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1 Commitments

A. Commitments by Purpose of Financing

(Unit: billions of yen, %)

	FY2014			FY2015			FY2016			FY2017			FY2018		
	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share
Loans															
Export Loans	**49**	**406.4**	**13**	**22**	**141.0**	**6**	**20**	**175.0**	**8**	**14**	**34.7**	**3**	**13**	**102.7**	**6**
Shipping	24	24.3	1	9	33.6	1	3	10.5	0	4	5.1	0	1	0.8	0
Plant	24	381.8	12	13	107.3	4	17	164.5	7	10	29.6	2	12	101.8	6
Technical Services	1	0.2	0	—	—	—	—	—	—	—	—	—	—	—	—
Import Loans	**—**	**—**	**—**	**1**	**252.3**	**11**	**—**	**—**	**—**	**1**	**238.0**	**20**	**—**	**—**	**—**
Natural Resources	—	—	—	1	252.3	11	—	—	—	1	238.0	20	—	—	—
Overseas Investment Loans	**197**	**2,451.0**	**75**	**260**	**1,858.1**	**78**	**222**	**1,721.0**	**77**	**101**	**764.4**	**64**	**83**	**1,178.0**	**69**
Natural Resources	20	1,059.1	33	11	236.9	10	4	250.5	11	8	256.5	21	6	239.3	14
Others	177	1,391.9	43	249	1,621.1	68	218	1,470.5	66	93	507.9	43	77	938.7	55
Untied Loans	**5**	**46.7**	**1**	**4**	**24.8**	**1**	**4**	**33.7**	**2**	**1**	**30.0**	**3**	**3**	**41.7**	**2**
Sub Total	**251**	**2,904.2**	**89**	**287**	**2,276.3**	**95**	**246**	**1,929.9**	**86**	**117**	**1,067.3**	**89**	**99**	**1,322.5**	**77**
Guarantees	**15**	**312.3**	**10**	**7**	**106.6**	**4**	**8**	**293.5**	**13**	**8**	**48.1**	**4**	**13**	**350.7**	**20**
Equity Participations	**5**	**32.8**	**1**	**4**	**14.3**	**1**	**3**	**16.2**	**1**	**5**	**77.7**	**7**	**5**	**43.7**	**3**
Total	**271**	**3,249.3**	**100**	**298**	**2,397.4**	**100**	**257**	**2,239.7**	**100**	**130**	**1,193.2**	**100**	**117**	**1,717.1**	**100**

B. Commitments by Region (Loans, Equity Participations and Guarantees)

(Unit: billions of yen, %)

	FY2014			FY2015			FY2016			FY2017			FY2018		
	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share
Asia	**162**	**610.5**	**19**	**150**	**332.9**	**14**	**125**	**843.2**	**38**	**87**	**174.3**	**15**	**80**	**561.6**	**33**
Oceania	**6**	**173.8**	**5**	**2**	**6.9**	**0**	**4**	**11.1**	**1**	**4**	**18.2**	**2**	**—**	**—**	**—**
Europe	**17**	**228.8**	**7**	**57**	**598.3**	**25**	**56**	**525.7**	**23**	**3**	**60.0**	**5**	**8**	**669.4**	**39**
The Middle East	**14**	**493.6**	**15**	**9**	**427.6**	**18**	**8**	**134.2**	**6**	**6**	**404.0**	**34**	**6**	**151.4**	**9**
Africa	**7**	**195.6**	**6**	**2**	**14.9**	**1**	**—**	**—**	**—**	**5**	**138.4**	**12**	**4**	**34.3**	**2**
North America	**45**	**1,389.3**	**43**	**38**	**493.6**	**21**	**48**	**605.8**	**27**	**11**	**180.6**	**15**	**5**	**51.6**	**3**
Latin America and the Caribbean	**18**	**136.1**	**4**	**37**	**507.3**	**21**	**11**	**89.0**	**4**	**13**	**201.2**	**17**	**11**	**232.6**	**14**
International Organizations, etc.	**—**	**—**	**—**	**—**	**—**	**—**	**3**	**14.9**	**1**	**—**	**—**	**—**	**2**	**10.9**	**1**
Others	**2**	**21.2**	**1**	**3**	**15.5**	**1**	**2**	**15.4**	**1**	**1**	**16.1**	**1**	**1**	**5.0**	**0**
Total	**271**	**3,249.3**	**100**	**298**	**2,397.4**	**100**	**257**	**2,239.7**	**100**	**130**	**1,193.2**	**100**	**117**	**1,717.1**	**100**

2 Disbursements

(Unit: billions of yen, %)

	FY2014		FY2015		FY2016		FY2017		FY2018	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	112.0	4	148.8	7	227.2	10	279.4	15	100.0	6
Import Loans	21.8	1	27.6	1	230.9	10	0.7	0	230.0	13
Overseas Investment Loans	2,049.4	79	1,840.3	82	1,691.5	72	1,356.4	75	1,039.6	57
Untied Loans	64.3	2	44.5	2	32.2	1	50.3	3	39.2	2
Sub Total	2,247.6	87	2,061.3	92	2,181.9	93	1,687.1	93	1,408.9	77
Guarantees	303.2	12	134.3	6	152.6	6	78.5	4	367.3	20
Equity Participations	30.9	1	42.4	2	18.5	1	39.8	2	42.4	2
Total	2,581.8	100	2,238.2	100	2,353.1	100	1,805.4	100	1,818.6	100

3 Repayments

(Unit: billions of yen, %)

	FY2014		FY2015		FY2016		FY2017		FY2018	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	104.8	4	95.5	4	97.1	6	104.3	5	117.5	6
Import Loans	138.4	6	154.3	6	151.6	9	178.8	9	201.5	10
Overseas Investment Loans	1,795.6	73	1,760.7	72	961.6	59	1,413.2	69	1,401.6	69
Untied Loans	158.2	6	151.7	6	186.3	11	140.3	7	152.4	7
Governmental Loans	2.6	0	2.5	0	2.4	0	3.2	0	2.4	0
Sub Total	2,199.8	90	2,164.9	89	1,399.1	86	1,839.9	90	1,875.6	92
Guarantees	238.2	10	205.5	8	228.2	14	183.4	9	150.1	7
Equity Participations	12.4	1	64.5	3	4.5	0	17.9	1	14.6	1
Total	2,450.6	100	2,435.0	100	1,631.9	100	2,041.3	100	2,040.3	100

(Note) Prepayments in FY2017 and 2018 amounted to ¥329.9 billion and ¥339.3 billion, respectively.

4 Outstandings

(Unit: billions of yen, %)

	FY2014		FY2015		FY2016		FY2017		FY2018	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	812.4	5	844.7	5	976.7	6	1,111.1	7	1,133.5	7
Import Loans	661.6	4	525.7	3	609.7	4	421.1	3	460.8	3
Overseas Investment Loans	11,970.5	69	11,342.0	70	12,080.8	71	11,463.0	71	11,569.3	70
Untied Loans	988.8	6	901.8	6	741.9	4	632.2	4	534.3	3
Governmental Loans	37.1	0	34.6	0	32.2	0	28.9	0	26.5	0
Sub Total	14,470.6	84	13,649.0	84	14,441.5	85	13,656.7	84	13,724.6	83
Guarantees	2,572.3	15	2,464.7	15	2,385.0	14	2,260.2	14	2,493.3	15
Equity Participations	222.3	1	194.9	1	215.8	1	262.7	2	292.6	2
Total	17,265.3	100	16,308.6	100	17,042.4	100	16,179.6	100	16,510.6	100

2 Commitments

1 Export Loans by Industry

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
Shipping	**4**	**5.1**	**15**	**1**	**0.8**	**1**
Road Vehicles and Other Transport Equipment	**1**	**3.4**	**10**	**—**	**—**	**—**
Electrical Machinery	**2**	**16.1**	**46**	**3**	**44.6**	**43**
Telecommunication Equipment	**—**	**—**	**—**	**1**	**4.7**	**5**
Other Industrial Machinery and Equipment, etc.	**7**	**10.0**	**29**	**8**	**52.5**	**51**
Precision Machinery	1	0.4	1	—	—	—
Mining Equipment	1	0.4	1	—	—	—
Chemical Facilities	—	—	—	2	13.0	13
Iron and Non-ferrous Metals Manufacturing Facilities	5	9.2	27	2	5.1	5
Others	—	—	—	4	34.3	33
Total	**14**	**34.7**	**100**	**13**	**102.7**	**100**

2 Natural Resource Loans by Item

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
Energy Resources	**7**	**445.7**	**90**	**4**	**136.8**	**57**
Petroleum	3	328.8	66	3	109.1	46
Natural Gas	—	—	—	1	27.6	12
Coal	4	116.9	24	—	—	—
Other Resources	**2**	**48.8**	**10**	**2**	**102.4**	**43**
Copper Ore and Concentrate	1	33.5	7	2	102.4	43
Lead and Zinc	1	15.3	3	—	—	—
Total	**9**	**494.6**	**100**	**6**	**239.3**	**100**

3 Overseas Investment Loans by Industry (Excluding Natural Resource Loans)

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
Manufacturing Industry	**60**	**15.1**	**3**	**43**	**483.4**	**51**
Food	2	0.4	0	1	0.2	0
Textiles	—	—	—	5	50.8	5
Printing	—	—	—	1	0.1	0
Chemicals	6	0.8	0	3	420.6	45
Ceramics, Stone and Clay	2	0.4	0	3	7.8	1
Iron and Non-ferrous Metal Products	6	0.4	0	7	1.0	0
Electrical Machinery	3	1.1	0	4	0.2	0
Transport Equipment	23	5.2	1	9	1.4	0
Other Manufacturing Industries	18	6.5	1	10	0.7	0
Electric, Gas and Heat Supply and Water Service	**4**	**145.8**	**29**	**6**	**322.6**	**34**
Transport and Postal Services	**1**	**0.5**	**0**	**3**	**0.7**	**0**
Commerce	**1**	**0.3**	**0**	**4**	**44.3**	**5**
Service Industry	**1**	**0.0**	**0**	**5**	**76.8**	**8**
Others (Note)	**26**	**346.0**	**68**	**16**	**10.6**	**1**
Total	**93**	**507.9**	**100**	**77**	**938.7**	**100**

(Note) "Others" includes two-step loans to regional financial institutions in Japan. JBIC supports the overseas operations of Japanese enterprises (especially SMEs) engaged in a diverse range of manufacturing and services, such as motor vehicles and parts, electrical and electronic equipment, machinery and metals, chemicals, and wholesale and retail businesses.

4 Commitments to Mid-tier Enterprises and SMEs to Support their Overseas Business Activities

(Unit: billions of yen)

	FY2017		FY2018	
	Number of Projects	Amount	Number of Projects	Amount
Loans to Mid-tier Enterprises and SMEs	**69**	**15.4**	**60**	**9.0**

(Notes) 1. In making loans to mid-tier enterprises and SMEs, JBIC applies favorable loan terms, such as interest rates.
2. In this table, an SMEs is defined to be, in principle, an incorporated firm or individual with capital of ¥300 million or less, or having permanent employees of 300 or less. A mid-tier enterprise is defined to be an incorporated firm with capital of less than ¥1 billion (and excludes an SMEs).

5 Guarantee Commitments by Purpose

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
Guarantee for Samurai Bonds	**—**	**—**	**—**	**1**	**200.0**	**95**
Guarantee for Import of Aircrafts	**2**	**30.8**	**64**	**1**	**10.8**	**5**
Guarantee for Others	**6**	**17.2**	**36**	**2**	**0.2**	**0**
Total	**8**	**48.1**	**100**	**4**	**211.0**	**100**

6 Loan and Guarantee Commitments by Region

A. Export Loan Commitments by Region

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
Asia	**11**	**27.7**	**80**	**5**	**35.6**	**35**
East Asia	2	0.8	2	—	—	—
Southeast Asia	4	17.7	51	2	13.0	13
South Asia	5	9.2	27	—	—	—
Central Asia and the Caucasus	—	—	—	3	22.6	22
Oceania	**1**	**1.4**	**4**	**—**	**—**	**—**
The Middle East	**—**	**—**	**—**	**3**	**31.9**	**31**
Africa	**—**	**—**	**—**	**4**	**34.3**	**33**
Sub-Saharan Africa	—	—	—	4	34.3	33
Latin America and the Caribbean	**2**	**5.5**	**16**	**1**	**0.8**	**1**
Total	**14**	**34.7**	**100**	**13**	**102.7**	**100**

B. Import Loan Commitments by Region

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
The Middle East	**1**	**238.0**	**100**	**—**	**—**	**—**
Total	**1**	**238.0**	**100**	**—**	**—**	**—**

C. Overseas Investment Loan Commitments by Region

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
Asia	**70**	**145.5**	**19**	**65**	**255.2**	**22**
East Asia	3	1.9	0	8	9.9	1
Southeast Asia	63	114.7	15	57	245.3	21
South Asia	4	28.7	4	—	—	—
Oceania	**3**	**16.7**	**2**	**—**	**—**	**—**
Europe	**1**	**3.5**	**0**	**5**	**581.6**	**49**
Central and Eastern Europe and Russia	1	3.5	0	1	3.0	0
Western Europe	—	—	—	4	578.6	49
The Middle East	**3**	**119.4**	**16**	**3**	**119.5**	**10**
Africa	**5**	**138.4**	**18**	**—**	**—**	**—**
Northern Africa	1	21.4	3	—	—	—
Sub-Saharan Africa	4	116.9	15	—	—	—
North America	**8**	**144.9**	**19**	**2**	**0.6**	**0**
Latin America and the Caribbean	**11**	**195.7**	**26**	**8**	**220.9**	**19**
Total	**101**	**764.4**	**100**	**83**	**1,178.0**	**100**

D. Untied Loan Commitments by Region

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
Asia	**—**	**—**	**—**	**1**	**30.6**	**73**
Southeast Asia	—	—	—	1	30.6	73
The Middle East	**1**	**30.0**	**100**	**—**	**—**	**—**
Latin America and the Caribbean	**—**	**—**	**—**	**1**	**5.5**	**13**
International Organizations, etc.	**—**	**—**	**—**	**1**	**5.6**	**13**
Total	**1**	**30.0**	**100**	**3**	**41.7**	**100**

E. Guarantee Commitments by Region

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
Asia	**5**	**0.8**	**2**	**8**	**239.6**	**68**
Southeast Asia	5	0.8	2	8	239.6	68
Europe	**—**	**—**	**—**	**1**	**65.0**	**19**
Western Europe	—	—	—	1	65.0	19
The Middle East	**1**	**16.4**	**34**	**—**	**—**	**—**
North America	**2**	**30.8**	**64**	**2**	**35.5**	**10**
Latin America and the Caribbean	**—**	**—**	**—**	**1**	**5.2**	**2**
International Organizations, etc.	**—**	**—**	**—**	**1**	**5.3**	**2**
Total	**8**	**48.1**	**100**	**13**	**350.7**	**100**

F. Equity Participations by Region

(Unit: billions of yen, %)

	FY2017			FY2018		
	Number	Total	Share	Number	Total	Share
Asia	**1**	**0.2**	**0**	**1**	**0.5**	**1**
East Asia	1	0.2	0	—	—	—
Southeast Asia	—	—	—	1	0.5	1
Europe	**2**	**56.5**	**73**	**2**	**22.7**	**52**
Central and Eastern Europe and Russia	2	56.5	73	—	—	—
Western Europe	—	—	—	2	22.7	52
North America	**1**	**4.8**	**6**	**1**	**15.5**	**35**
Others	**1**	**16.1**	**21**	**1**	**5.0**	**11**
Total	**5**	**77.7**	**100**	**5**	**43.7**	**100**

7 Geographical Distribution of Loan and Equity Participation Commitments

(Unit: billions of yen)

Region / Country			FY2017		FY2018		Accumulated	
			Number	Total	Number	Total	Number	Total
Asia	**East Asia**	China	3	1.9	7	9.6	1,563	3,913.6
		Hong Kong					295	318.1
		Japan	1	0.2			1	0.2
		Republic of Korea					700	1,286.2
		Mongolia	2	0.8	1	0.3	7	6.5
		Others					1,029	516.4
		Sub Total	**6**	**3.0**	**8**	**9.9**	**3,595**	**6,041.2**
	Southeast Asia	Brunei Darussalam					4	45.1
		Cambodia	2	0.2	1	0.0	5	0.4
		Indonesia	13	119.4	11	82.4	1,599	6,549.0
		Laos	3	0.4			8	24.8
		Malaysia	3	0.1	1	44.3	603	1,363.7
		Myanmar	5	1.0	3	5.6	72	194.2
		The Philippines	5	2.1	3	30.6	834	1,788.6
		Singapore	3	1.8	1	0.3	490	869.4
		Thailand	18	2.2	24	36.4	2,629	2,817.4
		Vietnam	15	4.8	17	89.6	239	586.2
		Others					36	213.9
		Sub Total	**67**	**132.5**	**61**	**289.4**	**6,519**	**14,453.2**
	South Asia	Bangladesh					9	41.8
		India	9	38.0			870	1,332.2
		Pakistan					290	298.3
		Sri Lanka					61	67.9
		Others					17	3.6
		Sub Total	**9**	**38.0**			**1,247**	**1,743.9**
	Central Asia and the Caucasus	Kazakhstan					25	301.8
		Turkmenistan			2	17.8	15	302.8
		Uzbekistan			1	4.7	15	111.3
		Others					8	195.0
		Sub Total			**3**	**22.6**	**63**	**911.0**
		Total	**82**	**173.5**	**72**	**322.0**	**11,424**	**23,149.5**
Oceania		Australia	3	16.7			878	3,232.0
		Marshall Islands	1	1.4			1	1.4
		New Zealand					147	176.8
		Papua New Guinea					56	267.2
		Others					52	27.0
		Total	**4**	**18.2**			**1,134**	**3,704.6**

(Unit: billions of yen)

Region / Country			FY2017		FY2018		Accumulated	
			Number	Total	Number	Total	Number	Total
Europe	**Central and Eastern Europe and Russia**	Bulgaria					117	134.4
		Moldova					1	5.3
		Russia	3	60.0	1	3.0	126	1,698.0
		Others					1,035	2,277.2
		Sub Total	**3**	**60.0**	**1**	**3.0**	**1,279**	**4,115.0**
	Western Europe	Belgium					29	159.9
		Cyprus					16	14.6
		Denmark					57	78.9
		Finland					22	24.2
		France					311	648.3
		Germany			1	11.1	296	472.6
		United Kingdom			2	118.7	568	2,202.1
		Iceland					5	8.2
		Ireland			1	419.9	48	758.6
		Italy					52	252.1
		Luxembourg					9	120.5
		Malta					4	18.7
		Netherlands			1	50.0	108	668.5
		Norway					249	462.4
		Portugal					48	40.3
		Spain					66	129.0
		Sweden			1	1.4	59	146.2
		Isle of Man					9	9.6
		Switzerland					88	161.9
		Others					579	497.9
		Sub Total			**6**	**601.3**	**2,623**	**6,875.6**
		Total	**3**	**60.0**	**7**	**604.4**	**3,902**	**10,990.6**
The Middle East		Bahrain			2	5.1	8	115.6
		Iraq					23	252.2
		Jordan					29	89.1
		Kuwait					24	260.6
		Oman					28	296.4
		Qatar					37	891.1
		Saudi Arabia					81	1,001.8
		Turkey	3	111.5			201	817.7
		United Arab Emirates	2	276.0	4	146.2	75	2,188.7
		Yemen					11	35.8
		Others					305	1,238.9
		Total	**5**	**387.5**	**6**	**151.4**	**822**	**7,188.3**

(Unit: billions of yen)

Region / Country			FY2017		FY2018		Accumulated	
			Number	Total	Number	Total	Number	Total
Africa	**Northern Africa**	Algeria					345	971.8
		Egypt	1	21.4			184	261.9
		Morocco					10	145.0
		Others					22	108.1
		Sub Total	**1**	**21.4**			**561**	**1,486.9**
	Sub-Saharan Africa	Angola			4	34.3	34	135.1
		Equatorial Guinea					2	17.1
		Ghana					25	59.7
		Kenya					30	19.3
		Madagascar					9	102.5
		Malawi	2	37.9			6	40.2
		Mozambique	2	79.0			19	104.3
		Seychelles					2	1.2
		South Africa					115	328.5
		Tanzania					21	32.2
		Uganda					7	8.7
		Others					1,544	1,980.7
		Sub Total	**4**	**116.9**	**4**	**34.3**	**1,814**	**2,830.1**
		Total	**5**	**138.4**	**4**	**34.3**	**2,375**	**4,317.1**
North America		Canada					329	764.1
		United States	9	149.7	3	16.1	2,718	8,977.2
		Total	**9**	**149.7**	**3**	**16.1**	**3,047**	**9,741.4**
Latin America and the Caribbean		the Bahamas					22	67.7
		Bermuda Islands	2	91.5			26	142.2
		Bolivia					32	65.9
		Brazil	1	52.7	2	56.8	1,960	3,377.5
		British Virgin Islands					4	345.0
		Cayman Islands			1	66.4	6	163.8
		Chile	1	33.5	1	47.0	162	1,415.3
		Colombia					122	276.2
		Ecuador					33	81.9
		Panama	1	2.1	1	0.8	286	418.2
		Paraguay					16	12.8
		Peru			1	55.3	114	542.9
		Trinidad and Tobago					8	83.9
		Mexico	7	17.8	4	0.7	853	2,251.4
		Venezuela					81	661.8
		Others	1	3.4			467	747.2
		Total	**13**	**201.2**	**10**	**227.3**	**4,192**	**10,654.3**
International Organizations, etc.		**Total**			**1**	**5.6**	**59**	**1,223.5**
Others(Note)		**Total**	**1**	**16.1**	**1**	**5.0**	**115**	**1,988.5**
		Grand Total	**122**	**1,145.1**	**104**	**1,366.3**	**27,070**	**72,958.2**

(Note) Others: Two-step loans to regional financial institutions in Japan and loans for crossborder projects, etc.

3 Outstandings

1 Outstandings by Purpose of Financing

(Unit: billions of yen, %)

	FY2017		FY2018	
	Total	Share	Total	Share
Loans				
Export Loans	**1,111.1**	**7**	**1,133.5**	**7**
Shipping	204.7	1	172.7	1
Plant	906.2	6	960.5	6
Technical Service	0.2	0	0.2	0
Import Loans	**421.1**	**3**	**460.8**	**3**
Natural Resources	420.6	3	460.8	3
Manufactured Goods & Technologies	0.5	0	—	—
Overseas Investment Loans	**11,463.0**	**71**	**11,569.3**	**70**
Natural Resources	5,069.7	31	4,930.6	30
Others	6,393.3	40	6,638.6	40
Untied Loans	**632.2**	**4**	**534.3**	**3**
Governmental Loans	**28.9**	**0**	**26.5**	**0**
Sub Total	**13,656.7**	**84**	**13,724.6**	**83**
Guarantees	**2,260.2**	**14**	**2,493.3**	**15**
Equity Participations	**262.7**	**2**	**292.6**	**2**
Total	**16,179.6**	**100**	**16,510.6**	**100**

2 Guarantee Outstandings by Purpose

(Unit: billions of yen, %)

	FY2017		FY2018	
	Total	Share	Total	Share
Guarantee for Samurai Bonds	**1,438.9**	**64**	**1,703.9**	**68**
Guarantee for Import of Aircrafts	**399.9**	**18**	**372.4**	**15**
Guarantee for Others	**421.4**	**19**	**416.9**	**17**
Total	**2,260.2**	**100**	**2,493.3**	**100**

3 Geographical Distribution of Loan and Equity Participation Outstandings

(As of March 31, 2019; billions of yen)

Region / Country			Number	Total
Asia	**East Asia**	China	58	60.6
		Hong Kong	29	23.1
		Japan	1	0.2
		Republic of Korea	4	13.2
		Mongolia	5	2.0
		Others	7	35.5
		Sub Total	**104**	**134.9**
	Southeast Asia	Brunei Darussalam	1	7.5
		Cambodia	5	0.2
		Indonesia	132	688.0
		Laos	8	25.8
		Malaysia	15	15.1
		Myanmar	14	37.4
		The Philippines	25	184.0
		Singapore	43	146.1
		Thailand	174	122.4
		Vietnam	123	282.4
		Sub Total	**540**	**1,509.3**
	South Asia	Bangladesh	2	12.7
		India	62	155.5
		Pakistan	3	45.9
		Sri Lanka	3	3.3
		Sub Total	**70**	**217.6**
	Central Asia and the Caucasus	Kazakhstan	8	136.2
		Turkmenistan	7	205.6
		Uzbekistan	2	16.1
		Sub Total	**17**	**358.0**
		Total	**731**	**2,219.9**
Oceania		Australia	51	1,510.6
		Marshall Islands	1	1.2
		New Zealand	4	33.4
		Papua New Guinea	6	212.6
		Total	**62**	**1,757.9**
Europe	**Central and Eastern Europe and Russia**	Bulgaria	2	0.3
		Serbia	2	2.6
		Moldova	1	0.7
		Russia	19	288.7
		Sub Total	**24**	**292.4**
	Western Europe	Belgium	1	0.2
		Cyprus	2	1.6
		Denmark	1	15.4
		Finland	7	4.5
		France	7	97.7
		Germany	36	158.5
		United Kingdom	52	557.6
		Iceland	1	2.8
		Ireland	10	656.3
		Italy	10	212.7
		Luxembourg	8	94.7
		Malta	1	6.5
		Netherlands	13	204.7
		Norway	3	10.7
		Portugal	2	2.6
		Spain	5	14.3
		Sweden	2	13.0
		Isle of Man	9	8.7
		Switzerland	3	53.7
		Sub Total	**173**	**2,117.2**
		Total	**197**	**2,409.7**

(As of March 31, 2019; billions of yen)

Region / Country			Number	Total
The Middle East		Bahrain	3	40.2
		Iraq	3	13.8
		Jordan	2	14.5
		Kuwait	2	113.5
		Oman	6	83.4
		Qatar	5	420.8
		Saudi Arabia	7	391.7
		Turkey	27	156.1
		United Arab Emirates	12	696.9
		Yemen	2	13.2
		Total	**69**	**1,944.4**
Africa	**Northern Africa**	Algeria	4	7.9
		Egypt	3	79.4
		Morocco	3	107.9
		Sub Total	**10**	**195.3**
	Sub-Saharan Africa	Angola	6	62.1
		Equatorial Guinea	2	0.8
		Ghana	1	47.6
		Kenya	1	0.0
		Madagascar	2	85.8
		Malawi	2	35.5
		Mozambique	2	73.9
		Seychelles	1	0.4
		South Africa	5	9.9
		Tanzania	1	18.6
		Uganda	1	7.5
		Sub Total	**24**	**342.5**
		Total	**34**	**537.9**
North America		Canada	11	184.5
		United States	168	2,351.2
		Total	**179**	**2,535.7**
Latin America and the Caribbean		Argentina	3	65.5
		the Bahamas	6	33.0
		Bermuda Islands	2	63.5
		Bolivia	1	11.1
		Brazil	38	503.3
		British Virgin Islands	1	322.4
		Cayman Islands	1	66.5
		Chile	22	690.4
		Colombia	2	29.2
		Ecuador	6	3.9
		Panama	10	55.2
		Paraguay	1	1.9
		Peru	2	53.2
		Trinidad and Tobago	1	45.9
		Mexico	64	123.6
		Venezuela	6	187.2
		Total	**166**	**2,256.6**
International Organizations, etc.		**Total**	**5**	**10.5**
Others(Note)		**Total**	**32**	**344.4**
		Grand Total	**1,475**	**14,017.3**

(Note) Others: Two-step loans to regional financial institutions in Japan and loans for crossborder projects, etc.

