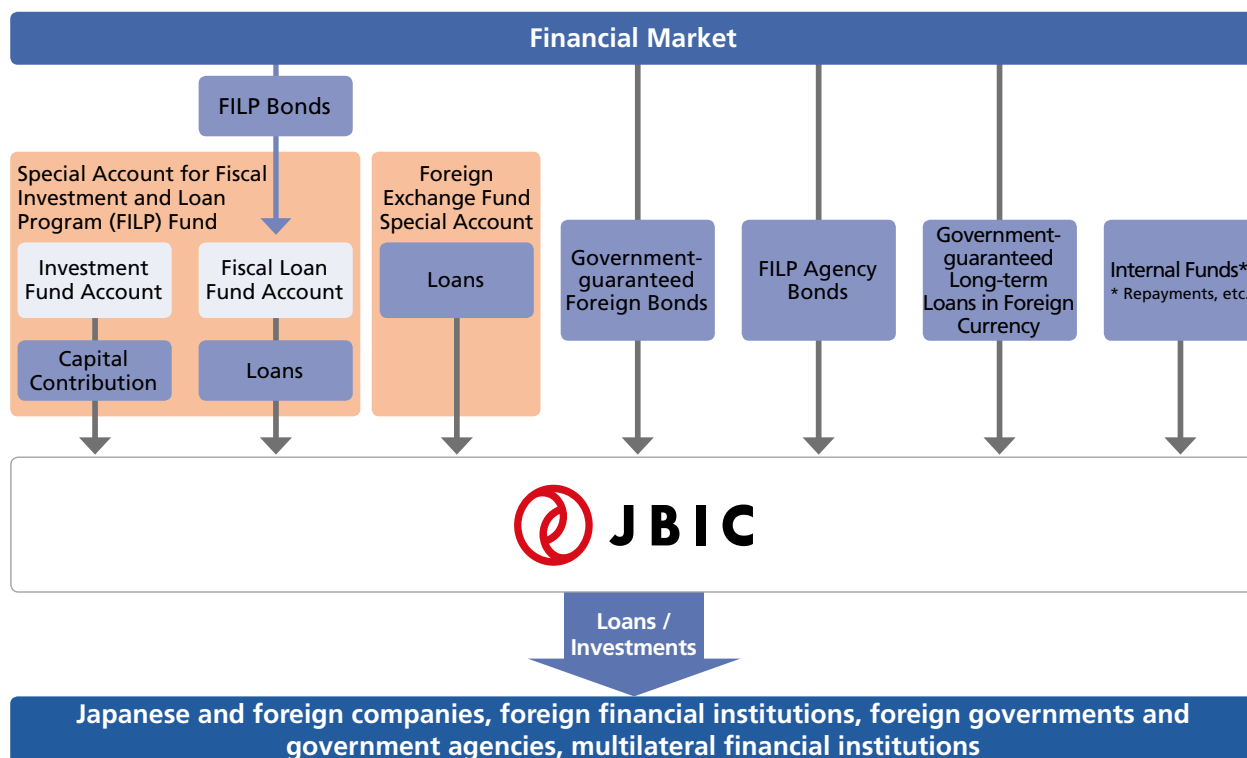
Funding Sources: Actual and Planned

(Unit: billions of yen)

	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Planned
Capital Contribution from FILP Industrial Investment	—	142.0	82.2	20.1	63.5
Borrowing from FILP Fiscal Loan	244.9	530.5	209.5	109.6	289.3
Borrowing from Foreign Exchange Fund Special Account	1,595.8	1,142.7	854.4	654.9	—
Government-guaranteed Long-term Loans in Foreign Currency		—	—	—	40.0
Government-guaranteed Foreign Bonds*	419.0	1,106.2	1,629.7	724.2	1,079.2
FILP Agency Bonds*	—	—	60.0	—	20.0
Other Sources of Funds, Including Repayments	(155.9)	(721.0)	(1,108.9)	(57.4)	729.6
Total	2,103.8	2,200.4	1,726.9	1,451.3	2,221.6

* Figures for bonds are indicated at face value.

Funding Sources



Government-guaranteed Bonds

JBIC raises part of its funds by issuing Government-guaranteed bonds in international capital markets. Outstanding Government-guaranteed bonds at the end of FY2018 amounted to ¥4,423.5 billion at face value, which accounts for 36.35% of the total outstanding borrowings and bonds. JBIC provides foreign currency loans when necessary to effectively implement policy, and funds raised by issuing Government-guaranteed bonds are used as a source of those loans.

In the FY2019 budget, JBIC plans to issue in the total amount of up to ¥1,079.2 billion in Government-guaranteed bonds.

JBIC's Government-guaranteed bonds receive the same ratings as the Government of Japan from the rating agencies (A1 from Moody's Japan K.K. (Moody's) and A+ from S&P Global Ratings Japan Inc. (S&P) as of July 31, 2019). Since they are treated as assets for which the Bank for International Settlements (BIS) assigns zero risk weight in calculating the capital adequacy ratio for depository institutions, these bonds provide a quality investment opportunity for investors in international capital markets.

FILP Agency Bonds

In compliance with the government policy to reform FILP, JBIC has issued bonds without government guarantees (FILP agency bonds) in the Japan's capital market since FY2001, thereby raising funds based on its own creditworthiness. JBIC plans to issue up to ¥20.0 billion in FY2019.

FILP agency bonds that JBIC has already issued received the same ratings as the Government of Japan (as of July 31, 2019) as shown below. They are treated as assets for which BIS assigns 10% risk weight in calculating the capital adequacy ratio for depository financial institutions.

Rating & Investment Information, Inc. (R&I)	AA+
Japan Credit Rating Agency, Ltd. (JCR)	AAA
Moody's	A1
S&P	A+