1 Major Buyer's Credit and Bank-to-bank Loan Commitments (FY2018)

Region / Country	Project / Transaction	Borrower	Amount
Turkmenistan	Export of gas-fired power plant facility	Government of Turkmenistan	¥ 7.8 billion
Turkmenistan	Export of gas-fired power plant facility	Government of Turkmenistan	US$ 91 million
Indonesia	Export of a polyethylene manufacturing plant	PT. Chandra Asri Petrochemical Tbk	US$ 103 million
Angola	Export of equipment and services related to the port sector	Government of the Republic of Angola	¥ 14.4 billion
Angola	Export of equipment and services related to the port sector	Government of the Republic of Angola	US$ 126 million
United Arab Emirates	Export of gas-fired combined cycle power plant	Sharjah Electricity and Water Authority	US$ 241 million

(Note) A buyer's credit and a bank loan are loan facilities directly extending to a foreign importer (buyer) or a financial institution to finance imports of equipment and technologies from Japan. A buyer's credit is extended to an importer, while a bank loan is extended to a financial institution.

2 Untied Loan Commitments (FY2018)

Region / Country	Project / Transaction	Borrower	Amount
Brazil	Renewable Energy Projects (GREEN) (1)	Banco Nacional de Desenvolvimento Econômico e Social (BNDES)	US$ 50 million (2)
BCIE	Energy efficiency projects (GREEN) (1)	Central American Bank for Economic Integration	US$ 50 million (2)
Philippines	Partial acquisition of publicly offered Samurai bonds (GATE) (3)	Government of the Philippines	—

(Notes) 1. GREEN refers to the "Global action for Reconciling Economic growth and ENvironmental preservation" facility launched in April 2010. JBIC seeks to contribute to achieving both environmental and economic sustainability through its operations.
2. The figures denote loan commitments made by JBIC. Apart from them, JBIC has provided guarantees to the portion co-financed by private financial institutions.
3. GATE refers to the "Guarantee and Acquisition toward Tokyo market Enhancement" facility launched in April 2010. It will enable JBIC to acquire Samurai bonds where appropriate, in addition to providing partial guarantees for Samurai bond issues. The GATE facility will thereby support foreign governments and government agencies to raise funds in the Tokyo market.

5 Standard Loan Conditions

Standard loan conditions are shown below. Loan Interest rates are linked to the funding cost of JBIC, including the rate on borrowings from the Fiscal Loan Fund Special Account, and thus they are subject to changes in conditions of the financial market. A loan applicant should make an inquiry at the relevant loan department for specific loan conditions.(1)

1— Standard Interest Rates

(As of August 15, 2019)

Type of Loans	Standard Interest Rate(2)	Percentage of Loan Provided by JBIC
Export Loans	■ Fixed at commitment (Yen CIRR) (3) (8) • 0.88% (Repayment period 5 yrs or less) • 0.90% (Repayment period over 5 yrs to 8.5 yrs) • 0.95% (Repayment period over 8.5 yrs) ■ Fixed at tenders (3) (8) • above rate + 0.2%	60% limit
Import Loans / Overseas Investment Loans / Untied Loans / (Natural Resources / International Competitiveness) (1)	■ Japanese yen (4) • 0.2075%(6) (7) ■ Foreign Currency(5) •LIBOR+0.5875%(6) (7)	60% limit (9)

(Notes) 1. SMEs are eligible for preferential interest rates and other favorable loan conditions.
2. Premium is added based on the type of financing such as collateral/guarantee and loan schemes.
3. Synthetic rate based on interest rates charged by JBIC and cofinancing institutions.
4. Interest rates on loans in Japanese yen are determined based on specific loan periods and the amortization schedule.
The interest rate shown in the table is a reference rate for a 10-year loan with lump-sum repayment upon maturity. Please make an inquiry at the relevant department for interest rate on specific conditions.
5. Interest rates on loans in foreign currencies are linked to 6-month LIBOR for US dollars. Please contact the relevant loan department for loans in foreign currencies other than US dollars.
6. Special interest rates will be applied based on policy implication such as contribution to "Promoting overseas development and acquisition of strategically important natural resources to Japan" or "Maintaining and improving the International competitiveness of Japanese industries."
7. For loans in both Japanese yen and foreign currencies, premiums commensurate with the risk will be added based on the customer's creditworthiness, collateral/guarantees and the financing scheme etc. Also, adjustment of the premium may be required based on financial market conditions.
8. Risk premium is added based on the OECD Arrangement.
9. 70% limit for resource-related (import and overseas investment) loans.

2— Loan Maturity

The loan maturity for each loan will be determined by taking account of cash flows generated by each project.

3— Collateral, Guarantee

Collaterals and guarantees are determined in consultation with the clients.

6 Breakdown of Countries and Regions

(As of July 1, 2019)

Regions		Countries
Asia	**East Asia**	China, Hong Kong, Democratic People's Republic of Korea, Republic of Korea, Macao, Mongolia, Taiwan
	Southeast Asia	Brunei Darussalam, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, The Philippines, Singapore, Thailand, Vietnam
	South Asia	Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka
	Central Asia and the Caucasus	Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz, Tajikistan, Turkmenistan, Uzbekistan
Oceania		Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, New Zealand, North Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, Niue
Europe	**Central and Eastern Europe and Russia**	Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Serbia, Montenegro, Moldova, Poland, Romania, Russia, Slovakia, Slovenia, Ukraine, Kosovo
	Western Europe	Andorra, Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, United Kingdom (U.K.), Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, Vatican, Guernsey, Jersey
The Middle East		Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, West Bank and Gaza Strip, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates (UAE), Yemen
Africa	**Northern Africa**	Algeria, Egypt, Libya, Morocco, Tunisia
	Sub-Saharan Africa	Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Congo, Cote d'Ivoire, Djibouti, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe, Eritrea, South Sudan
North America		Canada, United States (U.S.)
Latin America and the Caribbean		Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, Bermuda Islands, Bolivia, Brazil, British Virgin Islands, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Commonwealth of Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Saint Christopher and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Mexico, United States Virgin Islands, Uruguay, Venezuela, Curacao
International Organizations, etc.		International Monetary Fund (IMF), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Asian Development Bank (ADB), Inter-American Development Bank (IDB), African Development Bank (AfDB), European Bank for Reconstruction and Development (EBRD), Banco Centroamericano de Integración Económica (BCIE), Corporación Andina de Fomento (CAF), East African Development Bank (EADB), Eastern and Southern African Trade and Development Bank (TDB), African Export-Import Bank (Afreximbank), Islamic Development Bank (IsDB), European Investment Bank (EIB), Caribbean Development Bank (CDB), etc.
Others		Two-step loans to regional financial institutions in Japan and loans for crossborder projects, etc.

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Statutory Financial Statements

Overview of Accounting

1. The consolidated financial statements of the Bank are prepared based on the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976). Moreover, its assets and liabilities are classified, also on a consolidated basis, pursuant to the Ordinance on the Accounting Practices to Be Observed by Japan Bank for International Cooperation (Ordinance of the Ministry of Finance No. 15 of 2012), while revenues and expenditures are reported on the same basis, in compliance with the latter Ordinance.

2. The non-consolidated financial statements of the Bank are prepared based on the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 59 of 1963). Furthermore, its assets and liabilities basis are classified, on a stand-alone basis, pursuant to the Ordinance on the Accounting Practices to Be Observed by Japan Bank for International Cooperation (Ordinance of the Ministry of Finance No. 15 of 2012) while non-consolidated revenues and expenditures are reported in compliance with the latter Ordinance.

3. Pursuant to provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, audit certification has been made by Ernst & Young ShinNihon LLC for the Bank's consolidated financial statements for the fiscal year under review (from April 1, 2018, to March 31, 2019) as well as non-consolidated financial statements for the business year under review (from April 1, 2018, to March 31, 2019).

1. Consolidated Financial Statements

■ Consolidated Balance Sheets

		As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Assets:				
Cash and due from banks		**¥ 1,751,287**	**¥ 1,191,463**	**$ 10,735**
Securities	Note 6	**351,605**	**367,026**	**3,307**
Loans and bills discounted	Note 7	**13,513,680**	**13,576,561**	**122,322**
Other assets	Note 8	**377,809**	**280,568**	**2,529**
Property, plant and equipment	Note 9	**28,401**	**27,979**	**252**
Buildings		2,865	2,781	25
Land		24,311	24,311	219
Construction in progress		79	79	1
Other		1,145	807	7
Intangible assets		**3,472**	**6,710**	**60**
Software		3,472	6,710	60
Customers' liabilities for acceptances and guarantees		**2,259,369**	**2,491,767**	**22,450**
Allowance for loan losses		**(273,564)**	**(293,126)**	**(2,641)**
Total assets		**¥ 18,012,060**	**¥ 17,648,951**	**$ 159,014**

		As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Liabilities:				
Borrowed money		**¥ 8,370,758**	**¥ 7,574,713**	**$ 68,247**
Bonds payable	Note 8	**4,392,597**	**4,583,492**	**41,296**
Other liabilities		**435,498**	**304,718**	**2,747**
Provision for bonuses		**546**	**566**	**5**
Provision for directors' bonuses		**9**	**9**	**0**
Net defined benefit liability		**6,785**	**6,988**	**63**
Provision for directors' retirement benefits		**25**	**31**	**0**
Acceptances and guarantees		**2,259,369**	**2,491,767**	**22,450**
Total liabilities		**¥ 15,465,589**	**¥ 14,962,287**	**$ 134,808**
Net assets:				
Capital stock		**¥ 1,765,200**	**¥ 1,785,300**	**$ 16,085**
Retained earnings		**883,601**	**905,474**	**8,158**
Total shareholder's equity		**2,648,801**	**2,690,774**	**24,243**
Valuation difference on available-for-sale securities		**(1,209)**	**(557)**	**(4)**
Deferred gains or losses on hedges		**(114,658)**	**(11,048)**	**(100)**
Foreign currency translation adjustment		**13,309**	**7,260**	**65**
Total accumulated other comprehensive income (loss)		**(102,558)**	**(4,345)**	**(39)**
Non-controlling interests		**227**	**235**	**2**
Total net assets		**¥ 2,546,471**	**¥ 2,686,664**	**$ 24,206**
Total liabilities and net assets		**¥ 18,012,060**	**¥ 17,648,951**	**$ 159,014**

■ Consolidated Statements of Operations

		For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Ordinary income:		**¥ 390,060**	**¥ 479,113**	**$ 4,317**
Interest income		336,768	450,798	4,062
Interest on loans and discounts		323,960	435,549	3,924
Interest and dividends on securities		1,846	1,676	15
Interest on deposits with banks		10,948	13,538	122
Other interest income		12	34	1
Fees and commissions		23,914	23,030	207
Other ordinary income		128	272	2
Other income		29,248	5,012	46
Recoveries of written-off claims		0	3,208	29
Other	Note 11	29,248	1,804	17
Ordinary expenses:		**327,996**	**426,085**	**3,839**
Interest expense		249,256	365,878	3,296
Interest on borrowed money and rediscounts		115,370	156,898	1,414
Interest on bonds		90,627	113,064	1,019
Interest on interest swaps		43,192	95,797	863
Other interest expense		65	118	0
Fees and commissions payments		2,043	2,993	27
Other ordinary expenses		5,363	2,638	24
General and administrative expenses		19,660	21,200	191
Other expenses		51,672	33,375	301
Provision of allowance for loan losses		51,528	19,561	176
Other	Note 12	144	13,814	125
Ordinary profit		**62,063**	**53,028**	**478**
Extraordinary income		**9**	**6**	**0**
Gain on disposal of noncurrent assets		9	6	0
Extraordinary loss		**8**	**—**	**—**
Loss on disposal of noncurrent assets		8	—	—
Net income before income taxes		**62,065**	**53,034**	**478**
Income taxes – current		**0**	**4**	**0**
Total income taxes		**0**	**4**	**0**
Net income		**62,064**	**53,030**	**478**
Net income (loss) attributable to non-controlling interests		**(17)**	**7**	**0**
Net income attributable to owner of parent		**¥ 62,081**	**¥ 53,022**	**$ 478**

■ Consolidated Statements of Comprehensive Income

		For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Net income		**¥ 62,064**	**¥ 53,030**	**$ 478**
Other comprehensive income (loss)	Note 13	**(102,771)**	**98,212**	**885**
Valuation difference on available-for-sale securities		(3,677)	651	5
Deferred gains or losses on hedges		(94,435)	103,610	934
Foreign currency translation adjustment		168	(2,019)	(18)
Share of other comprehensive income (loss) of equity method investments		(4,826)	(4,029)	(36)
Comprehensive income (loss)		**¥ (40,706)**	**¥ 151,243**	**$ 1,363**
(Comprehensive income (loss) attributable to)				
Owner of parent		(40,689)	151,235	1,363
Non-controlling interests		(17)	7	0

■ Consolidated Statements of Changes in Net Assets

From April 1, 2017 to March 31, 2018

(In millions of yen)

	Shareholder's equity		
	Capital stock	Retained earnings	Total shareholder's equity
Balance at the beginning of current period	¥ 1,683,000	¥ 842,366	¥ 2,525,366
Changes of items during the period			
Issuance of new shares	82,200		82,200
Payment to national treasury		(20,846)	(20,846)
Net income attributable to owner of parent		62,081	62,081
Net changes of items other than shareholder's equity			
Total changes of items during the period	82,200	41,234	123,434
Balance at the end of current period	¥ 1,765,200	¥ 883,601	¥ 2,648,801

(In millions of yen)

	Accumulated other comprehensive income (loss)					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income (loss)	Non-controlling interests	Total net assets
Balance at the beginning of current period	¥ 2,468	¥ (20,223)	¥ 17,968	¥ 213	¥ —	¥ 2,525,580
Changes of items during the period						
Issuance of new shares						82,200
Payment to national treasury						(20,846)
Net income attributable to owner of parent						62,081
Net changes of items other than shareholder's equity	(3,677)	(94,435)	(4,658)	(102,771)	227	(102,543)
Total changes of items during the period	(3,677)	(94,435)	(4,658)	(102,771)	227	20,891
Balance at the end of current period	¥ (1,209)	¥ (114,658)	¥ 13,309	¥ (102,558)	¥ 227	¥ 2,546,471

From April 1, 2018 to March 31, 2019

(In millions of yen)

	Shareholder's equity		
	Capital stock	Retained earnings	Total shareholder's equity
Balance at the beginning of current period	¥ 1,765,200	¥ 883,601	¥ 2,648,801
Changes of items during the period			
Issuance of new shares	20,100		20,100
Payment to national treasury		(31,150)	(31,150)
Net income attributable to owner of parent		53,022	53,022
Net changes of items other than shareholder's equity			
Total changes of items during the period	20,100	21,872	41,972
Balance at the end of current period	¥ 1,785,300	¥ 905,474	¥ 2,690,774

(In millions of yen)

	Accumulated other comprehensive income (loss)					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income (loss)	Non-controlling interests	Total net assets
Balance at the beginning of current period	¥ (1,209)	¥ (114,658)	¥ 13,309	¥ (102,558)	¥ 227	¥ 2,546,471
Changes of items during the period						
Issuance of new shares						20,100
Payment to national treasury						(31,150)
Net income attributable to owner of parent						53,022
Net changes of items other than shareholder's equity	651	103,610	(6,049)	98,212	7	98,220
Total changes of items during the period	651	103,610	(6,049)	98,212	7	140,192
Balance at the end of current period	¥ (557)	¥ (11,048)	¥ 7,260	¥ (4,345)	¥ 235	¥ 2,686,664

From April 1, 2018 to March 31, 2019

(In millions of U.S. dollars)

	Shareholder's equity		
	Capital stock	Retained earnings	Total shareholder's equity
Balance at the beginning of current period	$ 15,904	$ 7,961	$ 23,865
Changes of items during the period			
Issuance of new shares	181		181
Payment to national treasury		(281)	(281)
Net income attributable to owner of parent		478	478
Net changes of items other than shareholder's equity			
Total changes of items during the period	181	197	378
Balance at the end of current period	$ 16,085	$ 8,158	$ 24,243

(In millions of U.S. dollars)

	Accumulated other comprehensive income (loss)					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income (loss)	Non-controlling interests	Total net assets
Balance at the beginning of current period	$ (11)	$ (1,033)	$ 120	$ (924)	$ 2	$ 22,943
Changes of items during the period						
Issuance of new shares						181
Payment to national treasury						(281)
Net income attributable to owner of parent						478
Net changes of items other than shareholder's equity	7	933	(55)	885	0	885
Total changes of items during the period	7	933	(55)	885	0	1,263
Balance at the end of current period	$ (4)	$ (100)	$ 65	$ (39)	$ 2	$ 24,206

■ Consolidated Statements of Cash Flows

	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Cash flows from operating activities			
Net income before income taxes	¥ 62,065	¥ 53,034	$ 478
Depreciation and amortization	1,460	1,944	18
Losses (profits) of equity method investments	(22,207)	2,026	18
Increase (decrease) in allowance for loan losses	51,528	19,561	176
Increase (decrease) in provision for bonuses	26	20	0
Increase (decrease) in provision for directors' bonuses	2	0	0
Increase (decrease) in net defined benefit liability	(21)	202	2
Increase (decrease) in provision for directors' retirement benefits	8	5	0
Interest income	(336,768)	(450,798)	(4,062)
Interest expense	249,256	365,878	3,296
Loss (gain) related to securities	(6,925)	10,075	91
Foreign exchange losses (gains)	(1,747)	(1,223)	(11)
Loss (gain) on disposal of noncurrent assets	(1)	(6)	(0)
Net decrease (increase) in loans and bills discounted	795,457	(62,880)	(567)
Net increase (decrease) in borrowed money	(1,537,947)	(796,045)	(7,172)
Net decrease (increase) in deposits (excluding deposits paid to Bank of Japan)	120,028	64,667	583
Increase (decrease) in straight bonds-issuance and redemption	1,088,786	188,604	1,699
Interest received	321,636	424,053	3,821
Interest paid	(236,406)	(349,679)	(3,151)
Other	(231,464)	82,357	743
Subtotal	316,767	(448,202)	(4,038)
Income taxes paid	—	(3)	(0)
Net cash provided by (used in) operating activities	316,767	(448,205)	(4,038)
Cash flows from investing activities			
Purchase of securities	(69,024)	(69,622)	(627)
Proceeds from sales of securities	25,866	25,817	233
Proceeds from redemption of securities	12,900	12,500	113
Purchase of property, plant and equipment	(1,214)	(237)	(3)
Proceeds from sales of property, plant and equipment	15	9	0
Purchase of intangible assets	(1,806)	(4,529)	(41)
Net cash provided by (used in) investing activities	(33,263)	(36,062)	(325)
Cash flows from financing activities			
Proceeds from issuance of new shares	82,200	20,100	181
Repayments of lease obligations	(6)	—	—
Payment to national treasury	(20,846)	(31,150)	(281)
Proceeds from non-controlling shareholders with a consolidated subsidiary establishment	245	—	—
Net cash provided by (used in) financing activities	61,591	(11,050)	(100)
Effect of exchange rate change on cash and cash equivalents	**—**	**—**	**—**
Net increase (decrease) in cash and cash equivalents	**345,094**	**(495,318)**	**(4,463)**
Cash and cash equivalents at beginning of period	**884,516**	**1,229,610**	**11,079**
Cash and cash equivalents at end of period Note 15	**¥ 1,229,610**	**¥ 734,292**	**$ 6,616**

■ Notes to Consolidated Financial Statements

1. Basis of presentation

The accompanying consolidated financial statements have been prepared from the accounting records maintained by Japan Bank for International Cooperation ("JBIC") and its subsidiaries (the "JBIC Group") in accordance with the accounting principles and practices generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards ("IFRS").

The amounts indicated in millions of yen are rounded down by omitting figures less than one million. As a result the totals in yen do not necessarily agree with the sum of the individual amounts. Items less than 1 million yen are presented as "0," which are presented as "-" in the consolidated financial statements prepared in accordance with IFRS (Exhibit 7).

Amounts in U.S. dollars are presented solely for the convenience of readers outside Japan. The rate of ¥110.99=$1.00, the foreign exchange rate on March 31, 2019, has been used in translations. The presentation of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized, or settled in U.S. dollars at the aforementioned rate or any other rates.

2. Scope of consolidation

(a) Consolidated subsidiaries

The number of consolidated subsidiaries is two.
Company names: JBIC IG Partners
Russia-Japan Investment Fund, L.P.

(b) Unconsolidated subsidiaries

There are no applicable subsidiaries.

(c) Other company whose majority of voting rights is owned by JBIC on its own account but which is not determined to be its subsidiary

Company name: RJIF Management Limited
(Reason for determining not to be a subsidiary)
JBIC has determined that RJIF Management Limited is not its subsidiary because, while JBIC indirectly owns a majority of voting rights of RJIF Management Limited through JBIC IG Partners, which is its consolidated subsidiary, JBIC needs to obtain agreement from other JV company for making decisions on significant financial and business policies.

3. Application of the equity method

(a) Unconsolidated subsidiaries accounted for using the equity method

There are no applicable subsidiaries.

(b) Affiliates accounted for using the equity method

The number of affiliates accounted for using the equity method is two.
Company names: IFC Capitalization (Equity) Fund, L.P.
IFC Capitalization (Subordinated Debt) Fund, L.P.

(c) Unconsolidated subsidiaries that are not accounted for using the equity method

There are no applicable subsidiaries.

(d) Affiliates that are not accounted for using the equity method

Major company names: Credit Guarantee and Investment Facility
RJIF Management Limited

These companies were not included in the scope of the equity method primarily because they do not have significant impacts on the consolidated financial statements in respect of any of the following items: Net income (the amount proportionate to the share of net income of such companies), Retained earnings (the amount proportionate to the share of retained earnings of such companies) and Accumulated other comprehensive income (loss) (the amount proportionate to the share of other comprehensive income (loss) of such companies).

4. Balance sheet dates of consolidated subsidiaries

The financial statements of the consolidated subsidiaries are used in preparing the consolidated financial statements. The balance sheet dates of the consolidated subsidiaries are as follows:

March 31	2019
December 31	1
March 31	1

Appropriate adjustments are made for significant transactions that occurred during the period between the consolidated closing date and the subsidiary's balance sheet date above.

5. Significant accounting policies

(a) Securities

Held-to-maturity securities are carried at amortized cost based on the moving average method. Investments in affiliates that are not accounted for by the equity method are carried at cost based on the moving average method. Available-for-sale securities are in principle stated at fair value with changes in net unrealized gains or losses included directly in Net assets. However, available-for-sale securities whose fair value cannot be readily determined are carried at cost based on the moving average method. Securities held by the consolidated foreign subsidiary (including investments in affiliates) are classified as a financial asset designated as fair value through profit or loss based on IFRS. These securities are recognized as trading securities in JBIC's consolidated financial statements and are measured at fair value.

Investments in partnerships for investment, which are regarded as securities under Article 2, Paragraph 2 of the Japanese Financial Instruments and Exchange Act (Act No. 25 of 1948), are recognized at an amount equivalent to JBIC's percentage share of the net assets of such partnerships, based upon the most recent financial statements available depending on the reporting date stipulated in the partnership agreement.

(b) Valuation method for derivative financial instruments

Derivative financial instruments are carried at fair value.

(c) Depreciation and amortization basis for fixed assets

(i) Property, plant and equipment

Property, plant and equipment of JBIC are depreciated by the declining balance method over their useful economic lives except for buildings excluding installed facilities as well as installed facilities and structures acquired on or after April 1, 2016, which are depreciated by the straight-line method.

Depreciation is based on the following range of estimated useful lives:

Buildings: 3 years to 50 years
Other: 2 years to 35 years

Property, plant and equipment of consolidated subsidiaries are depreciated primarily by the straight-line method based on the estimated useful lives of the assets.

(ii) Intangible assets

Amortization of intangible fixed assets is computed by the straight-line method. Software used by JBIC and its consolidated subsidiaries is amortized over its useful life (5 years or less) at JBIC and its consolidated subsidiaries.

(d) Allowance for loan losses

Allowance for loan losses is recognized in accordance with internally established standards.

The allowance for claims on debtors who are legally bankrupt ("Bankrupt borrowers") or substantially bankrupt ("Substantially bankrupt borrowers") is provided based on the outstanding balance after the write-offs described as below and the deductions of the amount expected to be collected through the disposal of collateral and the execution of guarantees. The allowance for claims on debtors who are not legally bankrupt but are likely to become bankrupt ("Potentially bankrupt borrowers") is provided based on an assessment of the overall solvency of the debtors after deducting the amount expected to be collected through the disposal of collateral and the execution of guarantees.

The allowance for claims on debtors other than Bankrupt borrowers, Substantially bankrupt borrowers and Potentially bankrupt borrowers is provided primarily based on the default rate, which is calculated based on the actual defaults during a certain period in the past. The allowance for possible losses on specific overseas loans is provided based on the expected loss amount taking into consideration the political and economic situations of these countries.

All claims are assessed initially by the operational departments and subsequently by risk evaluation departments based on internal rules for self-assessment of asset quality. The risk evaluation departments, which are independent from the operational departments, review these self-assessments, and the allowance is provided based on the results of the assessments.

With respect to claims with collateral or guarantees on debtors who are legally or substantially bankrupt ("Bankrupt

borrowers and substantially bankrupt borrowers"), the residual booked amount of the claims after deduction of the amount which is deemed collectable through the disposal of collateral or the execution of guarantees is written off. There are no accumulated write-offs as of March 31, 2019.

(e) Provision for bonuses

The Provision for bonuses is calculated and provided for based on the estimated amounts of future payments attributable to the services that have been rendered by employees to the date of the consolidated balance sheet.

(f) Provision for directors' bonuses

The Provision for directors' bonuses is calculated and provided for based on the estimated amounts of future payments attributable to the services that have been rendered by directors to the date of the consolidated balance sheet.

(g) Provision for directors' retirement benefits

The Provision for directors' retirement benefits which provides for future retirement pension payments to directors, is recognized at the amount accrued at the end of the current fiscal year.

(h) Accounting for retirement benefits

(i) Method of attributing the projected benefits to periods of services
In calculating the projected benefit obligation, the estimated amount of retirement benefit payments is attributed to the period up to the end of the fiscal year based on the benefit formula.

(ii) Accounting for actuarial gains or losses and prior service costs
Actuarial gains or losses and prior service costs are expensed as they are incurred.

(i) Foreign currency translation and revaluation method

JBIC maintains its accounting records in Japanese yen. Assets and liabilities denominated in foreign currencies and held by JBIC are mostly translated into Japanese yen at the market exchange rate prevailing at the fiscal year end.

Assets and liabilities denominated in foreign currencies and held by consolidated subsidiaries are translated at the market exchange rate prevailing at respective balance sheet dates and other base dates.

(j) Accounting for hedges of interest rate risk

(i) Hedge accounting
The deferral method is applied to derivatives used for interest risk hedging purposes.

(ii) Hedging instruments and hedged items
Hedging instruments: interest rate swaps
Hedged items: loans, borrowed money, bonds and notes

(iii) Hedging policy
JBIC enters into hedging transactions up to the amount of the underlying hedged assets and liabilities.

(iv) Assessment of hedge effectiveness
JBIC assesses the effectiveness of designated hedges by measuring and comparing the change in fair value or cumulative change of cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date.

(k) Accounting for hedges of foreign exchange risks

Hedging instruments used to hedge foreign exchange risks associated with foreign currency denominated monetary assets and liabilities are accounted for primarily using the deferral method under "Accounting and Auditing Treatment Relating to Adoption of Accounting Standard for Foreign Currency Transactions for Banks" (The Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No. 25 of July 29, 2002).

The effectiveness of the hedges described above is assessed by comparing the foreign currency position of the hedged loans and bills discounted and bonds payable denominated in foreign currencies with that of the hedging instruments, such as currency swaps and forward foreign exchange contracts which are used for hedging the foreign exchange risks of loans and bills discounted and bonds payable denominated in foreign currencies.

Furthermore, deferral hedge accounting is applied to some forward foreign exchange contracts as hedging instruments used to hedge the foreign exchange risk arising from individual investments in affiliates denominated in foreign currencies.

(l) Scope of cash and cash equivalents in the consolidated statements of cash flows

"Cash and cash equivalents" as stated in the consolidated statements of cash flows consists of cash on hand and deposits with the Bank of Japan in Cash and due from banks in the consolidated balance sheets.

(m) Consumption and other taxes

Consumption taxes and local consumption taxes ("consumption taxes") of JBIC and its domestic consolidated subsidiaries are excluded from transaction amounts. Non-deductible consumption taxes related to property, plant and equipment are expensed as incurred.

6. Equity and other securities of or investments in unconsolidated subsidiaries and affiliates

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Equity and other securities	¥ 5,439	¥ 19,609	$ 177
Investments	133,783	121,329	1,093

7. Loans

(a) Bankrupt loans and non-accrual loans included in Loans and bills discounted:

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Bankrupt loans	¥ —	¥ —	$ —
Non-accrual loans	188,842	191,105	1,722

Bankrupt loans are loans, defined in Article 96, Paragraph 1, Item (iii), a. through e. and Item (iv) of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97, 1965), on which accrued interest income is not recognized as there is substantial uncertainty over the ultimate collectability of either principal or interest because they have been in arrears for a considerable period of time or for other reasons.

Non-accrual loans are loans on which accrued interest income is not recognized, although this excludes Bankrupt loans and the loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.

(b) Loans with interest or principal repayments three months or more in arrears included in Loans and bills discounted:

There are no applicable loans.

Loans with interest or principal repayments three months or more in arrears are loans whose principal or interest payment is three months or more in arrears, and which do not fall under the category of Bankrupt loans and Non-accrual loans.

(c) Restructured loans included in Loans and bills discounted:

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Restructured loans	¥ 225,846	¥ 188,036	$ 1,694

Restructured loans are loans whose repayment terms and conditions have been amended in favor of the borrowers (e.g. reduction of or exemption from the stated interest rate, deferral of interest payments, extension of principal repayments or waiver of claims) in order to support the borrowers' recovery from financial difficulties, and which do not fall under the category of Bankrupt loans, Non-accrual loans, or Loans with interest or principal repayments three months or more in arrears.

(d) The total amount of bankrupt loans, non-accrual loans, loans with interest or principal repayments three months or more in arrears, and restructured loans:

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Total amount	¥ 414,688	¥ 379,142	$ 3,416

The amounts of loans indicated in table (a) through (d) above are the gross amounts before the deduction of Allowance for loan losses.

(e) JBIC, as a policy, does not extend loans to borrowers in part or in full immediately after the execution of the loan agreements, but instead executes loans, in accordance with the progress of the underlying projects. These undrawn amounts are not included in the loans on deeds recognized in the consolidated balance sheets. The balance of undrawn amounts is as follows:

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Balance of undrawn loans	¥ 1,665,471	¥ 1,539,647	$ 13,872

8. Assets pledged as collateral

Pursuant to Article 34 of the Japan Bank for International Cooperation Act ("JBIC Act"), all JBIC assets are pledged as general collateral for bonds:

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Bonds payable	¥ 4,392,597	¥ 4,583,492	$ 41,296

Other assets include cash collateral paid for financial instruments as follows:

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Cash collateral paid for financial instruments	¥ 141,180	¥ 123,340	$ 1,111

9. Accumulated depreciation of Property, plant and equipment

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Accumulated depreciation	¥ 2,104	¥ 2,528	$ 23

10. Contingent liabilities

Japan Finance Corporation ("JFC") assumed the obligations of the JFC bonds on April 1, 2012, and JBIC is jointly responsible for the obligations of these bonds. In accordance with Article 17 (2) of the Supplementary Provisions of the JBIC Act, all of JBIC's assets are pledged as general collateral for these joint obligations as follows.

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Joint obligations	¥ 140,000	¥ 140,000	$ 1,261

11. Items included in Other under Other income

Other under Other income includes the following:

	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Gains on sales of equity and other securities	¥ —	¥ 1,190	$ 11
Gains on investments in partnerships	¥ 6,884	¥ 467	$ 4
Profits of equity method investments	¥ 22,207	¥ —	$ —

12. Items included in Other under Other expenses

Other under Other expenses includes the following:

	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Losses on sales of equity and other securities	¥ 88	¥ —	$ —
Losses on devaluation of equity and other securities	¥ —	¥ 11,787	$ 106
Losses of equity method investments	¥ —	¥ 2,026	$ 18

13. Reclassification adjustments and tax effects of other comprehensive income (loss)

	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Valuation difference on available-for-sale securities:			
Amount recognized in the current fiscal year	¥ (3,586)	¥ 2,715	$ 24
Reclassification adjustments	(91)	(2,063)	(19)
Before tax effect adjustment	(3,677)	651	5
Tax effect	—	—	—
Valuation difference on available-for-sale securities	(3,677)	651	5
Deferred gains or losses on hedges:			
Amount recognized in the current fiscal year	(138,278)	8,029	73
Reclassification adjustments	43,843	95,580	861
Before tax effect adjustment	(94,435)	103,610	934
Tax effect	—	—	—
Deferred gains or losses on hedges	(94,435)	103,610	934
Foreign currency translation adjustment:			
Amount recognized in the current fiscal year	167	(2,071)	(19)
Reclassification adjustments	0	51	1
Before tax effect adjustment	168	(2,019)	(18)
Tax effect	—	—	—
Foreign currency translation adjustment	168	(2,019)	(18)
Share of other comprehensive income (loss) of equity method investments:			
Amount recognized in the current fiscal year	(3,087)	(2,998)	(27)
Reclassification adjustments	(1,739)	(1,031)	(9)
Before tax effect adjustment	(4,826)	(4,029)	(36)
Tax effect	—	—	—
Share of other comprehensive income (loss) of equity method investments	(4,826)	(4,029)	(36)
Total other comprehensive income (loss)	¥ (102,771)	¥ 98,212	$ 885

14. Changes in Net assets

(a) Issued shares and treasury stocks

For the fiscal year ended March 31, 2018, the type and the number of issued shares and treasury stocks are as follows:

(unit: thousands of shares)

Types	The number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	The number of shares at the end of the fiscal year	Remarks
Issued shares					
Common stocks	1,533,000,000	82,200,000	—	1,615,200,000	Note
Classified stock	—	—	—	—	
Total	1,533,000,000	82,200,000	—	1,615,200,000	Note
Treasury stock					
Common stocks	—	—	—	—	
Classified stock	—	—	—	—	
Total	—	—	—	—	

(Note) The reason for an increase in shares is the issuance of 82,200,000 thousand new shares.

For the fiscal year ended March 31, 2019, the type and the number of issued shares and treasury stocks are as follows:

(unit: thousands of shares)

Types	The number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	The number of shares at the end of the fiscal year	Remarks
Issued shares					
Common stocks	1,615,200,000	20,100,000	—	1,635,300,000	Note
Classified stock	—	—	—	—	
Total	1,615,200,000	20,100,000	—	1,635,300,000	Note
Treasury stock					
Common stocks	—	—	—	—	
Classified stock	—	—	—	—	
Total	—	—	—	—	

(Note) The reason for an increase in shares is the issuance of 20,100,000 thousand new shares.

15. Cash flows

A reconciliation of Cash and cash equivalents in the consolidated statements of cash flows as of March 31, 2018 and 2019 to Cash and due from banks in the consolidated balance sheets is as follows:

	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Cash and due from banks	¥ 1,751,287	¥ 1,191,463	$ 10,735
Time deposits and others	(521,676)	(457,170)	(4,119)
Cash and cash equivalents	¥ 1,229,610	¥ 734,292	$ 6,616

16. Financial instruments and related disclosure

(a) Status of financial instruments

(i) Policies for financial instruments

Based on the JBIC Act, JBIC is a policy-based financial institution wholly owned by the Japanese government, which has the purpose of contributing to the sound development of Japan and the international economy and society while supplementing the financial transactions implemented by private-sector financial institutions, by performing the financial function to promote 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, as well as preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruption.

JBIC's principal operations consist of providing "export loans," "import loans," "investment financing," "financing for business development" (including guarantees) and "capital investment." To conduct these operations, funds are raised through borrowings from the fiscal investment and loans and the foreign exchange fund special account, and the issuing of bonds. An ALM (asset and liability management) function has been established in respect of JBIC's financial assets and liabilities that are subject to interest rate and currency fluctuations to assist in ensuring that such fluctuations do not have an adverse effect on JBIC's operations. In addition, derivative transactions are entered into for the purpose of mitigating risk inherent in foreign currency denominated transactions. Financial instruments that can be used for the management of surplus funds are limited to safe instruments such as Japanese government bonds, etc., as stipulated in the JBIC Act.

The budget required for governmental financial operations is decided upon by the Diet of Japan, and business plans and financial plans (borrowings from fiscal investment and loans, bonds, general accounting investment, and loans, etc.) are appended to the budget and submitted to the Diet of Japan.

The consolidated foreign subsidiary of JBIC engage in investments and other related activities as their principal operation.

(ii) Types of financial instruments and risks

The assets that JBIC holds mainly include loans to borrowers in Japan and overseas, and securities and liabilities mainly include borrowed money and bonds. The consolidated foreign subsidiary of JBIC holds securities subject to price fluctuations.

The associated risks of financial assets and financial liabilities held by JBIC are described below.

① Credit risk

Credit risk is the risk that JBIC will suffer losses if the financial conditions of the borrower deteriorate and the

value of assets (including off-balance sheet assets) declines or is impaired.

The credit risks associated with JBIC include sovereign risk, country risk, corporate risk, and project risk. JBIC engages in significant financing activities with overseas governments, governmental institutions, and overseas corporations as part of its support to overseas economic transactions. Because of the characteristics of these activities, sovereign or country risk is a significant part of the credit risk JBIC is exposed to in connection with these activities.

As a result, if the financial conditions of the individual borrower significantly deteriorate due to political and economic trends in the borrower's country or region, JBIC's performance and financial conditions can be adversely affected.

(Note) Sovereign risk refers to risk associated with credit extended to foreign governments. Country risk refers to risk associated with the country in which the corporation or project is located (risk, in addition to corporate risk or project risk, associated with the country in which the corporation or the project is located). Corporate risk refers to the risk associated with credit to corporations and project risk refers to the risk that the cash flows generated from the project fail to generate the planned cash flows, in the case of project finance, where the repayment of the borrowing is primarily secured by the cash flow of the project to which credit is extended.

② Market risk

Market risk is the risk that the value of assets and liabilities (including off-balance sheet items) will fluctuate and losses will be incurred, or profits derived from assets and liabilities (including off-balance sheet items) will fluctuate and losses will be incurred due to changes in various market risk factors, such as interest rates and exchange rates.

The market risk borne by JBIC mainly consists of foreign exchange risk and interest rate risk, and JBIC may suffer losses from these risks due to fluctuations in the markets such as market turmoil. However, in principle, these risks are hedged through interest rate swaps, currency swaps, and forward foreign exchange contracts.

JBIC uses hedge accounting for interest rate hedges, where the hedging instrument is interest rate swaps to hedge the risk of changes in interest rates associated with loans, borrowed money and bonds. The effectiveness of the hedges is assessed by measuring and comparing the change in fair value or cumulative change in cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date.

JBIC uses hedge accounting for foreign exchange hedges, where currency swaps and forward foreign exchange contracts are used to hedge items such as loans and bonds, etc. for foreign exchange risk. The effectiveness of the hedging with currency swaps and forward foreign exchange contracts is assessed by comparing the foreign currency position of the hedged financial assets and liabilities with that of the hedging instruments.

Furthermore, some of the foreign exchange risk arising from investments in affiliates denominated in foreign currencies are individually hedged by forward foreign exchange contracts as hedging instruments.

③ Liquidity risk

Liquidity risk is the risk that losses will be incurred as a result of difficulties in obtaining the funds necessary due to a maturity mismatch between financing and funding or unexpected outflow of funds, or being forced to fund at an interest rate significantly higher than that under normal circumstances (funding risk). It is also the risk that losses will be incurred from being unable to conduct market transactions due to market turmoil or being forced to transact at far more unfavorable prices than those under normal circumstances (market liquidity risk).

Long-term and stable funds, such as fiscal loan funds, government-guaranteed bonds and FILP agency bonds, are secured to finance JBIC and deposits are not accepted. Therefore, JBIC considers liquidity risk to be limited. However, financing costs could increase due to market turmoil and unexpected events.

(iii) Risk management structure for financial instruments

The risk management structure of JBIC is described below.

① Credit risk management

The cornerstone of credit risk management at JBIC is the evaluation of an individual borrower's creditworthiness in advance of credit approval.

When a new credit application is processed, the relevant finance departments (sales promotion departments) and credit departments collect and analyze information on the borrower. JBIC's overseas representative offices also play a part in collecting information on foreign governments and companies. Credit appraisal takes place based on the information that has been gathered and analyzed with the different departments ensuring appropriate checks throughout the process, leading to the final decision by management.

In providing credit to foreign governments and companies, JBIC takes maximum advantage of its unique position as a public financial institution. This includes exchanging views and information with governments and relevant authorities in the recipient countries, multilateral international institutions such as the International

Monetary Fund (IMF) and the World Bank, other regional development banks such as export credit agencies, and private financial institutions in developed countries. Using all these channels to exchange views and information, JBIC evaluates sovereign and country risks (risk in addition to corporate risk associated with the country in which the corporation is located) based on the broad range of information collected on the borrowing governments, the government agencies and the political and economic conditions in their countries.

The relevant finance departments and credit departments conduct proper credit risk management based on the credit risk rating system for segmented risk categories and the asset self assessment system. In addition, an Integrated Risk Management Committee is held regularly to report the status of credit management to the JBIC's management. The credit management is also checked by an independent auditing department.

In addition, a claims protection mechanism exists based on an international framework unique to official creditors, that is not applied to private sector financial institutions, for public claims on foreign governments. This mechanism consists of international financial assistance upon international approval by the Paris Club, an international group focusing on debt, to allow the debtor country to continue debt repayment when the debtor country becomes temporarily unable to service its debt due to economic conditions. As part of this international financial assistance, the debtor country conducts an economic reform program agreed by the IMF in order to secure the ability to sustainably service its debt. In view of JBIC's position as a public financial institution, it will use the framework of the Paris Club to preserve its public claims on foreign governments.

In addition to the above credit risk management related to individual borrowers, JBIC quantifies credit risk with a view to evaluating the risk of the overall loan portfolio. To quantify credit risks, it is important to take into account the characteristics of JBIC's loan portfolio, which are not typically seen in other private financial institutions, namely that JBIC holds a significant proportion of long-term loans that entail sovereign and country risks. Also to be taken into account are mechanisms for securing assets under an international supporting framework, such as the Paris Club, which is unique to official creditors. JBIC uses a unique model to quantify the credit risk taking account of the above factors and measures the amount of credit risk, which are utilized for credit risk management.

② Market risk management

JBIC manages foreign exchange risk and interest rate risk through its ALM. Market risk management protocols contain detailed stipulations in respect of risk management methods and procedures, and JBIC established an ALM Committee to assess and confirm the execution of ALM, and to discuss future responses to market risk. In addition, JBIC assesses and monitors the interest rate and terms of financial assets and liabilities in detail through a gap analysis and an interest rate sensitivity analysis as well as Value at Risk ("VaR"). The results are reported to the ALM Committee on a regular basis.

The basic policy for managing foreign exchange risk and interest rate risk at JBIC is described below.

1) Foreign exchange risk

Foreign currency-denominated loans conducted in JBIC involve risks related to exchange rate fluctuations. JBIC has a consistent policy of managing this risk by fully hedging this risk exposure through the use of currency swaps and forward foreign exchange contracts. Furthermore, some of the foreign exchange risk arising from investments in affiliates denominated in foreign currencies is individually hedged using forward foreign exchange contracts as hedging instruments.

2) Interest rate risk

Interest rate risk arises from exposure to market interest rate fluctuations for yen-denominated loan and foreign currency-denominated loan operations and the policy for managing interest rate risk is described below.

a. Yen-denominated loan operations

Yen-denominated loan operations are mainly managed by using fixed-rate loans. However, swaps are used to hedge interest rate risk for the portion of loans that are deemed to have high exposures to interest rate fluctuations and therefore interest rate risk is limited.

b. Foreign currency-denominated loan operations

For foreign currency-denominated loan operations, interest rate risk is hedged through the application of a consistent policy of using interest rate swaps and managing the funds with floating interest rates for both loans and related funding arrangements.

3) Status of market risk

JBIC only maintains a banking book and does not have financial instruments in a trading book. While in principle JBIC holds derivatives only for hedging purposes, as stated previously, market risk (VaR) that takes into account the correlation between interest rate risk and foreign exchange risk is measured in order to assess potential risk exposures. The following represents the market risk (VaR) exposure in the current fiscal year.

a. Market risk (VaR)

As of March 31, 2019 (In billions of yen)		As of March 31, 2019 (In billions of U.S. dollars)	
¥	158.6	$	1.4

b. Market risk (VaR) measurement model
Historical model (Confidence interval: 99%, Holding period: 1 year, Observation period: 5 years)

c. Risk management using VaR
VaR is a market risk measure that assesses the maximum possible fluctuation of gains or losses in fair values that could be incurred after a certain period of time ("Holding period") based on historical market movements of interest rates or exchange rates, etc., over a specific period in the past ("Observation period") within a given probability ("Confidence interval"), that is derived statistically by employing the theory of probability distribution.

The measurement assumes historical market trends and the theory of probability distribution. Based on the possibility that future market trends could deviate from these assumptions, a back-test is performed to cross-check the model-measured VaR with actual profits or losses, in order to confirm the effectiveness of market risk measurements using VaR. In addition, a stress test, which goes beyond the probability distribution of historical market movements, is carried out in order to capture risks from various perspectives.

The following points should generally be noted in measuring VaR:

- VaR will differ depending on the choice of confidence interval, holding period or observation period;
- VaR indicates the maximum fluctuation of gains or losses in fair values at the time of measurement. In practice, the actual results at a point in the future may differ from the VaR calculation due to changes in the assumptions caused by market movements during the holding period; and
- VaR indicates the maximum value based on specific assumption. As such, when utilizing VaR as a risk management measure, it is imperative to keep in mind that VaR may underestimate the potential losses.

③ Liquidity risk management related to funding
Long-term and stable funds, such as fiscal loan funds, government-guaranteed bonds and FILP agency bonds, are used to finance the operations and deposits are not accepted.

Cash flows are assessed and proper measures, including establishing overdraft facility accounts with multiple private sector financial institutions, are taken to maintain daily cash flows for proper risk management.

④ Derivative transactions
For derivative transactions, the internal checks and balances are established by assigning the execution of transactions, the assessment of hedge effectiveness and the management of administrative work to separate divisions. In addition, derivative transactions are carried out in accordance with the derivatives related protocol.

(iv) Supplementary explanation concerning fair value of financial instruments
Fair values of financial instruments are based on their market prices or, in cases where market prices are not available, on reasonably calculated prices. These prices have been calculated using certain assumptions, and may differ depending on the assumptions.

(b) Fair value of financial instruments

The carrying amount on the consolidated balance sheets as of March 31, 2018 and 2019 and the related fair value, and difference are as follows. Note that unlisted securities whose fair value is extremely difficult to be determined are not included in the following tables (refer to Note 2).

As of March 31, 2018

(In millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	¥ 1,751,287	¥ 1,751,287	¥ —
(2) Securities			
Trading securities	9,837	9,837	—
Available-for-sale securities	76,197	76,197	—
(3) Loans and bills discounted	13,513,680		
Allowance for loan losses (*1)	(265,189)		
	13,248,491	13,342,813	94,322
(4) Other assets (*2)	141,180	141,180	—
Total assets	¥ 15,226,993	¥ 15,321,316	¥ 94,322
(1) Borrowed money	8,370,758	8,425,665	54,906
(2) Bonds payable	4,392,597	4,315,172	(77,424)
(3) Other liabilities (*2)	56,280	56,280	—
Total liabilities	¥ 12,819,635	¥ 12,797,117	¥ (22,518)
Derivative transactions (*3)			
Derivative transactions not qualifying for hedge accounting	—	—	—
Derivative transactions qualifying for hedge accounting	(137,746)	(137,746)	—
Total derivative transactions	¥ (137,746)	¥ (137,746)	¥ —

(*1) General allowance for loan losses and specific allowance for loan losses, and the allowance for possible loan losses on specific overseas loans have been deducted from Loans and bills discounted.
(*2) This does not include derivative transactions, but presents Other assets and Other liabilities that are financial instruments subject to fair value disclosure.
(*3) Derivatives recorded in Other assets and Other liabilities are collectively presented. Assets and liabilities arising from derivative transactions are presented on a net basis. The figures in parenthesis indicate net liabilities.

As of March 31, 2019

(In millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	¥ 1,191,463	¥ 1,191,463	¥ —
(2) Securities			
Trading securities	10,932	10,932	—
Available-for-sale securities	83,892	83,892	—
(3) Loans and bills discounted	13,576,561		
Allowance for loan losses (*1)	(284,842)		
	13,291,718	13,435,564	143,846
(4) Other assets (*2)	123,340	123,340	—
Total assets	¥ 14,701,346	¥ 14,845,192	¥ 143,846
(1) Borrowed money	7,574,713	7,636,800	62,087
(2) Bonds payable	4,583,492	4,589,487	5,995
(3) Other liabilities (*2)	44,620	44,620	—
Total liabilities	¥ 12,202,825	¥ 12,270,908	¥ 68,082
Derivative transactions (*3)			
Derivative transactions not qualifying for hedge accounting	56	56	—
Derivative transactions qualifying for hedge accounting	(98,162)	(98,162)	—
Total derivative transactions	¥ (98,105)	¥ (98,105)	¥ —

As of March 31, 2019 (In millions of U.S. dollars)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	$ 10,735	$ 10,735	$ —
(2) Securities			
Trading securities	98	98	—
Available-for-sale securities	756	756	—
(3) Loans and bills discounted	122,322		
Allowance for loan losses (*1)	(2,566)		
	119,756	121,052	1,296
(4) Other assets (*2)	1,111	1,111	—
Total assets	$ 132,456	$ 133,752	$ 1,296
(1) Borrowed money	68,247	68,806	559
(2) Bonds payable	41,296	41,351	55
(3) Other liabilities (*2)	402	402	—
Total liabilities	$ 109,945	$ 110,559	$ 614
Derivative transactions (*3)			
Derivative transactions not qualifying for hedge accounting	0	0	—
Derivative transactions qualifying for hedge accounting	(884)	(884)	—
Total derivative transactions	$ (884)	$ (884)	$ —

(*1) General allowance for loan losses and specific allowance for loan losses, and the allowance for possible loan losses on specific overseas loans have been deducted from Loans and bills discounted.
(*2) This does not include derivative transactions, but presents Other assets and Other liabilities that are financial instruments subject to fair value disclosure.
(*3) Derivatives recorded in Other assets and Other liabilities are collectively presented. Assets and liabilities arising from derivative transactions are presented on a net basis. The figures in parenthesis indicate net liabilities.

(Note 1) Valuation methodologies used for estimating fair values for financial instruments

Assets

(1) Cash and due from banks

For Due from banks that have no specific maturity or have a maturity under three months, the carrying amounts are used as fair value because the carrying amount approximates the fair value.

(2) Securities

Trading securities (including investments in affiliates) are held by the consolidated foreign subsidiary and are measured at fair value through profit or loss based on IFRS.

The fair value of available-for-sale securities is based upon the prices that are indicated from the financial institutions that JBIC transacts with.

(3) Loans and bills discounted

For loans with variable interest rates, since such loans reflect market interest rates over the short term, an amount calculated by the floating rate note method is used for fair value.

For loans with fixed interest, the total principal and interest is discounted by a risk free rate that incorporates the default ratio and coverage ratio to calculate fair value.

However, for claims on Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers, expected credit losses on such claims are calculated based on the expected collectable amount from the collateral or guarantee. Since fair value approximates the amount on the consolidated balance sheets at the fiscal year end after the deduction of the allowance for loan losses, this amount is used for fair value.

(4) Other assets

Of Other assets, for cash collateral paid for financial instruments, the carrying amount is used as fair value because the carrying amount approximates the fair value.

Liabilities

(1) Borrowed money

Borrowed money with variable interest rates reflect short-term market interest rates and the credit conditions of JBIC and its consolidated subsidiaries have not changed significantly since the execution of borrowings. Therefore, the carrying amount is used as fair value because it is considered that the carrying amount approximates the fair value. For borrowed money with a fixed interest rate, in principle, fair value is calculated by discounting the principal and interest of the borrowings by the risk free rate (the standard Japanese government bond rate).

(2) Bonds payable

Market value is used as fair value of bonds.

(3) Other liabilities

Of Other liabilities, for cash collateral received for financial instruments, the carrying amount is used as fair value because the carrying amount approximates the fair value.

Derivative transactions

Derivative transactions are disclosed in Note 18 "Derivative transactions."

(Note 2) Financial instruments whose fair values are considered to be extremely difficult to determine are as follows. They are not included in "Assets, (2) Securities."

Classification

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
1) Unlisted stocks (unconsolidated subsidiaries and affiliates) (*1)	¥ 5,439	¥ 17,862	$ 161
2) Unlisted stocks (other than unconsolidated subsidiaries and affiliates) (*1) (*2)	75,393	74,270	669
3) Partnership investments (unconsolidated subsidiaries and affiliates) (*3)	133,783	121,329	1,093
4) Partnership investments (other than unconsolidated subsidiaries and affiliates) (*3)	50,952	58,739	529
Total	¥ 265,569	¥ 272,201	$ 2,452

(*1) Since Unlisted stocks do not have quoted market prices available and their fair value is extremely difficult to determine, fair values are not stated.
(*2) No impairment loss is recognized for unlisted stocks (other than unconsolidated subsidiaries and affiliates) for the fiscal year ended March 31, 2018. Impairment loss of ¥11,787 million ($106 million) is recognized for unlisted stocks (other than unconsolidated subsidiaries and affiliates) for the fiscal year ended March 31, 2019.
(*3) For Partnership investments composed of unlisted stocks that do not have quoted market prices available and for which fair value is extremely difficult to be determined, fair values are not stated.

(Note 3) Redemption schedule for receivables and redeemable securities with future redemption dates

As of March 31, 2018 (In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Due from banks (*1)	¥ 1,751,287	¥ —	¥ —	¥ —	¥ —	¥ —
Securities						
Available-for-sale securities	12,500	53,500	9,802	—	—	—
Loans and bills discounted (*2)	1,431,414	3,067,267	2,569,023	2,327,348	2,234,766	1,695,017
Total	¥ 3,195,201	¥3,120,767	¥2,578,826	¥2,327,348	¥2,234,766	¥1,695,017

(*1) Demand deposits in Due from banks are included in "Due within one year."
(*2) Loans and bills discounted of ¥188,842 million whose redemption is not estimable, such as claims against Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers, are not included in the tables above.
(*3) Of Other assets, the information about cash collateral paid for financial instruments is omitted since there is no fixed maturity date for repayments.

As of March 31, 2019 (In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Due from banks (*1)	¥1,191,463	¥ —	¥ —	¥ —	¥ —	¥ —
Securities						
Available-for-sale securities	23,500	30,000	2	—	30,600	—
Loans and bills discounted (*2)	1,530,222	3,040,088	2,607,551	2,630,725	1,960,695	1,616,170
Total	¥ 2,745,186	¥ 3,070,088	¥ 2,607,554	¥ 2,630,725	¥ 1,991,295	¥ 1,616,170

As of March 31, 2019 (In millions of U.S. dollars)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Due from banks (*1)	$ 10,735	$ —	$ —	$ —	$ —	$ —
Securities						
Available-for-sale securities	212	270	0	—	275	—
Loans and bills discounted (*2)	13,787	27,391	23,494	23,702	17,666	14,561
Total	$ 24,734	$ 27,661	$ 23,494	$ 23,702	$ 17,941	$ 14,561

(*1) Demand deposits in Due from banks are included in "Due within one year."
(*2) Loans and bills discounted of ¥191,105 million ($1,722 million) whose redemption is not estimable, such as claims against Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers, is not included in the tables above.
(*3) Of Other assets, the information about cash collateral paid for financial instruments is omitted since there is no fixed maturity date for repayments.

(Note 4) Redemption schedule for Borrowed money and Bonds payable with future redemption dates

As of March 31, 2018 (In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowed money	¥ 809,379	¥ 2,189,642	¥ 3,985,736	¥ 585,900	¥ 631,100	¥ 169,000
Bonds payable	684,000	1,288,777	863,360	318,720	1,247,072	—
Total	¥ 1,493,379	¥ 3,478,419	¥ 4,849,096	¥ 904,620	¥ 1,878,172	¥ 169,000

(*1) Of Other liabilities, the information about cash collateral received for financial instruments is omitted since there is no fixed maturity date for repayments.

As of March 31, 2019 (In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowed money	¥ 521,428	¥ 1,792,627	¥ 4,240,158	¥ 233,800	¥ 617,700	¥ 169,000
Bonds payable	458,465	1,378,001	1,011,162	519,455	1,226,439	—
Total	¥ 979,893	¥ 3,170,628	¥5,251,320	¥ 753,255	¥ 1,844,139	¥ 169,000

As of March 31, 2019 (In millions of U.S. dollars)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowed money	$ 4,698	$ 16,151	$ 38,203	$ 2,107	$ 5,565	$ 1,523
Bonds payable	4,131	12,416	9,110	4,680	11,050	—
Total	$ 8,829	$ 28,567	$ 47,313	$ 6,787	$ 16,615	$ 1,523

(*1) Of Other liabilities, the information about cash collateral received for financial instruments is omitted since there is no fixed maturity date for repayments.

17. Market value of securities

The following tables contain information relating to negotiable certificates included in "Cash and due from banks" as well as "Securities" that are presented in the consolidated balance sheets.

Information relating to "Equity securities of and other investments in subsidiaries and affiliates" is presented in the notes to the consolidated financial statements.

(a) Trading securities

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Unrealized gains (losses) included in profit or loss for the fiscal year	¥ (31)	¥ 1,214	$ 11

(b) Held-to-maturity debt securities

Fiscal year ended March 31, 2018

Not applicable.

Fiscal year ended March 31, 2019

Not applicable.

(c) Available-for-sale securities

As of March 31, 2018 (In millions of yen)

	Type	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	¥ —	¥ —	¥ —
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	46,203	45,800	403
Subtotal		46,203	45,800	403
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	69,994	70,000	(6)
Subtotal		69,994	70,000	(6)
Total		¥ 116,197	¥ 115,800	¥ 397

As of March 31, 2019 (In millions of yen)

	Type	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	¥ —	¥ —	¥ —
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	54,660	54,100	560
Subtotal		54,660	54,100	560
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	69,232	70,000	(768)
Subtotal		69,232	70,000	(768)
Total		¥ 123,892	¥ 124,100	¥ (207)

As of March 31, 2019

(In millions of U.S. dollars)

	Type	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	$ —	$ —	$ —
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	492	487	5
Subtotal		492	487	5
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	624	631	(7)
Subtotal		624	631	(7)
Total		$ 1,116	$ 1,118	$ (2)

(d) Held-to-maturity debt securities sold

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

Not applicable.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

Not applicable.

(e) Available-for-sale securities sold

Fiscal year ended March 31, 2018

(In millions of yen)

	Amount of sales	Total gain on sales	Total loss on sales
Stocks	¥ —	¥ —	¥ —
Debt securities	—	—	—
Japanese government bonds	—	—	—
Corporate bonds	—	—	—
Other	¥ 8,886	¥ 128	¥ 57
Total	¥ 8,886	¥ 128	¥ 57

Fiscal year ended March 31, 2019

(In millions of yen)

	Amount of sales	Total gain on sales	Total loss on sales
Stocks	¥ —	¥ —	¥ —
Debt securities	—	—	—
Japanese government bonds	—	—	—
Corporate bonds	—	—	—
Other	¥ 10,462	¥ 116	¥ —
Total	¥ 10,462	¥ 116	¥ —

Fiscal year ended March 31, 2019 (In millions of U.S. dollars)

	Amount of sales	Total gain on sales	Total loss on sales
Stocks	$ —	$ —	$ —
Debt securities	—	—	—
Japanese government bonds	—	—	—
Corporate bonds	—	—	—
Other	$ 94	$ 1	$ —
Total	$ 94	$ 1	$ —

(f) Change in classification of securities

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

Not applicable.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

Not applicable.

(g) Impairment of securities

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

Not applicable.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

Not applicable.

(h) Money held in trust

(i) Money held in trust for trading purposes

Fiscal year ended March 31, 2018

Not applicable.

Fiscal year ended March 31, 2019

Not applicable.

(ii) Money held in trust for holding-to-maturity purposes

Fiscal year ended March 31, 2018

Not applicable.

Fiscal year ended March 31, 2019

Not applicable.

(iii) Other money held in trust (other than trading and holding-to-maturity purposes)

Fiscal year ended March 31, 2018

Not applicable.

Fiscal year ended March 31, 2019

Not applicable.

(i) Net unrealized gains (losses) on available-for-sale securities are as follows:

Fiscal year ended March 31, 2018 (In millions of yen)

Valuation difference	¥	(1,209)
Available-for-sale securities (*)		(1,209)
Other money held in trust		—
(+) Deferred tax assets (or (-) Deferred tax liabilities)		—
Valuation difference on available-for-sale securities (before following adjustments)	¥	(1,209)
(-) Non-controlling interests		—
(+) JBIC's interest in valuation difference on available-for-sale securities held by affiliates accounted for using the equity method		—
Valuation difference on available-for-sale securities	¥	(1,209)

(*) Available-for-sale securities includes foreign exchange translation differences in respect of available-for-sale securities whose fair value cannot be readily determined.

Fiscal year ended March 31, 2019		(In millions of yen)
Valuation difference	¥	(557)
Available-for-sale securities (*)		(557)
Other money held in trust		—
(+) Deferred tax assets (or (-) Deferred tax liabilities)		—
Valuation difference on available-for-sale securities (before following adjustments)	¥	(557)
(-) Non-controlling interests		—
(+) JBIC's interest in valuation difference on available-for-sale securities held by affiliates accounted for using the equity method		—
Valuation difference on available-for-sale securities	¥	(557)

Fiscal year ended March 31, 2019		(In millions of U.S. dollars)
Valuation difference	$	(5)
Available-for-sale securities (*)		(5)
Other money held in trust		—
(+) Deferred tax assets (or (-) Deferred tax liabilities)		—
Valuation difference on available-for-sale securities (before following adjustments)	$	(5)
(-) Non-controlling interests		—
(+) JBIC's interest in valuation difference on available-for-sale securities held by affiliates accounted for using the equity method		—
Valuation difference on available-for-sale securities	$	(5)

(*) Available-for-sale securities includes foreign exchange translation differences in respect of available-for-sale securities whose fair value cannot be readily determined.

18. Derivative transactions

Notes to derivative transactions for the fiscal years ended March 31, 2018 and March 31, 2019 are as follows:

(a) Derivative transactions not qualifying for hedge accounting

For derivative transactions not qualifying for hedge accounting, the contract value at the fiscal year end or notional amount defined in agreements, and fair value and valuation gain (loss) and the fair value calculation method are as follows. The contract value does not indicate the market risk of the derivative transactions.

(i) Interest rate-related transactions

Fiscal year ended March 31, 2018

Not applicable

Fiscal year ended March 31, 2019

Not applicable

(ii) Currency-related transactions

Fiscal year ended March 31, 2018

Not applicable

Fiscal year ended March 31, 2019

(In millions of yen)

Category	Type	Contract value	Contract value (Maturing after one year)	Fair value	Valuation gain (loss)
Over-the-counter	Forward foreign exchange contracts				
	Sell	¥ —	¥ —	¥ —	¥ —
	Buy	66,594	—	56	56
	Total	¥ —	¥ —	¥ 56	¥ 56

(In millions of U.S. dollars)

Category	Type	Contract value	Contract value (Maturing after one year)	Fair value	Valuation gain (loss)
Over-the-counter	Forward foreign exchange contracts				
	Sell	$ —	$ —	$ —	$ —
	Buy	600	—	1	1
	Total	$ —	$ —	$ 1	$ 1

(Notes) 1. Transactions above are measured at fair value and valuation gain (loss) is recognized in the consolidated statements of operations.
2. Calculation of fair value is based on the discounted cash flows.

(iii) Equity-related transactions
Fiscal year ended March 31, 2018
Not applicable.
Fiscal year ended March 31, 2019
Not applicable.

(iv) Bond-related transactions
Fiscal year ended March 31, 2018
Not applicable.
Fiscal year ended March 31, 2019
Not applicable.

(v) Commodity-related transactions
Fiscal year ended March 31, 2018
Not applicable.
Fiscal year ended March 31, 2019
Not applicable.

(vi) Credit derivative transactions
Fiscal year ended March 31, 2018
Not applicable.
Fiscal year ended March 31, 2019
Not applicable.

(b) Derivative transactions qualifying for hedge accounting

For derivative transactions qualifying for hedge accounting, the contract value at the fiscal year end or notional amount defined in agreements, and fair value and its calculation method, by hedged item and by hedge accounting method, are as follows. The contract value does not indicate the market risk of the derivative transactions.

(i) Interest rate-related transactions

Fiscal year ended March 31, 2018

(In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted Borrowed money Bonds payable			
	Receive/fixed and pay/floating		¥ 3,985,081	¥ 3,374,201	¥ (115,742)
	Receive/floating and pay/fixed		717,401	704,092	(4,117)
	Receive/floating and pay/floating		212,480	212,480	(105)
	Total		¥ —	¥ —	¥ (119,965)

(Note) Calculation of fair value is based on the discounted cash flows.

Fiscal year ended March 31, 2019

(In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted Borrowed money Bonds payable			
	Receive/fixed and pay/floating		¥ 4,239,345	¥ 3,866,375	¥ (22,574)
	Receive/floating and pay/fixed		733,572	715,692	(15,013)
	Receive/floating and pay/floating		221,980	166,485	(380)
	Total		¥ —	¥ —	¥ (37,969)

Fiscal year ended March 31, 2019 (In millions of U.S. dollars)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted Borrowed money Bonds payable			
	Receive/fixed and pay/floating		$ 38,196	$ 34,835	$ (203)
	Receive/floating and pay/fixed		6,609	6,448	(135)
	Receive/floating and pay/floating		2,000	1,500	(4)
	Total		$ —	$ —	$ (342)

(Note) Calculation of fair value is based on the discounted cash flows.

(ii) Currency-related transactions

Fiscal year ended March 31, 2018 (In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Currency swap	Loans and bills discounted Bonds payable	¥ 3,274,459	¥ 2,761,005	¥ (17,161)
	Forward foreign exchange contracts	Loans and bills discounted			
	Sell	Investments in capital and other items	87,304	—	(602)
	Buy		7,527	—	(16)
	Total		¥ —	¥ —	¥ (17,780)

Note 1. These are mainly accounted for using the deferral method of hedge accounting under "Accounting and Auditing Treatment Relating to Adoption of Accounting Standard for Foreign Currency Transactions for Banks" (JICPA Industry Audit Committee Report No. 25 of July 29, 2002).
Note 2. Calculation of fair value is based on the discounted cash flows.

Fiscal year ended March 31, 2019 (In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Currency swap	Loans and bills discounted Bonds payable	¥ 3,655,284	¥ 3,118,590	¥ (59,959)
	Forward foreign exchange contracts	Loans and bills discounted			
	Sell	Investments in capital and other items	87,596	—	(233)
	Buy		120	—	0
	Total		¥ —	¥ —	¥ (60,193)

Fiscal year ended March 31, 2019 (In millions of U.S. dollars)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Currency swap	Loans and bills discounted Bonds payable	$ 32,933	$ 28,098	$ (540)
	Forward foreign exchange contracts	Loans and bills discounted			
	Sell	Investments in capital and other items	789	—	(2)
	Buy		1	—	0
	Total		$ —	$ —	$ (542)

Note 1. These are mainly accounted for using the deferral method of hedge accounting under "Accounting and Auditing Treatment Relating to Adoption of Accounting Standard for Foreign Currency Transactions for Banks" (JICPA Industry Audit Committee Report No. 25 of July 29, 2002).
Note 2. Calculation of fair value is based on the discounted cash flows.

(iii) Equity-related transactions

Fiscal year ended March 31, 2018

Not applicable.

Fiscal year ended March 31, 2019

Not applicable.

(iv) Bond-related transactions

Fiscal year ended March 31, 2018

Not applicable.

Fiscal year ended March 31, 2019

Not applicable.

19. Retirement benefits

(a) Overview of retirement benefit plans

JBIC abolished the welfare pension fund plan effective October 1, 2014 and has established a defined benefit corporate pension plan and a defined contribution pension plan.

JBIC has a defined benefit pension plan comprised of a corporate pension plan (transferred from a welfare pension fund plan effective October 1, 2014) and a lump-sum severance indemnity plan. Although JBIC's corporate pension plan is a multi-employer plan, the amount of the pension assets corresponding to its own contribution can be reasonably calculated based on the ratio of the projected benefit obligations, and therefore the related notes are included in the following notes related to the defined benefit pension plan.

Under the corporate pension plan (funded type), pension or lump-sum payments are provided based on salary and service period. Under the lump-sum severance indemnity plan (unfunded type), lump-sum payments are provided as retirement benefits based on salary and service period. In addition, JBIC has established a defined contribution-type retirement benefit plan effective October 1, 2014.

Effective April 1, 2013, JBIC has been authorized by the Minister of Health, Labour and Welfare to be exempt from the obligations to pay future amounts in respect of the portion of the welfare pension fund it manages for the government. Subsequently on October 1, 2014, JBIC has been authorized to transfer to the government the past substitutional portion of the aforesaid fund. On September 22, 2017, *Kouko Kigyou Nenkin Kikin* (*Kouko* corporate pension fund) which JBIC participates in paid to the government ¥52,817 million of the transfer amount of the substitutional portion (i.e., minimum reserve). Its impact on profit or loss in the fiscal year ended March 31, 2018 amounted to ¥3 million which was recognized in Other of Other expenses.

(b) Defined benefit pension plan

(i) Changes in the projected benefit obligation

Category	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Projected benefit obligation at the beginning of the fiscal year	¥ 13,772	¥ 11,197	$ 101
Service cost	445	446	4
Interest cost	35	26	0
Actuarial losses	383	497	4
Retirement benefit paid	(733)	(695)	(6)
Decrease due to the transfer of the substitutional portion of the welfare pension fund	(2,706)	—	—
Projected benefit obligation at the end of the fiscal year	¥ 11,197	¥ 11,472	$ 103

(ii) Changes in the plan assets

Category	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Pension assets at the beginning of the fiscal year	¥ 6,964	¥ 4,411	$ 40
Expected return on plan assets	106	110	1
Actuarial gains	156	119	1
Contributions by the employer	122	125	1
Retirement benefit paid	(229)	(283)	(3)
Decrease due to the transfer of the substitutional portion of the welfare pension fund	(2,709)	—	—
Pension assets at the end of the fiscal year	¥ 4,411	¥ 4,483	$ 40

(iii) Reconciliation of the projected benefit obligation and plan assets and net defined benefit liability and net defined benefit asset in the consolidated balance sheets

Category	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Funded projected benefit obligation	¥ 6,090	¥ 6,154	$ 55
Fair value of plan assets	(4,411)	(4,483)	(40)
	1,679	1,671	15
Unfunded projected benefit obligation	5,106	5,317	48
Net amount of assets and liabilities in the consolidated balance sheets	¥ 6,785	¥ 6,988	$ 63
Defined benefit liability	6,785	6,988	63
Defined benefit asset	—	—	—
Net amount of assets and liabilities in the consolidated balance sheets	¥ 6,785	¥ 6,988	$ 63

(iv) Components of retirement benefit expense

Category	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Service cost	¥ 445	¥ 446	$ 4
Interest cost	35	26	0
Expected return on plan assets	(106)	(110)	(1)
Realized actuarial loss	226	377	3
Retirement benefit expense	¥ 601	¥ 740	$ 6

(Note) In addition to the above, ¥3 million was recognized in Other of Other expenses in the fiscal year ended March 31, 2018 as a result of the transfer of the substitutional portion of the welfare pension fund.

(v) Plan assets

① Major components of plan assets

Percentages of components to the total are as follows:

Category	As of March 31, 2018	As of March 31, 2019
Debt securities	61%	62%
Stocks	24%	24%
General accounts of life insurance companies	14%	13%
Cash and due from banks	1%	1%
Total	100%	100%

② Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on the current and projected pension asset allocations as well as on the current and future rates of return expected from various assets that are components of plan assets.

(vi) Principal assumptions used

Principal assumptions used in actuarial calculations

Category	As of March 31, 2018	As of March 31, 2019
Discount rate	0.24%	0.10%
Expected rate of return on plan assets	2.50%	2.50%
Expected rate of an increase in salary	4.35%	4.33%

(c) Defined contribution plan

Fiscal year ended March 31, 2018

The amount of contribution required to be made to the defined contribution plan was ¥25 million for the fiscal year ended March 31, 2018.

Fiscal year ended March 31, 2019

The amount of contribution required to be made to the defined contribution plan was ¥26 million ($0 million) for the fiscal year ended March 31, 2019.

20. Deferred tax accounting

(a) Breakdown of deferred tax assets and deferred tax liabilities

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Deferred tax assets			
Tax loss carryforward	¥ 8	¥ 3	$ 0
Other	1	2	0
Sub total	9	6	0
Valuation allowance	(9)	(6)	(0)
Total deferred tax assets	¥ —	¥ —	$ —

(b) Breakdown of major items resulting in a significant difference between the effective statutory tax rate and the rate of income tax and other taxes after applying deferred tax accounting

This information is omitted since JBIC is a nontaxable entity defined in the Article 2, Item 5 of the Corporation Tax Act (Act No. 34 of 1965) and therefore there is no significant difference between the effective statutory tax rate and the rate of income tax and other taxes after applying deferred tax accounting.

21. Segment information

(a) Segment summary

The JBIC Group's operating segments are those for which discrete financial information is available, and whose operating results are regularly reviewed by JBIC's management.

The JBIC Group is a policy-based financial institution wholly owned by the Japanese government, which has the purpose of contributing to the sound development of Japan and the international economy and society, while supplementing the financial transactions implemented by private-sector financial institutions by performing financial operations from four viewpoints: i.e., "promotion of the overseas development and securement of resources which are important for Japan"; "maintenance and improvement of the international competitiveness of Japanese industries"; "promotion of the overseas business having the purpose of preserving the global environment, such as preventing global warming"; and "prevention of disruptions to international financial order or implementation of appropriate measures with respect to damages caused by such disruption." To achieve these purposes, for business operations defined under the Act on Japan Bank for International Cooperation and other acts, JBIC has two reporting segments: "Ordinary Operations" account and "Special Operations" account. Accounting operations are separately carried out for respective accounts.

The "Ordinary Operations" account covers the businesses which are not included in the "Special Operations" account of the JBIC Group. The Ordinary Operations account also includes the investment business of the consolidated subsidiaries.

The "Special Operations" account includes the businesses that offer financing services such as lending to overseas infrastructure business projects that generate a higher expected return in exchange for higher risk.

(b) Method of calculating ordinary income, profit or loss, assets, liabilities and other items by reportable segment

Accounting treatments applied to business segments reported are the same as those disclosed in "Notes to Consolidated Financial Statements." The amount of profit (or loss) of reportable segments is based on Net income attributable to owner of parent.

(c) Information about the amount of ordinary income, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2018 (In millions of yen)

	Ordinary Operations	Special Operations	Sub-total for reportable segments	Adjustments	Amount reported in the consolidated financial statements
Ordinary income					
(1) Ordinary income from customers	¥ 390,057	¥ 2	¥ 390,060	¥ —	¥ 390,060
(2) Intersegment ordinary income	12	0	12	(12)	—
Total	¥ 390,070	¥ 2	¥ 390,073	¥ (12)	¥ 390,060
Segment profit (loss)	62,286	(204)	62,081	—	62,081
Segment assets	17,760,961	251,110	18,012,072	(11)	18,012,060
Segment liabilities	15,465,378	222	15,465,600	(11)	15,465,589
Other items					
Depreciation and amortization	1,460	—	1,460	—	1,460
Interest income	336,767	1	336,768	—	336,768
Interest expense	249,256	0	249,256	—	249,256
Profits of equity method investments	22,207	—	22,207	—	22,207
Extraordinary income	9	—	9	—	9
Gain on disposal of noncurrent assets	9	—	9	—	9
Extraordinary loss	8	—	8	—	8
Loss on disposal of noncurrent assets	8	—	8	—	8
Income tax expenses	0	—	0	—	0
Equity method investments	100,453	—	100,453	—	100,453
Increase in Property, plant and equipment and Intangible assets	3,024	—	3,024	—	3,024
Provision of allowance for loan losses	51,505	22	51,528	—	51,528

Notes 1. Ordinary income is disclosed in place of sales for non-financial companies. Adjustments for the difference represent adjustments related to the difference between ordinary income and Ordinary income disclosed in the consolidated statements of operations.
2. Adjustments above represents elimination of intersegment transactions.

Fiscal year ended March 31, 2019

(In millions of yen)

	Ordinary Operations	Special Operations	Sub-total for reportable segments	Adjustments	Amount reported in the consolidated financial statements
Ordinary income					
(1) Ordinary income from customers	¥ 478,958	¥ 155	¥ 479,113	¥ —	¥ 479,113
(2) Intersegment ordinary income	20	—	20	(20)	—
Total	¥ 478,978	¥ 155	¥ 479,134	¥ (20)	¥ 479,113
Segment profit (loss)	53,195	(172)	53,022	—	53,022
Segment assets	17,398,378	250,588	17,648,966	(14)	17,648,951
Segment liabilities	14,961,981	320	14,962,302	(14)	14,962,287
Other items					
Depreciation and amortization	1,944	—	1,944	—	1,944
Interest income	450,644	154	450,798	—	450,798
Interest expense	365,856	22	365,878	—	365,878
Losses of equity method investments	2,026	—	2,026	—	2,026
Losses on devaluation of equity and other securities	11,787	—	11,787	—	11,787
Extraordinary income	6	—	6	—	6
Gain on disposal of noncurrent assets	6	—	6	—	6
Income tax expenses	4	—	4	—	4
Equity method investments	86,860	—	86,860	—	86,860
Increase in Property, plant and equipment and Intangible assets	4,763	—	4,763	—	4,763
Provision of allowance for loan losses	19,497	64	19,561	—	19,561

(In millions of U.S. dollars)

	Ordinary Operations	Special Operations	Sub-total for reportable segments	Adjustments	Amount reported in the consolidated financial statements
Ordinary income					
(1) Ordinary income from customers	$ 4,315	$ 2	$ 4,317	$ —	$ 4,317
(2) Intersegment ordinary income	0	—	0	(0)	—
Total	$ 4,315	$ 2	$ 4,317	$ (0)	$ 4,317
Segment profit (loss)	479	(1)	478	—	478
Segment assets	156,756	2,258	159,014	(0)	159,014
Segment liabilities	134,805	3	134,808	(0)	134,808
Other items					
Depreciation and amortization	18	—	18	—	18
Interest income	4,060	2	4,062	—	4,062
Interest expense	3,296	0	3,296	—	3,296
Losses of equity method investments	18	—	18	—	18
Losses on devaluation of equity and other securities	106	—	106	—	106
Extraordinary income	0	—	0	—	0
Gain on disposal of noncurrent assets	0	—	0	—	0
Income tax expenses	0	—	0	—	0
Equity method investments	783	—	783	—	783
Increase in Property, plant and equipment and Intangible assets	43	—	43	—	43
Provision of allowance for loan losses	176	0	176	—	176

Notes 1. Ordinary income is disclosed in place of sales for non-financial companies. Adjustments for the difference represent adjustments related to the difference between ordinary income and Ordinary income disclosed in the consolidated statements of operations.
2. Adjustments above represents elimination of intersegment transactions.

(d) Related information

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(i) Information about services

The information about services is omitted since ordinary income from outside customers in relation to the loan, guarantee and equity participation operations is more than 90% of Ordinary income on the consolidated statements of operations.

(ii) Information about geographical areas

① Ordinary income:

(In millions of yen)

Japan	Asia/Oceania	Europe/Middle East /Africa	North America/ Latin America	Total
¥ 91,138	¥ 102,256	¥ 91,918	¥ 104,747	¥ 390,060

Notes 1. Ordinary income is disclosed in place of sales for non-financial companies.
2. Ordinary income is disclosed based on the location of the customers and is classified by country or region.

② Property, plant and equipment

The information about property, plant and equipment is omitted since more than 90% of Property, plant equipment on the consolidated balance sheets is located in Japan.

(iii) Information about major customers

The information about major customers is omitted since there are no transactions with a certain customer which result in more than 10% of Ordinary income on the consolidated statements of operations.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(i) Information about services

The information about services is omitted since ordinary income from outside customers in relation to the loan, guarantee and equity participation operations is more than 90% of Ordinary income on the consolidated statements of operations.

(ii) Information about geographical areas

① Ordinary income:

(In millions of yen)

Japan	Asia/Oceania	Europe/Middle East /Africa	North America/ Latin America	Total
¥ 130,353	¥ 127,889	¥ 127,700	¥ 93,169	¥ 479,113

(In millions of U.S. dollars)

Japan	Asia/Oceania	Europe/Middle East /Africa	North America/ Latin America	Total
$ 1,174	$ 1,152	$ 1,151	$ 840	$ 4,317

Notes 1. Ordinary income is disclosed in place of sales for non-financial companies.
2. Ordinary income is disclosed based on the location of the customers and is classified by country or region.

(Change in presentation)

Ordinary income attributable to "U.S.," which was separately presented for the fiscal year ended March 31, 2018 is included in "North America/ Latin America" for the fiscal year ended March 31, 2019 since the amount is less than 10% of Ordinary income reported in the consolidated statements of operations.

Therefore, "(ii) Information about geographical areas, ① Ordinary income" for the fiscal year ended March 31, 2018 is reclassified, and as a result, ¥40,948 million, which was presented in "U.S." for the fiscal year ended March 31, 2018, is reclassified to "North America/ Latin America."

② Property, plant and equipment

The information about property, plant and equipment is omitted since more than 90% of Property, plant equipment on the consolidated balance sheets is located in Japan.

(iii) Information about major customers

The information about major customers is omitted since there are no transactions with a certain customer which result in more than 10% of Ordinary income on the consolidated statements of operations.

(e) Information about impairment losses of property, plant and equipment in reportable segments Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

Not applicable.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

Not applicable.

(f) Information about the amortization and balance of goodwill in reportable segments

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

Not applicable.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

Not applicable.

(g) Information about gains from the recognition of negative goodwill in reportable segments

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

Not applicable.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

Not applicable.

22. Related-party information

1. Related party transactions

(1) Related party transactions with JBIC

(a) Transactions with major shareholder

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(In millions of yen)

	Related Party Name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relationship with related parties	Transactions	Amounts of transactions (Note 4)	Items	Balance as of March 31, 2018 (Note 4)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds, etc.	Capital subscription (Note 1)	¥ 82,200	—	¥ —
							Receipt of funds (Note 2)	4,808,429	Borrowed money	8,370,758
							Repayment of borrowed money	6,004,411		
							Payment of interest on borrowed money	115,370	Accrued expense	27,232
							Guarantee for corporate bonds (Note 3)	4,202,610	—	—

Notes 1. Ministry of Finance subscribed new shares issued by JBIC through an allotment to the shareholder for ¥1 per share.
2. Receipt of funds represents borrowings from the FILP special account and foreign exchange funds special account. FILP interest rates are applied in accordance with the FILP agreement, while the interest rates under the respective agreements related to foreign exchange funds special account are applied to borrowings from foreign exchange funds.
3. No guarantee fee has been paid for the guarantee of bonds.
4. Figures in the table above do not include consumption taxes.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(In millions of yen)

	Related Party Name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relationship with related parties	Transactions	Amounts of transactions (Note 4)	Items	Balance as of March 31, 2019 (Note 4)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds, etc.	Capital subscription (Note 1)	¥ 20,100	—	¥ —
							Receipt of funds (Note 2)	764,559	Borrowed money	7,574,713
							Repayment of borrowed money	1,821,286		
							Payment of interest on borrowed money	156,898	Accrued expense	35,397
							Guarantee for corporate bonds (Note 3)	4,413,497	—	—

(In millions of U.S. dollars)

	Related Party Name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relationship with related parties	Transactions	Amounts of transactions (Note 4)	Items	Balance as of March 31, 2019 (Note 4)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds, etc.	Capital subscription (Note 1)	$ 181	—	$ —
							Receipt of funds (Note 2)	6,889	Borrowed money	68,247
							Repayment of borrowed money	16,409		
							Payment of interest on borrowed money	1,414	Accrued expenses	319
							Guarantee for corporate bonds (Note 3)	39,765	—	—

Notes 1. Ministry of Finance subscribed new shares issued by JBIC through an allotment to the shareholder for ¥1 ($0.009) per share.
2. Receipt of funds represents borrowings from the FILP special account and foreign exchange funds special account. FILP interest rates are applied in accordance with the FILP agreement, while the interest rates under the respective agreements related to foreign exchange funds special account are applied to borrowings from foreign exchange funds.
3. No guarantee fee has been paid for the guarantee of bonds.
4. Figures in the table above do not include consumption taxes.

(b) Transactions with fellow subsidiaries and subsidiaries of any other associated companies

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relationship with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2018
Entities that had the majority of their voting rights held by principal shareholder	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	¥8,099,860	Official development assistance	None	Joint obligor	Joint obligations	¥ 100,000 (Notes 1, 4)	—	¥ —
	Japan Finance Corporation	Chiyoda-ku, Tokyo	4,124,921	Finance	None	Joint obligor	Joint obligations	152,800 (Notes 2, 4)	—	—
								140,000 (Notes 3, 4)	—	—

Notes 1. JBIC assumed the obligations of the JBIC bonds in accordance with Article 12 (1) of the Supplementary Provisions of the JBIC Act, and the Japan International Cooperation Agency ("JICA") is jointly responsible for the obligations of these bonds in accordance with the provision of Article 4 (1) of Supplementary Provisions of the Japan International Cooperation Agency Act (Act No. 136 of 2002). Pursuant to Article 4 (2) hereof, all of JICA assets are pledged as general collateral for these joint obligations.
2. JBIC assumed the obligations of the JFC bonds in accordance with Article 12 (1) of Supplementary Provisions of the JBIC Act, and JFC is jointly responsible for the obligations of these bonds in accordance with Article 46-2 (1) of Supplementary Provisions of the JFC Act (Act No. 57 of 2007). Pursuant to Article 46-2 (2) hereof, all of JFC's assets are pledged as general collateral for these joint obligations.
3. JBIC is jointly responsible for the obligations of JFC bonds in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.
4. In relation to these joint obligations, no transactions are recognized in the consolidated statements of operations.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relationship with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2019
Entities that had the majority of their voting rights held by principal shareholder	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	¥8,145,870	Official development assistance	None	Joint obligor	Joint obligations	¥ 80,000 (Notes 1, 4)	—	¥ —
	Japan Finance Corporation	Chiyoda-ku, Tokyo	4,195,898	Finance	None	Joint obligor	Joint obligations	20,000 (Notes 2, 4)	—	—
								140,000 (Notes 3, 4)	—	—

(In millions of U.S. dollars)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relationship with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2019
Entities that had the majority of their voting rights held by principal shareholder	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	$ 73,393	Official development assistance	None	Joint obligor	Joint obligations	$ 721 (Notes 1, 4)	—	$ —
	Japan Finance Corporation	Chiyoda-ku, Tokyo	37,804	Finance	None	Joint obligor	Joint obligations	180 (Notes 2, 4)	—	—
								1,261 (Notes 3, 4)	—	—

Notes 1. JBIC assumed the obligations of the JBIC bonds in accordance with Article 12 (1) of the Supplementary Provisions of the JBIC Act, and the Japan International Cooperation Agency ("JICA") is jointly responsible for the obligations of these bonds in accordance with the provision of Article 4 (1) of Supplementary Provisions of the Japan International Cooperation Agency Act (Act No. 136 of 2002). Pursuant to Article 4 (2) hereof, all of JICA assets are pledged as general collateral for these joint obligations.
2. JBIC assumed the obligations of the JFC bonds in accordance with Article 12 (1) of Supplementary Provisions of the JBIC Act, and JFC is jointly responsible for the obligations of these bonds in accordance with Article 46-2 (1) of Supplementary Provisions of the JFC Act (Act No. 57 of 2007). Pursuant to Article 46-2 (2) hereof, all of JFC's assets are pledged as general collateral for these joint obligations.
3. JBIC is jointly responsible for the obligations of JFC bonds in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.
4. In relation to these joint obligations, no transactions are recognized in the consolidated statements of operations.

(2) Transactions between consolidated subsidiaries and related parties

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

Not applicable.

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

Not applicable.

2. Notes to the parent company or significant affiliates

(1) Parent company information

Not applicable.

(2) Condensed financial information of significant affiliates

Significant affiliates of JBIC are IFC Capitalization (Subordinated Debt) Fund, L.P. and IFC Capitalization (Equity) Fund, L.P in the current fiscal year. Their condensed financial information is as shown below:

	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Total assets	¥ 286,987	¥ 225,501	$ 2,032
Total liabilities	119,422	91,540	825
Total net assets	167,564	133,960	1,207
Gain on investment	14,967	13,481	121
Net income (loss) before income taxes	38,117	(5,213)	(47)
Net income (loss)	38,117	(5,213)	(47)

Note: IFC Capitalization (Subordinated Debt) Fund, L.P. and IFC Capitalization (Equity) Fund, L.P. were deemed as a significant affiliate from the fiscal year ended March 31, 2018 as their materiality has increased.

23. Amounts per share

Amounts per share as of and for the fiscal years ended March 31, 2018 and 2019 are calculated as follows:

	For the year ended March 31, 2018 (In yen)	For the year ended March 31, 2019 (In yen)	For the year ended March 31, 2019 (In U.S. dollars)
Net assets per share of common stock	¥ 1.57	¥ 1.64	$ 0.01
Net income per share of common stock	0.04	0.03	0.00

Note 1. Net income per share of common stock is based on the following information.
Diluted net income per share of common stock is not presented since there are no dilutive shares.

	For the year ended March 31, 2018 (In millions of yen)	For the year ended March 31, 2019 (In millions of yen)	For the year ended March 31, 2019 (In millions of U.S. dollars)
Net income attributable to owner of parent	¥ 62,081	¥ 53,022	$ 478
Amount not attributable to common stock	—	—	—
Net income attributable to owner of parent related to common stock	62,081	53,022	478
Average number of outstanding shares of common stock (during the fiscal year)	1,533,900,821 thousand shares	1,615,750,684 thousand shares	

Note 2. Net assets per share of common stock is based on the following information.

	As of March 31, 2018 (In millions of yen)	As of March 31, 2019 (In millions of yen)	As of March 31, 2019 (In millions of U.S. dollars)
Net assets	¥ 2,546,471	¥ 2,686,664	$ 24,206
Deductions from net assets	227	235	2
(Non-controlling interests)	227	235	2
Net assets related to common stock	2,546,243	2,686,428	24,204
Year-end number of outstanding shares of common stock based on which net assets per share was calculated	1,615,200,000 thousand shares	1,635,300,000 thousand shares	

24. Bonds payable

Major components of bonds payable as of March 31, 2019 are as follows:

(In millions of yen)

Name of company	Description of bonds payable	Date of issuance	Balance at the beginning of the current fiscal year	Balance at the end of the current fiscal year	Interest rate (%)	Collateral	Maturity date	Remarks
JBIC	Government guaranteed JFC (JBIC) foreign bonds 9th	February 7, 2012	¥ 132,754 (USD 1,249,574,000)	¥ —	2.125	General collateral	February 7, 2019	*2
	Government guaranteed JBIC foreign bonds 3rd - 37th	July 31, 2013 – October 31, 2018	4,069,855 (USD 37,713,465,000) (GBP 424,461,000)	4,413,497 [388,303] (USD 39,210,115,000) [USD 3,498,548,000] (GBP 424,660,000)	1.500~ 3.500	General collateral	July 31, 2018 – October 31, 2028	
	JBIC bonds 13th,16th,19th, 22nd, and 23rd	May 28, 2004 – March 14, 2006	99,989	79,994 [39,998]	1.670~ 2.090	General collateral	March 20, 2019 – December 19, 2025	*1
	JFC corporate bonds 3rd	October 29, 2009	19,997	19,999 [19,999]	1.430	General collateral	September 20, 2019	*2
	Non-guaranteed JBIC domestic bonds 1st - 3rd	January 27, 2015 – August 10, 2017	70,000	70,000 [10,000]	0.001~ 0.120	General collateral	December 20, 2019 – June 20, 2022	
	Total	—	¥ 4,392,597	¥ 4,583,492	—	—	—	—

(In millions of U.S. dollars)

Name of company	Description of bonds payable	Date of issuance	Balance at the beginning of the current fiscal year	Balance at the end of the current fiscal year	Interest rate (%)	Collateral	Maturity date	Remarks
JBIC	Government guaranteed JFC (JBIC) foreign bonds 9th	February 7, 2012	$ 1,196 (USD 1,249,574,000)	$ —	2.125	General collateral	February 7, 2019	*2
	Government guaranteed JBIC foreign bonds 3rd - 37th	July 31, 2013 – October 31, 2018	36,669 (USD 37,713,465,000) (GBP 424,461,000)	39,765 [3,499] (USD 39,210,115,000) [USD 3,498,548,000] (GBP 424,660,000)	1.500~ 3.500	General collateral	July 31, 2018 – October 31, 2028	
	JBIC bonds 13th,16th,19th, 22nd, and 23rd	May 28, 2004 – March 14, 2006	901	720 [360]	1.670~ 2.090	General collateral	March 20, 2019 – December 19, 2025	*1
	JFC corporate bonds 3rd	October 29, 2009	180	180 [180]	1.430	General collateral	September 20, 2019	*2
	Non-guaranteed JBIC domestic bonds 1st - 3rd	January 27, 2015 – August 10, 2017	631	631 [90]	0.001~ 0.120	General collateral	December 20, 2019 – June 20, 2022	
	Total	—	$ 39,577	$ 41,296	—	—	—	—

Notes 1. The amounts of foreign currency-denominated bonds are shown with original currencies in parentheses ( ).
2. Figures indicated in brackets [ ] represent the amounts to be redeemed within one year
3. (*1) JBIC assumed the obligations in respect of the JBIC bonds which had been issued by JBIC before JFC was established, and JBIC and JICA are jointly responsible for these obligations in accordance with the JBIC Act.
(*2) JBIC also assumed from JFC the obligations concerning the government guaranteed JFC (JBIC) foreign bonds and the JFC corporate bonds, and JBIC and JFC are now jointly responsible for these obligations pursuant to the JBIC Act.
4. The redemption schedule of bonds payable for each of the next five years as of March 31, 2019 is as follows:

(In millions of yen)

	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	After 3 years but within 4 years	After 4 years but within 5 years
Bonds payable	¥ 458,465	¥ 878,546	¥ 499,455	¥ 511,707	¥ 499,455

(In millions of U.S. dollars)

	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	After 3 years but within 4 years	After 4 years but within 5 years
Bonds payable	$ 4,131	$ 7,916	$ 4,500	$ 4,610	$ 4,500

25. Borrowings

Borrowings as of March 31, 2019 are as follows;

	Balance at the beginning of the current fiscal year (In millions of yen)	Balance at the beginning of the current fiscal year (In millions of U.S. dollars)	Balance at the end of the current fiscal year (In millions of yen)	Balance at the end of the current fiscal year (In millions of U.S. dollars)	Average interest rate (%)	Due date of payment
Borrowed money	¥ 8,370,758	$ 75,419	¥ 7,574,713	$ 68,247	2.13	—
Borrowings	8,370,758	75,419	7,574,713	68,247	2.13	May 2019 – November 2037
Other interest-bearing liabilities	56,280	507	44,620	402	(0.06)	—
Cash collateral received for financial instruments	56,280	507	44,620	402	(0.06)	—

Notes 1. "Average interest rate" represents the weighted-average interest rates of debts calculated from "Interest rates" and "Balance at the end of the current fiscal year."
2. There is no fixed maturity date for the repayment of Cash collateral received for financial instruments.
3. Maturities of borrowings for the next five years as of March 31, 2019 are as follows:

(In millions of yen)

	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	After 3 years but within 4 years	After 4 years but within 5 years
Borrowings	¥ 521,428	¥ 1,600,827	¥ 191,800	¥ 3,483,224	¥ 756,933

(In millions of U.S. dollars)

	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	After 3 years but within 4 years	After 4 years but within 5 years
Borrowings	$ 4,698	$ 14,423	$ 1,728	$ 31,383	$ 6,820

26. Asset retirement obligations

This information is omitted because the amount of asset retirement obligations as of the beginning and end of the current fiscal year is equal to, or less than, one hundredth of the aggregated amount of Liabilities and Net assets as of the beginning and end of the current fiscal year.

27. Other

Not applicable.

(Supplementary Information) Financial Statements for Each Operation

JBIC is required to maintain separate accounts for the Ordinary Operations and the Special Operations in accordance with Article 26-2 of the Japan Bank for International Cooperation Act (JBIC Act). The separate financial statements for those operations that are prepared pursuant to Article 26-3 of the JBIC Act and Article 435-2 of the Companies Act of Japan have been subject to audit by Ernst & Young ShinNihon LLC according to Article 26-3 of the JBIC Act and Article 436-2(i) of the Companies Act. Although the balance sheets and statement of operations for each operation, as provided below, have been prepared based on the above-mentioned audited financial statements, the statements of cash flows have not been audited.

■ Balance Sheets

[Ordinary Operations Account]

(In millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets:		
Cash and due from banks	**1,500,902**	**946,130**
Cash	0	0
Due from banks	1,500,902	946,130
Securities	**338,928**	**362,975**
Equity Securities	255	255
Other securities	338,673	362,720
Loans and bills discounted	**13,512,657**	**13,571,215**
Loans on deeds	13,512,657	13,571,215
Other assets	**377,190**	**276,949**
Prepaid expenses	625	590
Accrued income	84,657	110,720
Derivatives other than for trading-assets	43,181	42,253
Cash collateral paid for financial instruments	141,180	123,040
Other	107,546	345
Property, plant and equipment	**28,355**	**27,940**
Buildings	2,841	2,758
Land	24,311	24,311
Construction in progress	79	79
Other	1,122	790
Intangible assets	**3,464**	**6,701**
Software	3,464	6,701
Customers' liabilities for acceptances and guarantees	**2,259,369**	**2,491,767**
Allowance for loan losses	**(273,542)**	**(293,039)**
Total assets	**17,747,325**	**17,390,640**

(In millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities:		
Borrowed money	**8,370,758**	**7,574,713**
Borrowings	8,370,758	7,574,713
Bonds payable	**4,392,597**	**4,583,492**
Other liabilities	**435,186**	**304,321**
Accrued expenses	54,095	68,147
Unearned revenue	54,322	51,281
Derivatives other than for trading-assets	181,102	140,073
Cash collateral received for financial instruments	56,080	44,620
Other	89,585	199
Provision for bonuses	**541**	**560**
Provision for directors' bonuses	**9**	**9**
Provision for retirement benefits	**6,779**	**6,975**
Provision for directors' retirement benefits	**25**	**30**
Acceptances and guarantees	**2,259,369**	**2,491,767**
Total liabilities	**15,465,266**	**14,961,871**
Net assets:		
Capital stock	**1,514,200**	**1,534,300**
Retained earnings	**883,901**	**905,802**
Legal retained earnings	821,601	852,751
Other retained earnings	62,300	53,050
Retained earnings brought forward	62,300	53,050
Total shareholder's equity	**2,398,101**	**2,440,102**
Valuation difference on available-for-sale securities	**(1,209)**	**(557)**
Deferred gains or losses on hedges	**(114,833)**	**(10,775)**
Total valuation and translation adjustments	**(116,042)**	**(11,333)**
Total net assets	**2,282,059**	**2,428,769**
Total liabilities and net assets	**17,747,325**	**17,390,640**

[Special Operations Account]

(In millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets:		
Cash and due from banks	**249,919**	**244,910**
Due from banks	249,919	244,910
Loans and bills discounted	**1,023**	**5,345**
Loans on deeds	1,023	5,345
Other assets	**190**	**419**
Prepaid expenses	5	6
Accrued income	6	108
Derivatives other than for trading-assets	174	0
Cash collateral paid for financial instruments	—	300
Other	4	3
Allowance for loan losses	**(22)**	**(87)**
Total assets	**251,110**	**250,588**

	As of March 31, 2018	As of March 31, 2019
Liabilities:		
Other liabilities	**210**	**300**
Accrued expenses	2	4
Unearned revenue	0	0
Derivatives other than for trading-assets	0	285
Cash collateral received for financial instruments	200	—
Other	7	10
Provision for bonuses	**4**	**6**
Provision for directors' bonuses	**0**	**0**
Provision for retirement benefits	**6**	**13**
Provision for directors' retirement benefits	**0**	**0**
Total liabilities	**222**	**320**
Net assets:		
Capital stock	**251,000**	**251,000**
Retained earnings	**(286)**	**(458)**
Other retained earnings	(286)	(458)
Retained earnings brought forward	(286)	(458)
Total shareholder's equity	**250,713**	**250,541**
Deferred gains or losses on hedges	**174**	**(272)**
Total valuation and translation adjustments	**174**	**(272)**
Total net assets	**250,888**	**250,268**
Total liabilities and net assets	**251,110**	**250,588**

■ Statements of Operations

[Ordinary Operations Account]

(In millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Ordinary income:	**389,599**	**476,750**
Interest income	336,747	450,327
Interest on loans and discounts	323,959	435,395
Interest and dividends on securities	1,829	1,361
Interest on deposits with banks	10,946	13,536
Other interest income	12	34
Fees and commissions	23,722	22,713
Other fees and commissions	23,722	22,713
Other ordinary income	128	272
Gain on sales of bonds	128	54
Income from derivatives other than for trading or hedging	—	197
Other	—	20
Other income	29,000	3,436
Recoveries of written-off claims	0	3,208
Gain on sales of stocks and other securities	—	61
Gain on investments in partnerships	28,832	—
Other	168	165
Ordinary expenses:	**327,300**	**423,705**
Interest expense	249,256	365,856
Interest on borrowed money and rediscounts	115,370	156,898
Interest on bonds	90,627	113,064
Interest on interest swaps	43,191	95,774
Other interest expense	65	118
Fees and commissions payments	1,792	2,303
Other fees and commissions	1,792	2,303
Other ordinary expenses	5,410	2,694
Loss on foreign exchange transactions	138	1,008
Amortization of bond issuance cost	2,309	1,081
Expenses on derivatives other than for trading or hedging	2,218	—
Other	743	604
General and administrative expenses	19,272	20,601
Other expenses	51,569	32,249
Provision of allowance for loan losses	51,505	19,497
Loss on sales of stocks and other securities	57	—
Losses on devaluation of stocks and other securities	—	11,787
Gain on investments in partnerships	—	964
Other	6	—
Ordinary profit	**62,298**	**53,044**
Extraordinary income	**9**	**6**
Gain on disposal of noncurrent assets	9	6
Extraordinary loss	**8**	**—**
Loss on disposal of noncurrent assets	8	—
Net income	**62,300**	**53,050**

[Special Operations Account]

(In millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Ordinary income:	**2**	**155**
Interest income	1	154
Interest on loans and discounts	1	153
Interest on deposits with banks	0	0
Other interest income	0	0
Other income	1	1
Other	1	1
Ordinary expenses:	**207**	**328**
Interest expense	0	22
Interest on interest swaps	0	22
Other interest expense	0	0
Fees and commissions payments	14	20
Other fees and commissions	14	20
Other ordinary expenses	—	0
Loss on foreign exchange transactions	—	0
General and administrative expenses	169	221
Other expenses	22	64
Provision of allowance for loan losses	22	64
Ordinary loss	**204**	**172**
Net loss	**204**	**172**

■ Statements of Cash Flows

[Ordinary Operations Account]

(In millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Cash flows from operating activities		
Net income	62,300	53,050
Depreciation and amortization	1,452	1,932
Increase (decrease) in allowance for loan losses	51,505	19,497
Increase (decrease) in provision for bonuses	26	18
Increase (decrease) in provision for directors' bonuses	2	0
Increase (decrease) in provision for retirement benefits	(27)	195
Increase (decrease) in provision for directors' retirement benefits	8	5
Interest income	(336,747)	(450,327)
Interest expense	249,256	365,856
Loss (gain) related to securities	(28,904)	12,636
Foreign exchange losses (gains)	(1,748)	(1,227)
Loss (gain) on disposal of noncurrent assets	(1)	(6)
Net decrease (increase) in loans and bills discounted	796,480	(58,558)
Net increase (decrease) in borrowed money	(1,537,947)	(796,045)
Net decrease (increase) in deposits (excluding deposits paid to Bank of Japan)	120,480	64,464
Increase (decrease) in straight bonds-issuance and redemption	1,088,786	188,604
Interest received	321,618	423,680
Interest paid	(236,405)	(349,657)
Other	(231,345)	85,778
Subtotal	318,791	(440,101)
Net cash provided by (used in) operating activities	318,791	(440,101)
Cash flow from investing activities		
Purchase of securities	(69,885)	(73,010)
Proceeds from sales of securities	25,883	26,106
Proceeds from redemption of securities	12,900	12,500
Purchase of property, plant and equipment	(1,161)	(235)
Proceeds from sales of property, plant and equipment	15	9
Purchase of intangible assets	(1,796)	(4,525)
Net cash provided by (used in) investing activities	(34,045)	(39,156)
Cash flow from financing activities		
Proceeds from issuance of new shares	33,700	20,100
Repayments of lease obligations	(6)	—
Payment to national treasury	(20,846)	(31,150)
Net cash provided by (used in) financing activities	12,846	(11,050)
Effect of exchange rate change on cash and cash equivalents	**—**	**—**
Net increase (decrease) in cash and cash equivalents	**297,592**	**(490,307)**
Cash and cash equivalents at beginning of period	**682,106**	**979,699**
Cash and cash equivalents at end of period	**979,699**	**489,391**

[Special Operations Account]

(In millions of yen)

	For the year ended March 31, 2018	For the year ended March 31, 2019
Cash flows from operating activities		
Net loss	(204)	(172)
Increase (decrease) in allowance for loan losses	22	64
Increase (decrease) in provision for bonuses	0	1
Increase (decrease) in provision for directors' bonuses	0	0
Increase (decrease) in provision for retirement benefits	5	6
Increase (decrease) in provision for directors' retirement benefits	0	0
Interest income	(1)	(154)
Interest expense	0	22
Net decrease (increase) in loans and bills discounted	(1,023)	(4,322)
Net decrease (increase) in deposits (excluding deposits paid to Bank of Japan)	2	(2)
Interest received	0	54
Interest paid	(0)	(22)
Other	200	(485)
Subtotal	(998)	(5,010)
Net cash provided by (used in) operating activities	(998)	(5,010)
Cash flow from investing activities		
Net cash provided by (used in) investing activities	—	—
Cash flow from financing activities		
Proceeds from issuance of new shares	48,500	—
Net cash provided by (used in) financing activities	48,500	—
Effect of exchange rate change on cash and cash equivalents	**—**	**—**
Net increase (decrease) in cash and cash equivalents	**47,501**	**(5,010)**
Cash and cash equivalents at beginning of period	**202,409**	**249,911**
Cash and cash equivalents at end of period	**249,911**	**244,900**

2 Composition of Liabilities and Net Assets

[The Bank]

(Unit: millions of yen, %)

	March 31, 2018		March 31, 2019	
	Amount	%(Note)	Amount	%(Note)
Liabilities	15,465,477	85.9	14,962,176	84.8
Borrowed Money	8,370,758	46.5	7,574,713	42.9
Bonds Payable	4,392,597	24.4	4,583,492	26.0
Acceptances and Guarantees	2,259,369	12.6	2,491,767	14.1
Other	442,752	2.5	312,203	1.8
Net Assets	2,532,947	14.1	2,679,037	15.2
Capital Stock	1,765,200	9.8	1,785,300	10.1
Retained Earnings	883,615	4.9	905,343	5.1
Valuation Difference on Available-for-sale Securities	(1,209)	(0.0)	(557)	(0.0)
Deferred Gains or Losses on Hedges	(114,658)	(0.6)	(11,048)	(0.1)
Total Liabilities and Net Assets	**17,998,424**	**100**	**17,641,214**	**100**

(Note) Ratio to Liabilities and Net Assets added.

(Information on the Capital Adequacy Ratios)

Although JBIC is not subject to Article 14-2 of the Banking Act of Japan, capital adequacy ratios have been calculated in accordance with "Standards for Determining Capital Adequacy of a Financial Institution in Light of Assets Held, etc. under the Provision of Article 14-2 of the Banking Act" (2006, Financial Services Agency Notification No. 19). JBIC applies uniform international standards and calculate credit risk-weighted assets using the standardized approach.

(Unit: %, billions of yen)

Total risk-weighted capital ratio	19.38
Tier 1 risk-weighted capital ratio	18.58
Common Equity Tier 1 risk-weighted capital ratio	18.58
Total capital (Common Equity Tier 1 capital + Additional Tier 1 capital + Tier 2 capital)	2,771.4
Tier 1 capital (Common Equity Tier 1 capital + Additional Tier 1 capital)	2,656.8
Common Equity Tier 1 capital	2,656.8
Risk-weighted assets	14,296.8
The amount of minimum capital requirements	1,143.7

[Ordinary Operations Account]

(Unit: millions of yen, %)

	March 31, 2018		March 31, 2019	
	Amount	%(Note)	Amount	%(Note)
Liabilities	15,465,266	87.1	14,961,871	86.0
Borrowed Money	8,370,758	47.2	7,574,713	43.6
Bonds Payable	4,392,597	24.8	4,583,492	26.4
Acceptances and Guarantees	2,259,369	12.7	2,491,767	14.3
Other	442,541	2.5	311,897	1.8
Net Assets	2,282,059	12.9	2,428,769	14.0
Capital Stock	1,514,200	8.5	1,534,300	8.8
Retained Earnings	883,901	5.0	905,802	5.2
Valuation Difference on Available-for-sale Securities	(1,209)	(0.0)	(557)	(0.0)
Deferred Gains or Losses on Hedges	(114,833)	(0.6)	(10,775)	(0.1)
Total Liabilities and Net Assets	**17,747,325**	**100**	**17,390,640**	**100**

(Note) Ratio to Liabilities and Net Assets added.

[Special Operations Account]

(Unit: millions of yen, %)

	March 31, 2018		March 31, 2019	
	Amount	%(Note)	Amount	%(Note)
Liabilities	222	0.1	320	0.1
Borrowed Money	—	—	—	—
Bonds Payable	—	—	—	—
Acceptances and Guarantees	—	—	—	—
Other	222	0.1	320	0.1
Net Assets	250,888	99.9	250,268	99.9
Capital Stock	251,000	100.0	251,000	100.2
Retained Earnings	(286)	(0.1)	(458)	(0.2)
Valuation Difference on Available-for-sale Securities	—	—	—	—
Deferred Gains or Losses on Hedges	174	0.1	(272)	(0.1)
Total Liabilities and Net Assets	**251,110**	**100**	**250,588**	**100**

(Note) Ratio to Liabilities and Net Assets added.

3 The Average Balance of Interest-earning Assets and Interest-bearing Liabilities, Interest and Earning Yields

[The Bank]

(Unit: millions of yen, %)

	Fiscal Year Ended March 31, 2018			Fiscal Year Ended March 31, 2019		
	Average Balance	Interest	Earning Yields	Average Balance	Interest	Earning Yields
Interest-earning Assets	15,415,567	336,671	2.18	14,695,413	450,338	3.06
Loans and Bills Discounted	14,210,257	323,960	2.28	13,584,378	435,549	3.21
Due from Banks	863,557	10,946	1.27	688,325	13,536	1.97
Interest-bearing Liabilities	13,651,238	249,179	1.83	12,793,375	365,734	2.86
Borrowed Money	9,457,769	115,370	1.22	8,094,303	156,898	1.94
Bonds Payable	4,168,081	90,627	2.17	4,655,772	113,064	2.43

[Ordinary Operations Account]

(Unit: millions of yen, %)

	Fiscal Year Ended March 31, 2018			Fiscal Year Ended March 31, 2019		
	Average Balance	Interest	Earning Yields	Average Balance	Interest	Earning Yields
Interest-earning Assets	15,415,403	336,669	2.18	14,692,302	450,184	3.06
Loans and Bills Discounted	14,210,231	323,959	2.28	13,581,324	435,395	3.21
Due from Banks	863,550	10,946	1.27	688,298	13,536	1.97
Interest-bearing Liabilities	13,651,195	249,178	1.83	12,793,117	365,712	2.86
Borrowed Money	9,457,769	115,370	1.22	8,094,303	156,898	1.94
Bonds Payable	4,168,081	90,627	2.17	4,655,772	113,064	2.43

[Special Operations Account]

(Unit: millions of yen, %)

	Fiscal Year Ended March 31, 2018			Fiscal Year Ended March 31, 2019		
	Average Balance	Interest	Earning Yields	Average Balance	Interest	Earning Yields
Interest-earning Assets	163	1	0.83	3,111	153	4.95
Loans and Bills Discounted	25	1	5.57	3,054	153	5.04
Due from Banks	6	0	0.20	26	0	0.20
Interest-bearing Liabilities	42	0	1.26	257	21	8.50
Borrowed Money	—	—	—	—	—	—
Bonds Payable	—	—	—	—	—	—

4 Breakdown of Operating Expenses

[The Bank]

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
Salaries and Other Compensations	5,559	5,772
Expenses for Retirement Benefits	626	767
Welfare Benefits	769	788
Depreciation of Property, Plant and Equipment	1,452	1,932
Leasing on Land, Buildings and Machinery	215	191
Building Maintenance	305	91
Supplies	282	211
Utilities	81	84
Traveling Expenses	1,477	1,519
Communications	181	277
Advertising Expenses	3	3
Fees, Donations and Social Expenses	21	46
Taxes	452	541
Other	7,999	8,572
Total	**19,429**	**20,801**

[Ordinary Operations Account]

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
Salaries and Other Compensations	5,511	5,710
Expenses for Retirement Benefits	620	758
Welfare Benefits	762	780
Depreciation of Property, Plant and Equipment	1,452	1,932
Leasing on Land, Buildings and Machinery	213	189
Building Maintenance	303	90
Supplies	279	209
Utilities	80	83
Traveling Expenses	1,465	1,503
Communications	180	274
Advertising Expenses	3	3
Fees, Donations and Social Expenses	20	45
Taxes	448	536
Other	7,929	8,481
Total	**19,272**	**20,601**

[Special Operations Account]

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
Salaries and Other Compensations	47	61
Expenses for Retirement Benefits	6	8
Welfare Benefits	6	8
Leasing on Land, Buildings and Machinery	14	22
Building Maintenance	2	0
Supplies	2	1
Utilities	0	0
Traveling Expenses	12	16
Communications	1	2
Advertising Expenses	0	0
Fees, Donations and Social Expenses	0	0
Taxes	3	5
Other	69	90
Total	**169**	**221**

5 Balance of Due from Banks, Receivables under Resale Agreements and Securities—Application of Surplus Funds

[The Bank]

(Unit: millions of yen)

	March 31, 2018	March 31, 2019
Due from Banks in Japanese Yen	90,000	90,000
Due from Banks in Foreign Currencies	423,756	344,838
Receivables under Resale Agreements	—	—
Securities	—	—

[Ordinary Operations Account]

(Unit: millions of yen)

	March 31, 2018	March 31, 2019
Due from Banks in Japanese Yen	90,000	90,000
Due from Banks in Foreign Currencies	423,756	344,838
Receivables under Resale Agreements	—	—
Securities	—	—

[Special Operations Account]

(Unit: millions of yen)

	March 31, 2018	March 31, 2019
Due from Banks in Japanese Yen	—	—
Due from Banks in Foreign Currencies	—	0
Receivables under Resale Agreements	—	—
Securities	—	—

Information on Derivatives Transactions

(1) Basic Policy for Derivatives Transactions

JBIC engages in derivatives transactions exclusively for the purpose of hedging exchange rate and interest rate risks.

(2) Transactions

Derivatives transactions of JBIC include interest rate and currency swaps and forward exchange contracts. The following table gives a summary of these transactions.

(3) Risks Involved in Derivatives Transactions

Derivatives transactions involve the following risks.

Counterparty Credit Risk

The potential loss from the failure of a counterparty to perform its obligations in accordance with the terms and conditions of the contract governing transactions due to bankruptcy or its deteriorating business performance.

Market Risk

The potential loss from changes in the market value of financial products due to fluctuations in interest rates or exchange rates in the market.

(4) Measures to Address These Risks

Counterparty Credit Risk

JBIC constantly monitors the fair value of a derivative in conducting transaction with each counterparty, credit risk exposure to it and its creditworthiness. Such information is then used to assess the eligibility of the counterparty.

Market Risk

JBIC utilizes derivatives transactions exclusively for the purpose of hedging. Therefore, the market risk on derivatives transactions and the risk on hedged (lending or funding) transactions, in principle, offset each other.

(As of March 31, 2019; 100 millions of yen)

	Contract Amounts / Notional Amounts	Credit Risk Amounts	Market Value
Interest Rate Swaps	52,565	868	(379)
Currency Swaps	36,552	3,106	(599)
Forward Exchange Contracts	1,541	8	(1)
Other Derivatives	—	—	—
Credit Risk Mitigation through Netting		(2,419)	
Total	**90,659**	**1,564**	**(981)**

(Note) "The credit risk amounts" are calculated under Uniform International Standards in accordance with the Banking Act of Japan and the related regulations.

7 Yield / Interest Rate

[The Bank]

(Unit: %)

	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
(A) – (B)	0.19	0.03
Yields on Interest-earning Assets (A)	2.18	3.06
Costs of Interest-bearing Liabilities (B)	1.99	3.03

(Note) Yields on Interest-earning Assets = Interest / Average Balance of Interest-earning Assets
Costs of Interest-bearing Liabilities = (Interest Expenses + Bonds Payable + Expenses) / Average Balance of Interest-bearing Liabilities
Cf. Interest = Interest on Loans and Discounts + Interest and Dividends on Securities + Interest on Receivables under Resale Agreements + Interest on Deposits with Banks + Interest on interest swaps + Other interest income
Average Balance of Interest-earning Assets = Loans and Bills Discounted + Securities + Receivables under Resale Agreements + Cash Equivalents (excluding current account deposit and others) + Cash collateral paid for financial instruments
Interest Expenses = Interest on Borrowings and Rediscounts + Interest on Bonds + Interest on interest swaps + Other interest expenses
Average Balance of Interest-bearing Liabilities = Borrowed Money + Bonds Payable + Cash collateral received for financial instruments

[Ordinary Operations Account]

(Unit: %)

	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
(A) – (B)	0.20	0.03
Yields on Interest-earning Assets (A)	2.18	3.06
Costs of Interest-bearing Liabilities (B)	1.99	3.03

(Note) Yields on Interest-earning Assets = Interest / Average Balance of Interest-earning Assets
Costs of Interest-bearing Liabilities = (Interest Expenses + Bonds Payable + Expenses) / Average Balance of Interest-bearing Liabilities
Cf. Interest = Interest on Loans and Discounts + Interest and Dividends on Securities + Interest on Receivables under Resale Agreements + Interest on Deposits with Banks + Interest on interest swaps + Other interest income
Average Balance of Interest-earning Assets = Loans and Bills Discounted + Securities + Receivables under Resale Agreements + Cash Equivalents (excluding current account deposit and others) + Cash collateral paid for financial instruments
Interest Expenses = Interest on Borrowings and Rediscounts + Interest on Bonds + Interest on interest swaps + Other interest expenses
Average Balance of Interest-bearing Liabilities = Borrowed Money + Bonds Payable + Cash collateral received for financial instruments

[Special Operations Account]

(Unit: %)

	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
(A) – (B)	(395.43)	(89.37)
Yields on Interest-earning Assets (A)	0.83	4.95
Costs of Interest-bearing Liabilities (B)	396.26	94.32

(Note) Yields on Interest-earning Assets = Interest / Average Balance of Interest-earning Assets
Costs of Interest-bearing Liabilities = (Interest Expenses + Bonds Payable + Expenses) / Average Balance of Interest-bearing Liabilities
Cf. Interest = Interest on Loans and Discounts + Interest and Dividends on Securities + Interest on Receivables under Resale Agreements + Interest on Deposits with Banks + Interest on interest swaps + Other interest income
Average Balance of Interest-earning Assets = Loans and Bills Discounted + Securities + Receivables under Resale Agreements + Cash Equivalents (excluding current account deposit) + Cash collateral paid for financial instruments
Interest Expenses = Interest on Borrowings and Rediscounts + Interest on Bonds + Interest on interest swaps + Other interest expenses
Average Balance of Interest-bearing Liabilities = Borrowed Money + Bonds Payable + Cash collateral received for financial instruments

8 Loans Outstanding per Employee

(Unit: millions of yen)

March 31, 2018	March 31, 2019
23,502	22,856

9 Loans Outstanding by Industry

(Unit: millions of yen)

Industry	March 31, 2018		March 31, 2019	
	Number of Loans	Balance	Number of Loans	Balance
Manufacturing	114	413,682	114	755,099
Mining and Quarrying of Stone and Gravel	7	301,241	8	321,951
Construction	—	—	1	240
Electricity, Gas, Heat Supply, and Water	5	227,705	4	139,710
Transport and Postal Services	4	10,447	4	10,088
Wholesale Trade	23	597,248	21	551,345
Retail Trade	1	318	1	266
Finance and Insurance	21	2,848,383	24	2,662,796
Real Estate	1	361	1	618
Goods Rental and Leasing	3	128,400	3	176,675
Scientific Research, Professional and Technical Service	1	642	2	433
Accommodations	1	388	1	357
Overseas Yen Loan and Domestic Loans Transferred Overseas	519	9,052,082	502	9,020,991
Total, Including Others	**700**	**13,580,902**	**686**	**13,640,575**
Loans Outstanding to Small and Medium-sized Enterprises, and Mid-tier Enterprises	480	189,431	497	183,706

(Note) In this table, small and medium-sized enterprises are defined as domestic corporations with the capital of ¥300 million or less or corporations and individuals having 300 or less employees on the regular pay roll.
Mid-tier enterprises are defined as domestic corporations with the capital of ¥1 billion or less (excluding small and medium-sized enterprises).

10 Write-off of Loans

[Ordinary Operations Account]

(Unit: millions of yen)

Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
—	—

[Special Operations Account]

(Unit: millions of yen)

Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
—	—

11 Assets in Foreign Currencies (Loans and Equity Participation)

[The Bank]

(Unit: millions of yen)

	March 31, 2018	March 31, 2019
Investments in Foreign Currency (USD)	171,073	170,487
Investments in Foreign Currency (RUB)	10,047	15,770
Equity Investments in Foreign Currency (USD)	47,577	49,877
Equity Investments in Foreign Currency (EUR)	16,185	26,108
Equity Investments in Foreign Currency (THB)	19	19
Equity Investments in Foreign Currency (CNY)	1,727	2,011
Equity Investments in Foreign Currency (INR)	1,875	1,978
Equity Investments in Foreign Currency (SGD)	13,449	—
Equity Investments in Foreign Currency (RUB)	—	518
Loans in Foreign Currency (USD)	11,887,060	12,233,708
Loans in Foreign Currency (GBP)	105,646	168,555
Loans in Foreign Currency (EUR)	247,736	214,531
Loans in Foreign Currency (ZAR)	1,490	—
Loans in Foreign Currency (AUD)	242,320	114,460
Loans in Foreign Currency (THB)	21,484	20,132
Loans in Foreign Currency (SDR)	10,085	3,456
Loans in Foreign Currency (CAD)	80,955	53,716
Loans in Foreign Currency (CNY)	1,458	1,828
Loans in Foreign Currency (INR)	1,140	1,569
Loans in Foreign Currency (MXN)	5,300	5,287
Loans in Foreign Currency (IDR)	419	83
Loans in Foreign Currency (RUB)	6,660	9,234

[Ordinary Operations Account]

(Unit: millions of yen)

	March 31, 2018	March 31, 2019
Investments in Foreign Currency (USD)	171,073	170,487
Investments in Foreign Currency (RUB)	10,047	15,770
Equity Investments in Foreign Currency (USD)	47,577	49,877
Equity Investments in Foreign Currency (EUR)	16,185	26,108
Equity Investments in Foreign Currency (THB)	19	19
Equity Investments in Foreign Currency (CNY)	1,727	2,011
Equity Investments in Foreign Currency (INR)	1,875	1,978
Equity Investments in Foreign Currency (SGD)	13,449	—
Equity Investments in Foreign Currency (RUB)	—	518
Loans in Foreign Currency (USD)	11,886,491	12,232,643
Loans in Foreign Currency (GBP)	105,646	168,555
Loans in Foreign Currency (EUR)	247,736	214,531
Loans in Foreign Currency (ZAR)	1,490	—
Loans in Foreign Currency (AUD)	242,320	114,460
Loans in Foreign Currency (THB)	21,484	20,132
Loans in Foreign Currency (SDR)	10,085	3,456
Loans in Foreign Currency (CAD)	80,955	53,716
Loans in Foreign Currency (CNY)	1,458	1,828
Loans in Foreign Currency (INR)	1,140	1,569
Loans in Foreign Currency (MXN)	5,300	5,287
Loans in Foreign Currency (IDR)	419	83
Loans in Foreign Currency (RUB)	6,660	9,234

[Special Operations Account]

(Unit: millions of yen)

	March 31, 2018	March 31, 2019
Investments in Foreign Currency (USD)	—	—
Investments in Foreign Currency (RUB)	—	—
Equity Investments in Foreign Currency (USD)	—	—
Equity Investments in Foreign Currency (EUR)	—	—
Equity Investments in Foreign Currency (THB)	—	—
Equity Investments in Foreign Currency (CNY)	—	—
Equity Investments in Foreign Currency (INR)	—	—
Equity Investments in Foreign Currency (SGD)	—	—
Equity Investments in Foreign Currency (RUB)	—	—
Loans in Foreign Currency (USD)	568	1,064
Loans in Foreign Currency (GBP)	—	—
Loans in Foreign Currency (EUR)	—	—
Loans in Foreign Currency (ZAR)	—	—
Loans in Foreign Currency (AUD)	—	—
Loans in Foreign Currency (THB)	—	—
Loans in Foreign Currency (SDR)	—	—
Loans in Foreign Currency (CAD)	—	—
Loans in Foreign Currency (CNY)	—	—
Loans in Foreign Currency (INR)	—	—
Loans in Foreign Currency (MXN)	—	—
Loans in Foreign Currency (IDR)	—	—
Loans in Foreign Currency (RUB)	—	—

12 Administrative Expense Ratio

[The Bank]

(Units: %)

Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
0.12	0.13

(Note) Administrative Expense Ratio = General and Administrative Expenses / (Average Balance of Loans and Bills Discounted + Average Balance of Securities + Average Balance of Customers' Liabilities for Acceptances and Guarantees)

[Ordinary Operations Account]

(Units: %)

Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
0.11	0.13

(Note) Administrative Expense Ratio = General and Administrative Expenses / (Average Balance of Loans and Bills Discounted + Average Balance of Securities + Average Balance of Customers' Liabilities for Acceptances and Guarantees)

[Special Operations Account]

(Units: %)

Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
670.50	7.24

(Note) Administrative Expense Ratio = General and Administrative Expenses / (Average Balance of Loans and Bills Discounted + Average Balance of Securities + Average Balance of Customers' Liabilities for Acceptances and Guarantees)

Balance of Loans / Borrowings, Bonds and Notes by Maturity

Maturity Structure of Loans as of March 31, 2019

(Unit: 100 millions of yen)

Maturity	Collection from Loans
1 Year or Less	15,302
1–2 Years	16,881
2–3 Years	13,519
3–4 Years	14,431
4–5 Years	11,644
5–6 Years	12,406
6–7 Years	13,900
7–8 Years	7,015
8–9 Years	7,649
9–10 Years	4,941
11-15 Years	12,202
16-20 Years	2,688
21-25 Years	1,271
26-30 Years	—
31-35 Years	—
36-40 Years	—
Over 40 Years	—
Total	**133,854**

(Note) The figures exclude: ¥191,105 million, the amount of loans and other credits to debtors who are legally or substantially bankrupt, as well as those who are likely to become bankrupt, since they have no prospect for redemption.

Maturity Structure of Borrowings from FILP Fiscal Loan and Foreign Exchange Fund Special Account in total as of March 31, 2019

(Unit: 100 millions of yen)

Maturity	Repayment of Borrowings
1 Year or Less	5,214
1–2 Years	16,008
2–3 Years	1,918
3–4 Years	34,832
4–5 Years	7,569
5–6 Years	1,108
6–7 Years	1,230
7–8 Years	3,871
8–9 Years	1,210
9–10 Years	1,096
Over 10 Years	1,690
Total	**75,747**

Maturity Structure of Bonds and Notes as of March 31, 2019

(Unit: 100 millions of yen)

Maturity	Redemption of Bonds and Notes
1 Year or Less	4,584
1–2 Years	8,785
2–3 Years	4,994
3–4 Years	5,117
4–5 Years	4,994
5–6 Years	2,219
6–7 Years	2,974
7–8 Years	5,327
8–9 Years	4,717
9–10 Years	2,219
Over 10 Years	—
Total	**45,935**

Information on the Quality of Assets

Although the Banking Act and Act on Emergency Measures for the Revitalization of the Financial Functions of 1998 (the "Financial Revitalization Act") do not apply to JBIC, JBIC has made a self-assessment of the quality of its assets since the fiscal year ended March 31, 2001. This was aimed at increasing disclosure on its asset quality and improving the internal management of credit risks.

One characteristic of JBIC's operations is that a considerable portion of its loans is official credit for the governments of developing countries. Thus, when an indebted country is temporarily unable to service debt due to economic difficulties, debt rescheduling will sometimes take place—based on an international agreement among the creditor countries in the Paris Club—in order to ensure sustainable debt service. A debtor country receiving such temporary support for overcoming the liquidity problem will implement economic restructuring programs agreed upon with the International Monetary Fund (IMF) to acquire sustainable debt service capacity.

The loans rescheduled under the agreement in the Paris Club have a high probability of repayment, because, unlike loans provided by private financial institutions, their nature as official credit provides an asset-securing mechanism under the above international framework. Nonetheless, to facilitate comparison with private financial institutions, JBIC, in principle, discloses the loans rescheduled in the Paris Club and whose debtor countries are categorized as "Needs Attention" in its self-assessment of asset quality, as loan assets required to be disclosed classifying them either as restructured loans (under the Banking Act) or substandard loans (under the Financial Revitalization Act).

ERNST & YOUNG SHINNIHON LLC audited JBIC's self-assessment regarding the quality of its assets, including the following risk-monitored loans, loans to be disclosed under the Financial Revitalization Act and reserves for possible loan losses, in accordance with the *Practical Guidelines for Evaluation of Internal Control over Valuation of Assets and Audits for Write-Offs and Reserve for Possible Loan Losses of Banks and Similar Institutions* (Report No. 4 of the Ad Hoc Committee for Audits of Banks, the Japanese Institute of Certified Public Accountants (JICPA)).

1. Risk-Monitored Loans

The following table shows the classification of risk-monitored loans based on the self-assessment of asset quality in accordance with the disclosure standard of risk-monitored loans applied to commercial financial institutions (under the Banking Act).

Each category of risk-monitored loans is defined as follows:

i. Bankrupt Loans

Among loans that are placed in non-accrual status (except the portion deduced as allowance for loan losses), when collection of either principal or interest becomes doubtful for the reason that principal or interest is past due for a considerable period of time or for other reasons, those loans for which there is filing of reorganization procedures under the Corporate Reorganization Act rehabilitation procedures under the Civil Rehabilitation Act, bankruptcy procedures under the Bankruptcy Act, special liquidation procedures under the Companies Act or other relevant laws, or there is suspension of transactions in promissory notes issued by the debtors in the clearing house.

ii. Non-accrual Loans

Loans that are placed in non-accrual status except those classified as "Bankrupt Loans" or those whose interest payments are deferred in order to expedite the debtors' business restructuring or support their business operations.

iii. Past Due Loans (3 months or more)

Loans whose principal or interest is past due 3 months or more from the date following the contractually scheduled payment date and not classified as "Bankrupt Loans" or "Non-accrual Loans".

iv. Restructured Loans

Loans whose terms and conditions are modified in favor of the debtors in order to expedite the debtors' business restructuring or support their business operations by, among others, reducing the stated interest rate, deferring interest payments or write-downs, and that are not classified as "Bankrupt Loans", "Non-accrual Loans" and "Past Due Loans (3 months or more)".(Note)

[Ordinary Operations Account] (Unit: millions of yen)

	Fiscal Year Ended March 31,2018	Fiscal Year Ended March 31,2019
Bankrupt Loans	—	—
Non-accrual Loans	188,842	191,105
Past Due Loans (3 months or more)	—	—
Restructured Loans	225,846	188,036
Total (1)	414,688	379,142
Total Amounts of Loans (2)	13,512,657	13,571,215
(1) / (2) (%)	3.07	2.79

[Special Operations Account]

Not applicable.

2. Loan Assets to Be Disclosed under the Financial Revitalization Act

The following table shows the classification of loans based on the self-assessment of asset quality in accordance with the disclosure standard of the Financial Revitalization Act.

i. Bankrupt and Quasi-bankrupt Assets

"Bankrupt and Quasi-bankrupt Assets" are loans and other credits to debtors who have begun proceedings under the Bankruptcy Act, the Corporate Reorganization Act, the Civil Rehabilitation Act and other similar laws of Japan and have financially failed. In the asset quality self-assessment, these loans are loans to debtors who are legally or substantially bankrupt.

ii. Doubtful Assets

"Doubtful Assets" are loans and other credits to debtors whose financial and operational conditions have deteriorated and who have a possibility that payment of principal and / or interest will not be made on a contractual basis. In the asset quality self-assessment, these loans are loans to the debtors who are likely to become bankrupt.

iii. Substandard Loans

"Substandard Loans" are loans to debtors who are categorized as "Needs Attention Debtor" in the asset quality self-assessment, and

A. loans whose principal and / or interest is overdue 3 months or more from the date following the scheduled payment date but which are not categorized as "Bankrupt and Quasi-bankrupt Assets" and "Doubtful Assets" ("Past Due Loans (3 months or more)").
B. restructured loans on which the Bank granted concessions to debtors in financial difficulties through amending terms and conditions of the loans to assist them to recover and eventually be able to pay to creditors, but which are not categorized as "Bankrupt and Quasi-bankrupt Assets", "Doubtful Assets" or "Overdue Loans (3 months or more)".(Note)

iv. Normal Assets

"Normal Assets" are loans to debtors with no particular problem in their financial conditions, categorized in the asset quality self-assessment either as "Loans to Normal Debtors" or "Loans to Needs Attention Debtors (excluding substandard loans)", but which are not categorized as "Bankrupt and Quasi-bankrupt Assets", "Doubtful Assets" and "Substandard Loans".

[Ordinary Operations Account] (Unit: millions of yen)

		Fiscal Year Ended March 31,2018	Fiscal Year Ended March 31,2019
Loans	Bankrupt and Quasi-bankrupt Assets	—	—
	Doubtful Assets	188,842	191,105
	Substandard Loans	225,846	188,036
	Subtotal (1)	414,688	379,142
	Normal Assets	15,440,235	15,792,843
	Total (2)	15,854,923	16,171,985
	(1) / (2) (%)	2.62	2.34

[Special Operations Account]

Not applicable.

Note

In the event that a debtor country encounters temporary repayment difficulties in respect of external public debt (sovereign debt, trade insurance institutions and export credit institutions, etc.) due to the deteriorating balance of payments, meetings of creditor countries (the "Paris Club") will be held to mutually agree on debt relief measures (rescheduling), and implementing of temporary support for overcoming the liquidity problem (balance of payment support under an international cooperative framework). With this temporary liquidity support, debtors carry out IMF-agreed economic restructuring programs and continue to make debt repayments. The principal amount of loans for which JBIC has agreed to provide debt relief pursuant to the Paris Club agreements is ¥88,536 million as of the end of the fiscal year ended March 31, 2019.

Loans to debtors classified under the self-assessment as "Needs Attention" (but not "Past Due Loans (3 months or more)") that were rescheduled under the Paris Club as "Restructured Loans". The amount of such loans, included in "Restructured Loans" in the above table is ¥56,684 million.

Consolidated Financial Statements in Accordance with International Financial Reporting Standards (IFRS) for Reference Only

1. Excerpt from the consolidated financial statements in accordance with IFRS

The consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) as of March 31, 2019. The consolidated financial statements are presented in yen. Unless otherwise stated, all amounts are rounded down and stated in millions of yen.

Ernst & Young ShinNihon LLC has audited the consolidated financial statements of JBIC and its subsidiaries (the "JBIC Group"), which comprise the consolidated statements of financial position as of March 31, 2019 and 2018, and the consolidaed income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information, in accordance with International Standards on Auditing.

This document is an excerpt of the JBIC Group's consolidated financial statements prepared in accordance with IFRS as issued by the IASB that are included in JBIC's annual report on Form 18-K filed with the U.S. Securities and Exchange Commission. This document does not contain all of the information in the Form 18-K that is important to you. You should read the Form 18-K carefully to obtain a comprehensive understanding of the JBIC Group's consolidated financial statements under IFRS and related information.

Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2019	As of March 31, 2018
Assets		
Cash and due from banks	1,191,463	1,751,287
Derivative financial instrument assets	145,235	149,506
Financial assets at fair value through profit or loss	361,964	9,204
Securities	84,087	208,385
Loans and other receivables	13,298,146	13,452,950
Equity method investments	145,834	137,078
Property and equipment	27,979	28,401
Other assets	133,145	255,046
Total assets	**15,387,859**	**15,991,860**
Liabilities		
Derivative financial instrument liabilities	243,346	287,429
Borrowings	7,574,713	8,370,758
Bonds payable	4,606,882	4,388,754
Financial guarantee contracts	75,346	72,285
Other liabilities	137,720	227,980
Total liabilities	**12,638,008**	**13,347,209**
Equity		
Capital stock	1,785,300	1,765,200
Retained earnings	947,978	856,640
Other reserves	16,335	22,582
Non-controlling interests	235	227
Total equity	**2,749,850**	**2,644,651**
Total liabilities and equity	**15,387,859**	**15,991,860**

Consolidated Income Statements

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income	453,200	344,801
Interest expense	271,366	206,624
Net interest income	181,834	138,177
Fee and commission income	16,892	15,018
Fee and commission expense	2,993	2,043
Net expense from derivative financial instruments	19,527	138,389
Net loss from financial assets at fair value through profit or loss	1,794	146
Net investment income	—	88
Net gains on derecognition of financial assets measured at amortized cost	74	—
Other income	150	3,552
Net non-interest expense	7,197	121,921
Total operating income *1	**174,636**	**16,256**
Impairment losses on financial assets	15,669	109,978
Net operating income (loss)*2	**158,967**	**(93,722)**
Operating expenses	20,938	19,545
Other expenses	1,440	822
Total operating expenses	22,379	20,367
Profits (losses) of equity method investments	(887)	22,480
Profit (loss) before income tax	**135,700**	**(91,609)**
Income tax expense	4	—
Net profit (loss)	**135,695**	**(91,609)**
Attributable to:		
Shareholder of JBIC	135,688	(91,592)
Non-controlling interests	7	(17)

*1 Aggregate of "Net interest income" and "Net non-interest expense"
*2 "Total operating income" less "Impairment losses on financial assets"

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit (loss)	**135,695**	**(91,609)**
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans:		
Remeasurement arising during the year	(236)	(184)
Total of items that will not be reclassified to profit or loss	(236)	(184)
Items that may be reclassified to profit or loss:		
Available-for-sale financial assets:		
Net gains arising during the year	—	4,759
Reclassification adjustments	—	(171)
Deferred gains (losses) on hedges:		
Reclassification adjustments	(3,952)	(2,342)
Exchange differences on translation of foreign operations:		
Net gains (losses) arising during the year	6,614	(8,052)
Reclassification adjustments	(1,017)	(1,754)
Total of items that may be reclassified to profit or loss	1,645	(7,562)
Other comprehensive income (loss)	**1,409**	**(7,747)**
Total comprehensive income (loss)	**137,105**	**(99,356)**
Attributable to:		
Shareholder of JBIC	137,097	(99,339)
Non-controlling interests	7	(17)

Consolidated Statements of Changes in Equity

(Millions of yen)

	Attributable to shareholder of JBIC							
			Other reserves					
	Capital stock	Retained earnings	Remeasurement of defined benefit plans	Available-for-sale financial assets	Deferred gains (losses) on hedges	Exchange differences on translation of foreign operations	Other reserves, Total	Sub Total
April 1, 2017	**1,683,000**	**969,264**	**—**	**3,304**	**6,368**	**20,471**	**30,145**	**2,682,409**
Net loss	—	(91,592)	—	—	—	—	—	(91,592)
Other comprehensive income (loss)	—	—	(184)	4,587	(2,342)	(9,807)	(7,747)	(7,747)
Total comprehensive income (loss)	—	(91,592)	(184)	4,587	(2,342)	(9,807)	(7,747)	(99,339)
Issuance of new shares	82,200	—	—	—	—	—	—	82,200
Payment to national treasury	—	(20,846)	—	—	—	—	—	(20,846)
Proceeds from non-controlling shareholders with a consolidated subsidiary establishment	—	—	—	—	—	—	—	—
Other	—	(184)	184	—	—	—	184	—
March 31, 2018	**1,765,200**	**856,640**	**—**	**7,892**	**4,025**	**10,664**	**22,582**	**2,644,423**
Effects of changes in accounting policies	—	(12,963)	—	(7,892)	—	—	(7,892)	(20,855)
April 1, 2018	**1,765,200**	**843,677**	**—**	**—**	**4,025**	**10,664**	**14,690**	**2,623,567**
Net profit	—	135,688	—	—	—	—	—	135,688
Other comprehensive income (loss)	—	—	(236)	—	(3,952)	5,597	1,409	1,409
Total comprehensive income (loss)	—	135,688	(236)	—	(3,952)	5,597	1,409	137,097
Issuance of new shares	20,100	—	—	—	—	—	—	20,100
Payment to national treasury	—	(31,150)	—	—	—	—	—	(31,150)
Other	—	(236)	236	—	—	—	236	—
March 31, 2019	**1,785,300**	**947,978**	**—**	**—**	**73**	**16,261**	**16,335**	**2,749,614**

(Millions of yen)

	Non-controlling interests	Total equity
April 1, 2017	**—**	**2,682,409**
Net loss	(17)	(91,609)
Other comprehensive income (loss)	—	(7,747)
Total comprehensive income (loss)	(17)	(99,356)
Issuance of new shares	**—**	82,200
Payment to national treasury	**—**	(20,846)
Proceeds from non-controlling shareholders with a consolidated subsidiary establishment	245	245
Other	—	—
March 31, 2018	**227**	**2,644,651**
Effects of changes in accounting policies	—	(20,855)
April 1, 2018	**227**	**2,623,795**
Net profit	7	135,695
Other comprehensive income (loss)	—	1,409
Total comprehensive income (loss)	7	137,105
Issuance of new shares	—	20,100
Payment to national treasury	—	(31,150)
Other	—	—
March 31, 2019	**235**	**2,749,850**

Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Profit (loss) before income tax	135,700	(91,609)
Depreciation and amortization	1,944	1,460
Increase (decrease) in liability for retirement benefits	182	53
Net loss from financial assets at fair value through profit or loss	1,794	146
Losses (profits) from equity method investments	887	(22,480)
Net decrease (increase) in loans and other receivables	(81,408)	899,770
Net increase (decrease) in borrowings	(796,045)	(1,537,947)
Net decrease (increase) in deposits (excluding demand deposits)	68,193	191,404
Net change in derivative financial instrument assets and liabilities	(39,812)	(193,728)
Net increase (decrease) in financial guarantee contracts	1,459	(12,627)
Net increase (decrease) in bonds payable	218,127	1,089,256
Other	40,157	71,413
Net cash provided by (used in) operating activities	**(448,819)**	**395,112**
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	(29,216)	(9,717)
Sale of financial assets at fair value through profit or loss	6,851	—
Purchase of securities	(30,600)	(41,155)
Proceeds from sales or redemption of securities	22,354	29,126
Purchase of equity method investments	(12,570)	(18,151)
Proceeds from return of equity method investments	9,111	9,640
Other	(4,798)	(3,005)
Net cash provided by (used in) investing activities	**(38,867)**	**(33,263)**
Cash flows from financing activities		
Proceeds from issuance of new shares	20,100	82,200
Payment to national treasury	(31,150)	(20,846)
Proceeds from non-controlling shareholders with a consolidated subsidiary establishment	—	245
Other	—	(6)
Net cash provided by (used in) financing activities	**(11,050)**	**61,591**
Exchange difference on cash and cash equivalents	**7,106**	**(6,957)**
Net increase (decrease) in cash and cash equivalents	**(491,630)**	**416,482**
Cash and cash equivalents at the beginning of the year	**1,498,807**	**1,082,325**
Cash and cash equivalents at the end of the year	**1,007,176**	**1,498,807**
Net cash provided by (used in) operating activities includes the following:		
Interest received	416,979	322,349
Interest paid	(253,882)	(193,214)

2. Reconciliation between Japanese GAAP and IFRS

Reconciliation of assets, liabilities, and equity of the JBIC Group as of March 31, 2019 and 2018, and reconciliation of net profit or loss of the JBIC Group for the fiscal years ended March 31, 2019 and 2018, between accounting principles generally accepted in Japan ("Japanese GAAP") and IFRS as issued by the IASB.*

* JBIC has adopted Japanese GAAP for reporting purposes. Audited consolidated financial statements of the JBIC Group for the fiscal years ended March 31, 2019 and 2018 prepared in accordance with IFRS are disclosed for reference purposes in order to improve comparability with other issuers outside of Japan.

Reconciliation of assets, liabilities, and equity as of March 31, 2019

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassifications	Differences in recognition and measurement	IFRS	Accounts under IFRS
Assets					**Assets**
Cash and due from banks	1,191,463	—	—	1,191,463	Cash and due from banks
	—	145,242	(6)	145,235	Derivative financial instrument assets
	—	358,278	3,686	361,964	Financial assets at fair value through profit or loss
Securities	367,026	(283,239)	300	84,087	Securities
Loans and bills discounted	13,576,561	(389,138)	110,723	13,298,146	Loans and other receivables
	—	130,079	15,754	145,834	Equity method investments
Property, plant and equipment	27,979	—	—	27,979	Property and equipment
Intangible assets	6,710	(6,710)	—	—	
Other assets	280,568	(144,650)	(2,772)	133,145	Other assets
Customers' liabilities for acceptances and guarantees	2,491,767	—	(2,491,767)	—	
Allowance for loan losses	(293,126)	293,126	—	—	
Total assets	**17,648,951**	**102,988**	**(2,364,081)**	**15,387,859**	**Total assets**
Liabilities					**Liabilities**
	—	243,347	—	243,346	Derivative financial instrument liabilities
Borrowed money	7,574,713	—	—	7,574,713	Borrowings
Bonds payable	4,583,492	—	23,389	4,606,882	Bonds payable
	—	—	75,346	75,346	Financial guarantee contracts
Net defined benefit liability	6,988	(6,988)	—	—	
Provision for directors' retirement benefits	31	(31)	—	—	
Other liabilities	304,718	(132,763)	(34,235)	137,720	Other liabilities
Provision for bonuses	566	(566)	—	—	
Provision for directors' bonuses	9	(9)	—	—	
Acceptances and guarantees	2,491,767	—	(2,491,767)	—	
Total liabilities	**14,962,287**	**102,988**	**(2,427,267)**	**12,638,008**	**Total liabilities**
Net assets					**Equity**
Capital stock	1,785,300	—	—	1,785,300	Capital stock
Retained earnings	905,474	—	42,504	947,978	Retained earnings
	—	(4,345)	20,681	16,335	Other reserves
Valuation difference on available-for-sale securities	(557)	557	—	—	
Deferred gains or losses on hedges	(11,048)	11,048	—	—	
Foreign currency translation adjustment	7,260	(7,260)	—	—	
Non-controlling interests	235	—	—	235	Non-controlling interests
Total net assets	**2,686,664**	—	**63,186**	**2,749,850**	**Total equity**
Total liabilities and net assets	**17,648,951**	**102,988**	**(2,364,081)**	**15,387,859**	**Total liabilities and equity**

Reconciliation of assets, liabilities, and equity as of March 31, 2018

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassifications	Differences in recognition and measurement	IFRS	Accounts under IFRS
Assets					**Assets**
Cash and due from banks	1,751,287	—	—	1,751,287	Cash and due from banks
	—	149,706	(200)	149,506	Derivative financial instrument assets
	—	9,838	(633)	9,204	Financial assets at fair value through profit or loss
Securities	351,605	(135,919)	(7,299)	208,385	Securities
Loans and bills discounted	13,513,680	(190,684)	129,954	13,452,950	Loans and other receivables
	—	126,081	10,996	137,078	Equity method investments
Property, plant and equipment	28,401	—	—	28,401	Property and equipment
Intangible assets	3,472	(3,472)	—	—	
Other assets	377,809	(122,763)	—	255,046	Other assets
Customers' liabilities for acceptances and guarantees	2,259,369	—	(2,259,369)	—	
Allowance for loan losses	(273,564)	273,564	—	—	
Total assets	**18,012,060**	**106,350**	**(2,126,551)**	**15,991,860**	**Total assets**
Liabilities					**Liabilities**
	—	287,453	(23)	287,429	Derivative financial instrument liabilities
Borrowed money	8,370,758	—	—	8,370,758	Borrowings
Bonds payable	4,392,597	—	(3,842)	4,388,754	Bonds payable
	—	—	72,285	72,285	Financial guarantee contracts
Net defined benefit liability	6,785	(6,785)	—	—	
Provision for directors' retirement benefits	25	(25)	—	—	
Other liabilities	435,498	(173,736)	(33,781)	227,980	Other liabilities
Provision for bonuses	546	(546)	—	—	
Provision for directors' bonuses	9	(9)	—	—	
Acceptances and guarantees	2,259,369	—	(2,259,369)	—	
Total liabilities	**15,465,589**	**106,350**	**(2,224,731)**	**13,347,209**	**Total liabilities**
Net assets					**Equity**
Capital stock	1,765,200	—	—	1,765,200	Capital stock
Retained earnings	883,601	—	(26,961)	856,640	Retained earnings
	—	(102,558)	125,140	22,582	Other reserves
Valuation difference on available-for-sale securities	(1,209)	1,209	—	—	
Deferred gains or losses on hedges	(114,658)	114,658	—	—	
Foreign currency translation adjustment	13,309	(13,309)	—	—	
Non-controlling interests	227	—	—	227	Non-controlling interests
Total net assets	**2,546,471**	**—**	**98,179**	**2,644,651**	**Total equity**
Total liabilities and net assets	**18,012,060**	**106,350**	**(2,126,551)**	**15,991,860**	**Total liabilities and equity**

Reconciliation of net profit for the year ended March 31, 2019

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassifications	Differences in recognition and measurement	IFRS	Accounts under IFRS
Interest income	450,798	(7,073)	9,475	453,200	Interest income
Interest expense	365,878	(95,797)	1,285	271,366	Interest expense
				181,834	Net interest income
Fees and commissions	23,030	(163)	(5,974)	16,892	Fee and commission income
Fees and commissions payments	2,993	—	—	2,993	Fee and commission expense
	—	95,599	(76,072)	19,527	Net expense from derivative financial instruments
	—	3,380	(1,586)	1,794	Net loss from financial assets at fair value through profit or loss
	—	20	54	74	Net gains on derecognition of financial assets measured at amortized cost
	—	(518)	668	150	Other income
Other ordinary income	272	(272)	—	—	
Other income*1	1,337	(1,337)	—	—	
Extraordinary income	6	(6)	—	—	
				7,197	Net non-interest expense
				174,636	**Total operating income**
	—	16,353	(684)	15,669	Impairment losses on financial assets
Recoveries of written-off claims*1	3,208	(3,208)	—	—	
Provision of allowance for loan losses*2	19,561	(19,561)	—	—	
				158,967	**Net operating income**
General and administrative expenses	21,200	—	(261)	20,938	Operating expenses
	—	2,638	(1,197)	1,440	Other expenses
Other ordinary expenses	2,638	(2,638)	—	—	
Other*2	11,788	(11,788)	—	—	
				22,379	Total operating expenses
Losses of equity method investments*2	2,026	(1,138)	—	887	Losses of equity method investments
Gain on investments in partnerships*1	467	(467)	—	—	
				135,700	**Profit before income tax**
Income tax expense	4	—	—	4	Income tax expense
Net income	**53,030**	**—**	**82,665**	**135,695**	**Net profit**

*1 The sum of these amounts is included in "Other income" in the consolidated statements of operations prepared under Japanese GAAP.
*2 The sum of these amounts is included in "Other expenses" in the consolidated statements of operations prepared under Japanese GAAP.

Reconciliation of net loss for the year ended March 31, 2018

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassifications	Differences in recognition and measurement	IFRS	Accounts under IFRS
Interest income	336,768	(17)	8,050	344,801	Interest income
Interest expense	249,256	(43,192)	559	206,624	Interest expense
				138,177	Net interest income
Fees and commissions	23,914	—	(8,896)	15,018	Fee and commission income
Fees and commissions payments	2,043	—	—	2,043	Fee and commission expense
	—	45,410	92,979	138,389	Net expense from derivative financial instruments
	—	13	133	146	Net loss from financial assets at fair value through profit or loss
	—	71	16	88	Net investment income
	—	7,234	(3,682)	3,552	Other income
Other ordinary income	128	(128)	—	—	
Other income*1	156	(156)	—	—	
Extraordinary income	9	(9)	—	—	
				121,921	Net non-interest expense
				16,256	**Total operating income**
	—	51,528	58,449	109,978	Impairment losses on financial assets
Recoveries of written-off claims*1	—	—	—	—	
Provision of allowance for loan losses*2	51,528	(51,528)	—	—	
				93,722	**Net operating loss**
General and administrative expenses	19,660	—	(114)	19,545	Operating expenses
	—	3,667	(2,844)	822	Other expenses
Other ordinary expenses	5,363	(5,363)	—	—	
Other*2	144	(144)	—	—	
Extraordinary loss	8	(8)	—	—	
				20,367	Total operating expenses
Profits of equity method investments*1	22,207	273	—	22,480	Profits of equity method investments
Gain on investments in partnerships*1	6,884	(6,884)	—	—	
				91,609	**Loss before income tax**
Income tax expense	—	—	—	—	Income tax expense
Net income	**62,064**	**—**	**(153,674)**	**91,609**	**Net loss**

*1 The sum of these amounts is included in "Other income" in the consolidated statements of operations prepared under Japanese GAAP.
*2 The sum of these amounts is included in "Other expenses" in the consolidated statements of operations prepared under Japanese GAAP.

Notes to the reconciliation of assets, liabilities, and equity as of March 31, 2019 and 2018, and the reconciliation of net profit or loss for the fiscal years ended March 31, 2019 and 2018

A. Derivative financial instrument assets and liabilities

i. Hedge accounting

The JBIC Group uses derivative financial instruments to hedge interest rate risk and foreign exchange risk. Although fluctuations in the market value of derivatives may result in large valuation gains or losses, the JBIC Group does not realize these gains or losses because it uses derivatives for hedging and, in principle, does not terminate derivatives before maturity. Therefore, the JBIC Group has been applying hedge accounting under Japanese GAAP to derivative transactions in order to eliminate net gains or losses from the valuation of derivatives from its net income.

The JBIC Group has started applying hedge accounting under IFRS 9 from the fiscal year ended March 31, 2019 in order to reflect the effect of risk management activities in its consolidated financial statements and to reduce the significant impact of gains or losses from valuation of derivatives on net profit. However, since IFRS hedge accounting has been applied to the transactions effective from April 1, 2018 and the number of hedged items were limited, the effect of hedge accounting was also limited. Of the total gain from valuation of derivatives amounting to 107.0 billion yen, 29.1 billion yen was eliminated from the net profit for the fiscal year ended March 31, 2019. Hedge accounting under IFRS is explained in Note 3.G of its consolidated financial statements.

From April 1, 2012 to March 31, 2018, the JBIC Group had not applied hedge accounting under IAS 39 *Financial Instruments: Recognition and Measurement*. At the date of transition in 2012, the JBIC Group discontinued hedge accounting under Japanese GAAP in accordance with IAS 39 and IFRS 1 *First-time Adoption of International Financial Reporting Standards*. After the transition, the JBIC Group has amortized the adjusted amounts of the hedged items using the effective interest method.

ii. Offsetting derivative financial instrument assets and liabilities

Derivative financial instrument assets and liabilities that meet offset requirements under Japanese GAAP are presented on a net basis by counterparty and included in "Other assets" or "Other liabilities." Of these assets and liabilities, assets and liabilities that do not meet the offset requirements under IFRS are presented on a gross basis as "Derivative financial instrument assets" and "Derivative financial instrument liabilities."

iii. Credit risk adjustments

Under IFRS, the JBIC Group determines fair values of derivative financial instrument assets and liabilities in consideration of counterparties or its own credit risks calculated from observable market data.

B. Financial assets at fair value through profit or loss

Under IFRS, if contractual cash flows of financial assets are not solely payments of principal and interest, the JBIC Group measures such financial assets at fair value through profit or loss. If contractual cash flows of financial assets are solely payments of principal and interest, and financial assets are held within a business model whose objective is to hold the assets in order to collect contractual cash flows, financial assets are measured at amortized cost. Whereas, Japanese GAAP sets out the approach to measure financial assets according to their legal form and the entity's intention to hold the financial assets.

Stocks, investments in partnerships and some of loans excluding investments held by the JBIC Group and accounted for using the equity method are measured at fair value and presented as "Financial assets at fair value through profit or loss" under IFRS, whereas they are measured at either cost or fair value according to their legal form and holding intention and presented as "Securities" or "Loans and other receivables" under Japanese GAAP. If the net asset value of shares has declined significantly due to a deterioration in the financial position of an issuer, the carrying amount is written down and such valuation difference is recognized as impairment loss for the current period.

Under IFRS, the JBIC Group presents gains and losses arising from such assets are presented as "Net gain (loss) from financial assets at fair value through profit or loss." Under Japanese GAAP, the JBIC Group presents interest income and dividend income as "Interest income," upfront and commitment fees as "Fee and commissions," and realized gains and losses arising from changes in fair value and sales of such assets as "Other income" (when it is a gain) or "Other" (when it is a loss).

C. Securities

The JBIC Group presents investments in associates and joint ventures as "Securities" under Japanese GAAP and "Equity method investments" under IFRS. For the differences in the measurement method between the accounting standards, see "E. Equity method investments."

Stocks and investments in partnerships other than investments in associates and joint ventures are presented as "Securities" under Japanese GAAP and "Financial assets at fair value through profit or loss" under IFRS. For the differences in the measurement method between the accounting standards, see "B. Financial assets at fair value through profit or loss."

Debt securities included in "Securities" under Japanese GAAP are also presented as "Securities" under IFRS. For the measurement method, debt securities are measured at fair value and valuation gains and losses are recognized as "Valuation difference on available-for-sale securities" under Japanese GAAP, whereas these debt securities are measured at amortized cost under IFRS.

Under IFRS, impairment losses are recognized for securities measured at amortized cost under the expected credit loss model. Impairment losses are estimated at the amount of the expected credit losses expected to occur within the next 12-months from the reporting date or on a lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition of the financial assets. Such impairment losses measured are deducted from securities using an allowance for loan losses.

D. Loans and other receivables

"Loans and other receivables" under IFRS include accrued interest income on loans in "Other assets" under Japanese GAAP and also financial assets associated with financial guarantee contracts described in "G. Financial guarantee contracts," but do not include loans and other receivables measured at fair value through profit or loss.

Under IFRS, the JBIC Group measures loans and other receivables initially at fair value plus transaction costs directly attributable to loan origination, and subsequently at amortized cost using the effective interest method. The JBIC Group amortizes loan origination fees, which are considered integral to the origination using the effective interest method. As described in "A. i. Hedge accounting," the JBIC Group adjusted the carrying amounts of loans for which hedge accounting was discontinued at the date of transition and has amortized them in accordance with IFRS 1.

Under Japanese GAAP, the JBIC Group recognizes general allowance as well as specific allowance for loan losses.

In accordance with the expected credit loss model under IFRS, the JBIC Group recognizes impairment losses, and the carrying amount of loans

and other receivables is reduced by the amount of impairment losses measured through the allowance for loan losses. See "C. Securities" for the method for recognizing expected credit losses.

E. Equity method investments

The JBIC Group's investments in associates and joint ventures are comprised mainly of investments in partnerships. Under Japanese GAAP, the JBIC Group applies the equity method to certain investments in partnerships. Under IFRS, the JBIC Group adopts the equity method to all of its investments in partnerships that are determined as investments in associates and joint ventures, except for investments held by the investment company which is the subsidiary of JBIC. Gains or losses on investments in partnerships to which the equity method is not applied under Japanese GAAP but applied under IFRS are recognized as "Profits of equity method investments" under IFRS.

The JBIC Group presents exchange differences on translation of foreign operations from applying the equity method as "Other reserves" under IFRS, whereas they are presented as "Foreign currency translation adjustment" under Japanese GAAP.

F. Bonds payable

Under Japanese GAAP, the JBIC Group expenses bond issuance costs as incurred. Under IFRS, the JBIC Group measures bonds payable initially at fair value less transaction costs directly attributable to bond issuance, such as fees paid to underwriters and discounts at issuance, and subsequently at amortized cost using the effective interest method.

As described in "A. i. Hedge accounting," the JBIC Group adjusted the carrying amounts of bonds payable for which hedge accounting was discontinued at the date of transition and has amortized them in accordance with IFRS 1. For bonds payable to which hedge accounting is applied in accordance with IFRS 9, their carrying amount is adjusted to reflect changes in fair value arising from the underlying hedged risks.

G. Financial guarantee contracts

Under Japanese GAAP, the JBIC Group records the same contractual amounts of financial guarantee obligations in both "Customers' liabilities for acceptances and guarantees" as assets and in "Acceptances and guarantees" as liabilities. Under IFRS, the JBIC Group initially measures financial liabilities associated with financial guarantee contracts at fair value as well as financial assets associated with financial guarantee contracts.

For the year ended March 31, 2019, they are subsequently measured at the higher of (a) the amount of the loss allowance determined in accordance with IFRS 9 and (b) the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

For the year ended March 31, 2018, they are subsequently measured at the higher of (a) the amount initially recognized less cumulative amortization recognized in accordance with IAS 18 *Revenue* and (b) the amount determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

H. Liability for retirement benefits

Under Japanese GAAP, the JBIC Group expenses actuarial gains or losses on defined benefit plans in profit or loss as incurred.

Under IFRS, the JBIC Group recognizes remeasurement of defined benefit plans directly in "Other reserves" as incurred and reclassifies immediately to retained earnings. The JBIC Group remeasures retirement benefit obligations under IFRS, and charges for differences caused by the period allocation method of retirement benefit obligations, etc. as "Operating expenses." The JBIC Group includes a liability for retirement benefits in "Other liabilities."

I. Difference between the reporting date of consolidated financial statements and of subsidiaries

Under Japanese GAAP, if the difference between the reporting date of consolidated financial statements and of the subsidiary does not exceed three months, it is required that only important inter-company transactions made during that period be reflected in the financial statements of the subsidiary. Accordingly, the JBIC Group adjusts only important inter-company transactions in the consolidated financial statements under Japanese GAAP.

On the other hand, IFRS requires that financial statements of consolidated subsidiaries be prepared on the reporting date of the parent company, except it is impracticable. For this reason, the JBIC Group prepares the financial statements of the subsidiaries whose reporting dates are different from JBIC to conform to the reporting date of JBIC.

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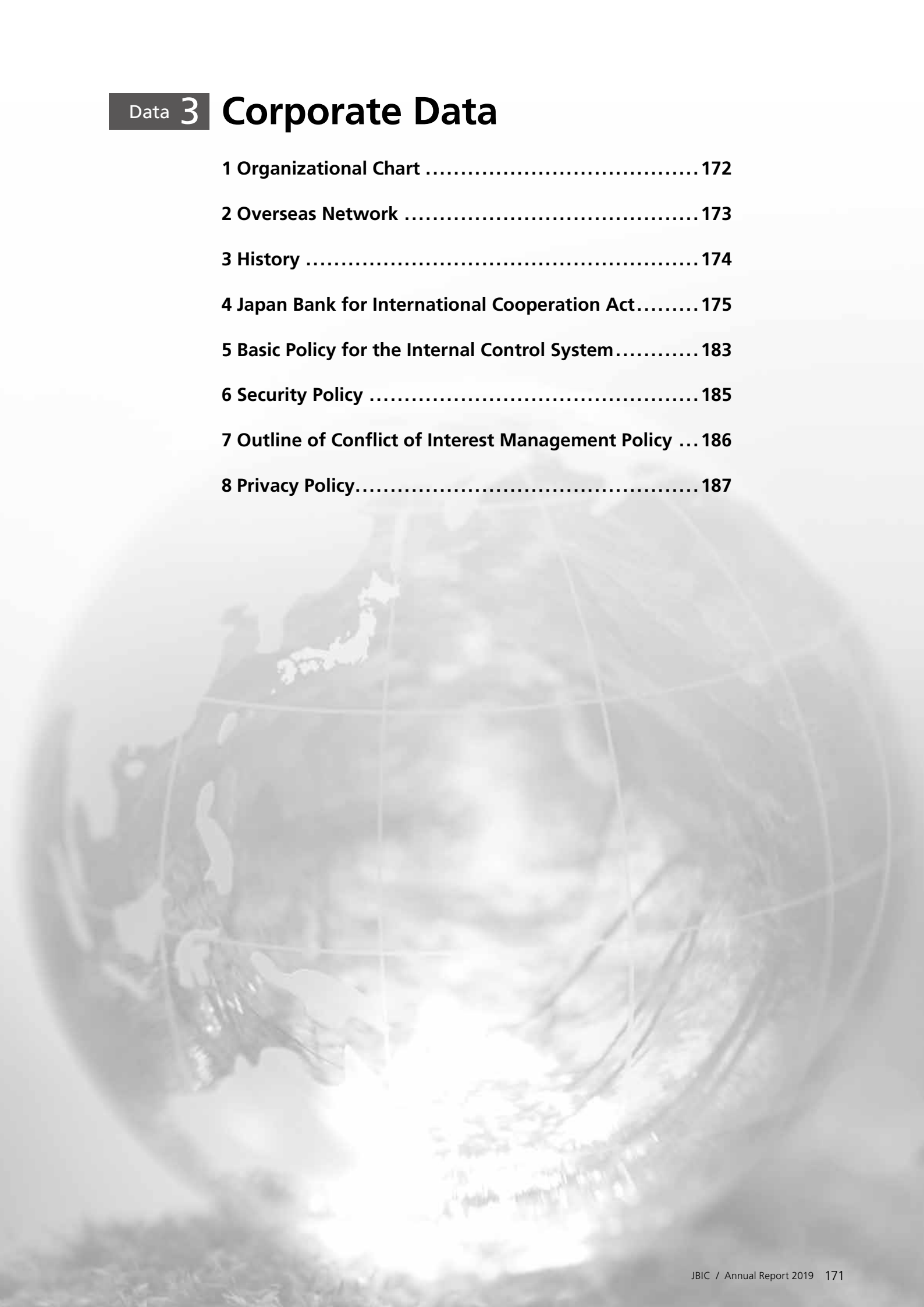
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Organizational Chart (As of October 1, 2019)

JBIC is constituted by four mission/sector-specific finance groups (Energy and Natural Resources Finance Group; Infrastructure and Environment Finance Group; Industry Finance Group; and Equity Finance Group) and the Corporate Planning Group, the Credit, Assessment and Risk Management Group and the Treasury and Systems Group which support these finance groups.

This organizational structure was intended to strengthen the capacity to formulate projects by bringing together know-how and expertise in each sector and area, thereby creating an institution that can execute the functions in its mission more flexibly and strategically: the mission directly linked to Japan's economic policy. In the network of overseas representative offices, Singapore, London and New York are assigned as core regional headquarters to supervise business and administrative activities as well as support project formulation in Asia and Pacific; Europe, the Middle East and Africa, and the Americas respectively.

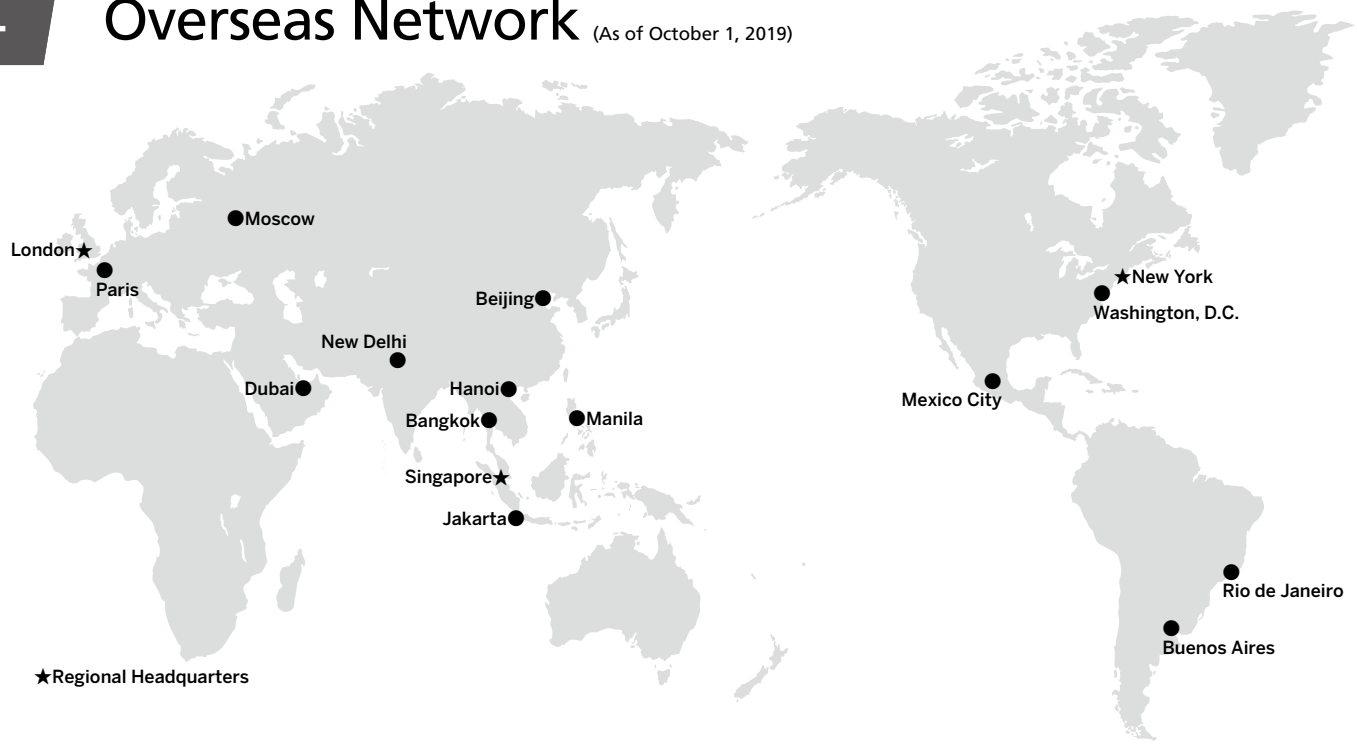
Corporate Planning Group (Managing Executive Officer Global Head of Corporate Planning Group: HASHIYAMA Shigeto)	Corporate Planning Department	(Executive Officer, Director General: UCHIDA Makoto)
	Legal Affairs and Compliance Office	(Director General: NAGATA Kaoru)
	Human Resources Management Office	(Executive Officer, Director General: KIKUCHI Yo)
	Strategic Research Department	(Director General: AMANO Tatsushi)
Credit, Assessment and Risk Management Group (Managing Executive Officer Global Head of Credit, Assessment and Risk Management Group: FUNADA Yutaka)	Credit Department	(Director General: YANO Hiroko)
	Environmental Assessment Office	(Director General: OISHI Hirofumi)
	Country Credit Department	(Director General: HOSONO Kenji)
	Risk Management Department	(Director General: KITAJIMA Toshiaki)
Treasury and Systems Group (Managing Executive Officer Global Head of Treasury and Systems Group: TANAKA Kazuhiko)	Treasury Department	(Executive Officer, Director General: WATANABE Yosuke)
	Administration and General Services Department	(Director General: ARAKI Masao)
	IT Planning and Operations Administration Department	(Director General: SAKAMOTO Takeshi)
Energy and Natural Resources Finance Group (Managing Executive Officer Global Head of Energy and Natural Resources Finance Group: NISHITANI Tsuyoshi)	Oil and Gas Finance Department	(Director General: HAMAMATSU Masayuki)
	Mining and Metals Finance Department	(Director General: SAKUMA Kazuko)
Infrastructure and Environment Finance Group (Managing Executive Officer Global Head of Infrastructure and Environment Finance Group: TANIMOTO Masayuki)	New Energy and Power Finance Department I	(Director General: NEGISHI Yasuaki)
	New Energy and Power Finance Department II	(Director General: TAMAKI Naoki)
	Social Infrastructure Finance Department	(Director General: ISEKI Yusuke)
Industry Finance Group (Managing Executive Officer Global Head of Industry Finance Group: ISOBE Koichi)	Corporate Finance Department	(Director General: SASAKI Satoshi)
	Finance Office for SMEs	(Director General: SUZUKI Toshiyuki)
	Marine and Aerospace Finance Department	(Director General: MOTOKAWA Nagayoshi)
	Osaka Brunch	(Executive Officer for Osaka: USHIDA Susumu)
Equity Finance Group (Managing Executive Officer Global Head of Equity Finance Group: FUJINO Shinji)	Equity Investment Department	(Director General: NAKASHIMA Hiroyuki)
	Internal Audit Department	(Executive Officer, Director General: NASU Noriko)
	Office of Corporate Auditor	

Overseas Representative Offices

(Resident Executive Officer, Regional Head for Asia and Pacific: ASO Kenichi)	Singapore* (Regional Headquarters for Asia and Pacific), Beijing, Bangkok, Hanoi, Jakarta, Manila, New Delhi
(Resident Executive Officer, Regional Head for Europe, the Middle East and Africa: OGAWA Kazunori)	London* (Regional Headquarters for Europe, the Middle East and Africa), Moscow, Paris, Dubai
(Resident Executive Officer, Regional Head for the Americas: INABA Yutaka)	New York* (Regional Headquarters for the Americas), Washington, D.C., Buenos Aires, Mexico City, Rio de Janeiro

* Singapore, London and New York are assigned as core regional headquarters to supervise business and administrative activities and support project formulation in Asia and Pacific; Europe, the Middle East and Africa; and the Americas, respectively.

2 Overseas Network (As of October 1, 2019)



★ **REPRESENTATIVE OFFICE REGISTERED IN SINGAPORE**
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Fax. 55-21-2554-8798

History

	Events related to The Export-Import Bank of Japan (JEXIM)
December 1950	The Japan Export Bank Act promulgated and enforced; The Japan Export Bank established
April 1952	The Japan Export Bank changed its name to The Export-Import Bank of Japan

	Events related to the Japan Bank for International Cooperation (former JBIC)
April 1999	The Japan Bank for International Cooperation Act promulgated and enforced
September 1999	Order for the Japan Bank for International Cooperation Act promulgated and enforced
October 1999	The Japan Bank for International Cooperation (former JBIC) established (taking over operations of the Export-Import Bank of Japan and those of the Overseas Economic Cooperation Fund)

	Events related to the Japan Finance Corporation
June 2006	The Act on Promotion of Administrative Reform for Realization of Small and Efficient Government promulgated and enforced
May 2007	The Japan Finance Corporation Act promulgated and enforced
April 2008	Order for the Japan Finance Corporation Act promulgated and enforced
October 2008	The Japan Finance Corporation established
March 2010	The Revision of Japan Finance Corporation Act enforced (Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming was added to JBIC mission)
April 2010	The Account for Facilitating Realignment of United States Forces in Japan created

	Events related to the Japan Bank for International Cooperation (JBIC)
May 2011	The Japan Bank for International Cooperation Act promulgated and partially enforced
July 2011	Order for Enforcement of the Japan Bank for International Cooperation Act and Cabinet Order for Revising Part of the Japan Finance Corporation Act promulgated and enforced (The scope of operations was expanded, including the rule on export financing to developed countries)
April 2012	The Japan Bank for International Cooperation (JBIC) established
November 2012	The Account for Facilitating Realignment of United States Forces in Japan closed
May 2016	The Act for Partial Amendment of the Japan Bank for International Cooperation Act promulgated and partially enforced The Cabinet Order for Revising Part of the Order for Enforcement of the JBIC Act promulgated and enforced
October 2016	The account for the Special Operations created

4 Japan Bank for International Cooperation Act

Excerpt of the Japan Bank for International Cooperation Act (Act No. 39 of 2011)

Article 1: Purpose
Japan Bank for International Cooperation shall be a *Kabushiki-Kaisha*, which has the purpose of contributing to the sound development of Japan and the international economy and society, by taking responsibility for the financial function to promote the overseas development and securement of resources which are important for Japan, to maintain and improve the international competitiveness of Japanese industries and to promote the overseas business having the purpose of preserving the global environment, such as preventing global warming, also providing the financial services that are necessary to prevent disruptions to international financial order or to take appropriate measures with respect to damages caused by such disruption, while having the objective of supplementing the financial transactions implemented by ordinary financial institutions.

Article 3: Holding of Shares by Government
The Government shall, at all times, hold the total number of outstanding shares of JBIC.

Article 4: Government's Contribution
1. The Government may, when it finds it to be necessary, make contributions to JBIC within the amount appropriated in the budget.
2. When a contribution is made by the Government pursuant to the provisions of the preceding Paragraph, JBIC shall, notwithstanding the provisions of Paragraph 2 of Article 445 of the Companies Act (Act No. 86 of 2005), be allowed not to record the amount exceeding half of such contribution amount as the capital. In this case, "this Act" referenced in Paragraph 1 of the same Article shall be deemed to be replaced with "this Act or Japan Bank for International Cooperation Act (Act No. 39 of 2011)."
3. When a contribution is made by the Government pursuant to the provisions of Paragraph 1, JBIC shall allocate the capital and reserves increased thereby, to the accounts related to the operations listed in each Item of Article 26-2, in accordance with the separation of accounting set forth in Article 26-2.

Article 5: Limitation, etc. on Use of Name
1. No person other than JBIC shall use the words "Japan Bank for International Cooperation" in its name.
2. The provisions of Paragraph 2 of Article 6 of the Banking Act shall not be applied to JBIC.

Article 6: Resolution for Appointment and Removal, etc. of Officers, etc.
1. The resolution for the appointment and removal of the Officers, etc. (meaning Directors, Executive Officers and Auditor(s); the same shall apply hereinafter) of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.
2. The resolution for selection and displacement of a Representative Director or Representative Executive Officer of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.

Article 11: Scope of Operations
JBIC shall, for attaining its purpose, engage in the operations listed below:

(1) The loan of funds necessary for the Export of Equipment, etc., the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds, in the case where the Foreign Financial Institutions, etc. or the Foreign Governments, etc. provide the Guarantee, etc. of Liabilities with respect to such funds, the Guarantee, etc. of Liabilities related to such Guarantee, etc. of Liabilities, or the acquisition of the Public/Corporate Bonds, etc. issued in order to procure such funds by certain measures, such as acquisition through subscription;
(2) The loan of funds necessary to ensure the reliable and timely Import of Important Goods, etc., the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds or the acquisition of the Public/Corporate Bonds, etc. to be issued in order to procure such funds by certain measures, such as acquisition through subscription;
(3) The loan of funds to be used directly or indirectly for the business which the Juridical Persons, etc. of Japan, Foreign Governments, etc. or Foreign Juridical Persons, etc. Invested in conduct outside Japan, the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds, in the case where the Juridical Persons, etc. of Japan, Foreign Juridical Persons, etc. Invested in, Foreign Financial Institutions, etc. or Foreign Governments, etc. provide the Guarantee, etc. of Liabilities to the Juridical Persons, etc. of foreign countries with respect to such funds, the Guarantee, etc. of Liabilities related to such Guarantee, etc. of Liabilities, or the acquisition of the Public/Corporate Bonds, etc. to be issued in order to procure such funds by certain measures, such as acquisition through subscription;
(4) (i) The loan to the Foreign Governments, etc., Foreign Financial Institutions, etc. or international organizations, such as the International Monetary Fund, of long-term funds (meaning the funds required to be provided for more than one (1) year) required for their overseas business or the import of goods or introduction of technologies by the foreign country concerned, or funds required to attain the international balance of payments or achieve the stability of the currency of the foreign country concerned, (ii) the acquisition by assignment of loan receivables related to such funds or the Guarantee, etc. of Liabilities related to such funds or (iii) the acquisition of the Public/Corporate Bonds, etc. issued in order to procure such funds by certain measures, such as acquisition through subscription;
(5) When it is found remarkably difficult for a foreign government or foreign resident to conduct overseas transactions, such as import by reason of the international balance of payments of the foreign country concerned, and it is found urgently necessary, the loan to the governments, governmental agencies or banks of the foreign country concerned, of the short-term funds (meaning the funds required necessary to be provided for one (1) year or less than one (1) year; the same shall apply hereinafter) necessary to facilitate overseas transactions, such as import, until the International Monetary Fund, etc. (meaning international organizations, such as the International

Monetary Fund, or governments, governmental agencies or banks of more than two (2) countries other than that foreign country concerned; the same shall apply hereinafter) provides funds to assist the development of the economy of the foreign country concerned (hereinafter referred to as the "Funds for Economic Assistance");

(6) The provision of contributions to persons who are carrying on business outside Japan (including those Juridical Persons, etc. of Japan whose sole purpose is to make overseas investments and who make contributions to those carrying on the aforesaid business) to contribute funds required for their business;

(7) The carrying out of the necessary studies related to the operations listed in each of the preceding Items;

(8) The provision of information to the users of operations provided by JBIC that pertains to such operations; and

(9) Any other operations incidental to those listed in each of the preceding Items (excluding those listed in Item (7)).

Article 12:

1. Among the operations listed in Item (1) of the preceding Article, those which are related to the Export of Equipment, etc. destined for any area other than developing overseas areas (hereinafter referred to as the "Developing Areas") may be conducted only in the cases listed below:
   (1) when necessary countermeasures are taken in accordance with multilateral arrangements in the case where the Foreign Governments, etc., in which exporters conduct the export destined for the said area, grant credit, underwrite insurance or provide an interest (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to an interest; the same shall apply hereinafter in Paragraph 2 of Article 16) support with more favorable conditions than usual in order to promote the export from such foreign countries; or
   (2) when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries.
2. Among the operations listed in Item (1) of the preceding Article, those relating to the funds provided to the Juridical Persons, etc. of Japan may be conducted only in the cases listed below:
   (1) where Banks, etc. provide Foreign Juridical Persons, etc. with the loan of funds with respect to the Export of Equipment, etc. necessary for the business with respect to the development of infrastructure and other foundation for socioeconomic activities overseas, and JBIC provides the loan of necessary funds for such loan to the Banks, etc.; or
   (2) where the execution of the export by the Juridical Persons, etc. of Japan has become remarkably difficult due to disruptions to international financial order and the Minister of Finance determines that the exceptions of operations of JBIC are necessary in order to deal therewith.
3. Among the operations listed in Item (2) of the preceding Article, other than those conducted in order to promote overseas development and securement of resources important for Japan, only those relating to the funds listed below that are the Guarantee, etc. of Liabilities may be conducted:
   (1) funds necessary to import the products, such as aircraft, specified by the Minister of Finance, with respect to which the products made in Japan are not sufficient to replace and the import to Japan is essential; or
   (2) funds necessary to introduce such technologies specified by the Minister of Finance, with respect to which the technologies of Japan are not sufficient to replace and the introduction to Japan is essential.
4. Among the operations listed in Item (3) of the preceding Article, those relating to the short-term loans may be conducted only in the case where JBIC has agreed to make loan of funds (excluding short-term funds) set forth in the same Item for the execution of business conducted by the Juridical Persons, etc. of Japan and the Foreign Juridical Persons, etc. Invested in and such loan of funds is recognized especially necessary in order to execute such business.
5. Among the operations listed in Item (3) of the preceding Article, the loan of funds necessary for the overseas business to be conducted by the Juridical Persons, etc. of Japan, other than those listed in Item (2) of the following Paragraph, may be conducted only if such loan is provided directly to such Juridical Persons, etc.
6. Among the operations listed in Item (3) of the preceding Article (excluding those conducted in order to promote overseas development and securement of resources important for Japan), loans to the Juridical Persons, etc. of Japan, other than the loans to the Small and Medium Enterprises, etc. (meaning the Small and Medium Enterprises or medium enterprises specified by the Minister of Finance; hereinafter the same shall apply) may be conducted only in the cases listed below.
   (1) When the Juridical Persons, etc. of Japan begin or expand overseas business, or improve the efficiency thereof by contributing to the foreign juridical persons or accepting the assignment of all or part of the business of the foreign juridical persons (hereinafter referred to as "Contributions, etc." in this Item), in the case where the loan of funds necessary for such Contributions, etc. is provided (only when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries).
   (2) When the Banks, etc. provide the loan of funds listed below, in the case where the loan of funds necessary for such loan by such Banks, etc. is provided to such Banks, etc.:
      a. loan of funds set forth in Item (3) of the preceding Article to the Small and Medium Enterprises, etc. or the Foreign Juridical Persons, etc. Invested in related to the contribution of the Small and Medium Enterprises, etc.;
      b. loan of funds set forth in the preceding Item to the Juridical Persons, etc. of Japan (limited to those prescribed by the Cabinet Order set forth in the same Item); or
      c. loan of funds set forth in Item (3) of the preceding Article to the Juridical Persons, etc. of Japan, Foreign Governments, etc., or Foreign Juridical Persons, etc. Invested in (limited to those related to the business with respect to the development of infrastructure and other foundation for socioeconomic activities overseas).
   (3) When the loan of necessary funds is provided to the Juridical Persons, etc. of Japan for such Juridical Persons, etc. to conduct a business of leasing equipment made in Japan to overseas market (limited to those prescribed

by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries).

(4) When the execution of overseas business of the Juridical Persons, etc. of Japan has become remarkably difficult due to disruptions to international financial order, in the case where the Minister of Finance determines that the exceptions of operations of JBIC are necessary in order to deal therewith.

7. Among the operations listed in Item (3) of the preceding Article (excluding those conducted in order to promote overseas development and securement of resources important for Japan), with respect to the business in any area other than the Developing Areas may be conducted only when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries.
8. The loan to the governments, governmental agencies or banks of foreign countries listed in Item (5) of the preceding Article may be conducted by obtaining the authorization of the Minister of Finance only when the provision of the Funds for Economic Assistance from the International Monetary Fund, etc. is expected to be certain and only in the cases listed below:
   (1) where, by appropriating all or part of the Funds for Economic Assistance from the International Monetary Fund, etc. (excluding JBIC) for the redemption of the funds related to the loan, the redemption is expected to be secured; or
   (2) where adequate underlying assets are secured for the loan.
9. Among the operations listed in Items (1) through (4) of the preceding Article, the Guarantee, etc. of Liabilities related to the liabilities of any person other than the Juridical Persons, etc. of Japan (excluding those related to the Public/Corporate Bonds, etc.) may be provided only in the cases listed below:
   (1) When the Banks, etc., Foreign Financial Institutions, etc. or Foreign Governments, etc. provide the loan of such funds set forth in Items (1) through (4) of the preceding Article, in the case where the Guarantee, etc. of Liabilities related to such loan is provided (including the case in which the loan receivables related to such loan are assigned to the persons specified by the Minister of Finance);
   (2) In the case where the Guarantee, etc. of Liabilities related to the Guarantee, etc. of Liabilities set forth in Items (1) and (3) of the preceding Article is provided;
   (3) When, among the Guarantee, etc. of Liabilities related to the funds set forth in Item (3) of the preceding Article, the Juridical Persons, etc. of Japan or the Foreign Juridical Persons, etc. Invested in assign the monetary claims related to the overseas business to be conducted by the Juridical Persons, etc. of Japan or the Foreign Juridical Persons, etc. Invested in to the Banks, etc. or Foreign Financial Institutions, etc. and use the proceeds from the assignment for such business, in the case where the Guarantee, etc. of Liabilities related to such monetary claims is provided; or
   (4) When the Banks, etc. or Foreign Financial Institutions, etc. provide the loan of funds set forth in Item (3) of the preceding Article in foreign currency, in the case where the Guarantee, etc. of Liabilities related to swap transactions (transactions listed in Item 5 of Paragraph 22 of Article 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948)) related to such funds conducted by such Banks, etc. or Foreign Financial Institutions, etc., is provided.
10. Among the operations listed in Items (1) through (4) of the preceding Article, the Guarantee, etc. of Liabilities (limited to those related to the Public/Corporate Bonds, etc.) and the acquisition of the Public/Corporate Bonds, etc. may be conducted only in the cases listed below (with respect to the operations listed in Items (1) through (3) of the same Article, the cases listed in Items (2) through (7) below shall apply):
   (1) where part of the Public/Corporate Bonds, etc. (limited to those with a redemption period of more than one (1) year; the same shall apply in the following Item and Item (3) below) that were issued by the Foreign Financial Institutions, etc., the Foreign Governments, etc. or international organizations, such as the International Monetary Fund, are acquired;
   (2) where the Public/Corporate Bonds, etc. are acquired and then such Public/Corporate Bonds, etc. are assigned to the Specific Purpose Company, etc. within the period specified by the Minister of Finance or where the Specific Trust is established, the Public/Corporate Bonds, etc. are entrusted to the Trust Company, etc. as assets of such Specific Trust, and then all or part of beneficial interests in such Specific Trust is assigned;
   (3) where the Public/Corporate Bonds, etc. to be issued by the Specific Purpose Company, etc. or the Trust Company, etc. which are secured by loan receivables or the Public/Corporate Bonds, etc. are acquired;
   (4) where the Guarantee, etc. of Liabilities relating to the Public/Corporate Bonds, etc. to be issued by the Foreign Juridical Persons, etc. Invested in, the Foreign Financial Institutions, etc., the Foreign Governments, etc. or international organizations, such as the International Monetary Fund, is provided;
   (5) where the Guarantee, etc. of Liabilities related to such loan receivables, Public/Corporate Bonds, etc. or the monetary claims, which constitute such underlying assets, or the Public/Corporate Bonds, etc. to be issued by the Specific Purpose Company, etc. or the Trust Company, etc. is provided (excluding the Guarantee, etc. of Liabilities related to the Public/Corporate Bonds, etc. to be issued by the Banks, etc.) when the Specific Purpose Company, etc. or the Trust Company, etc. issues the Public/Corporate Bonds, etc. which are secured by loan receivables, the Public/Corporate Bonds, etc. or the monetary claims set forth in Item (3) of the preceding Paragraph;
   (6) where the Guarantee, etc. of Liabilities related to the borrowing of funds by the Specific Purpose Company, etc. for the purpose of acquiring by assignment, or acquiring, such loan receivables or Public/Corporate Bonds, etc., which constitute such underlying assets, is provided when the Specific Purpose Company, etc. issues the Public/Corporate Bonds, etc., which are secured by loan receivables or the Public/Corporate Bonds, etc.; or
   (7) where corporate bonds, any equivalent bond certificates or beneficial interests in trust (limited to those with a redemption period of more than one (1) year) that were issued by Juridical Persons, etc. in order to procure the funds necessary for the business with respect to the development of infrastructure and other foundation for socioeconomic activities overseas, are acquired.

11. Among the operations listed in Items (1) through (4) of the preceding Article, those listed below shall be conducted only when the loan thereof or the loan related to the loan receivables to be assigned is the Co-financing; provided, however, that this shall not apply, with respect to the operations listed in Item (1) below, in the case where it is recognized that it is remarkably difficult for the Banks, etc. to provide a loan of funds together with JBIC and the loan from JBIC is urgently necessary to attain the purpose of such loan, or if the case falls under any of the cases listed in Item (1) of Paragraph 2 or Item (2) of Paragraph 6 hereof, with respect to the operations listed in Item (2) below, in the case where the loan receivables to the Foreign Juridical Persons, etc. Invested in with a redemption period of more than one (1) year are acquired by assignment within the period specified by the Minister of Finance for the purpose of assigning the same to the Specific Purpose Company, etc. or for the purpose of establishing the Specific Trust, with respect to the same, in the Trust Company, etc. and assigning all or part of the beneficial interest in such Specific Trust:
    (1) loan of funds pursuant to the provisions of Items (1) through (3) of the preceding Article made to the Juridical Persons, etc. of Japan; or
    (2) acquisition by assignment of the loan receivables pursuant to the provisions of Items (1) through (4) of the preceding Article.
12. The operations listed in Item (7) of the preceding Article may be conducted only if they are the minimum necessary to promote the performance of the operations listed in Items (1) through (6) of the same Article smoothly and effectively.

Article 13: Practice of the Operation

1. The loan of funds, the acquisition by assignment of loan receivables, the acquisition of the Corporate/Public Bonds, etc., the Guarantee, etc. of Liabilities or the provision of contributions pursuant to the provisions of Items (1) through (6) of Article 11 hereof may be conducted only in the cases listed below:
    (1) when the repayment of the funds so loaned, the collection of loan receivables so acquired, the redemption of Corporate/Public Bonds, etc. so acquired, the performance of the liabilities so guaranteed, etc. or the realization of profits that enable the payment of dividends resulting from business so contributed is recognized as being certain; or
    (2) when the conditions, such as the interest rates (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to interest rates; the same shall apply hereinafter in the following Paragraph) of loans (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to a loan; the same shall apply hereinafter in the following Paragraph and Paragraph 2 of Article 16) and yield on loan receivables related to such loan (excluding loan of funds pursuant to the provisions of Items (2) and (5) of Article 11), such acquisition by assignment (excluding acquisition by assignment of loan receivables pursuant to the provisions of Item (2) of the same Article), such acquisition (excluding the acquisition of the Public/Corporate Bonds, etc. pursuant to the provisions of the same Item), such Guarantees, etc. of Liabilities (excluding guarantee, etc. of liabilities pursuant to the provisions of the same Item) or such contribution (for all such operations, limited to those related to the businesses with respect to the development of infrastructure and other foundation for socioeconomic activities overseas), are recognized as being appropriate, in light of the risks, etc. of such loans, such assigned loan receivables and other assets becoming irrecoverable (excluding the cases listed in the preceding Item).
2. The conditions, such as the interest rates of loans and yield on assigned loan receivables related to the operations listed in Items (1) through (6) of Article 11, shall be determined in light of usual conditions for transactions by the Banks, etc. or the trends of financial markets, so that revenue of each of the accounts of the respective operations listed in each of the Items of Article 26-2 will be sufficient to cover the expenses therefor.

Article 13-2: Special Operations Guidelines

1. The Minister of Finance shall prescribe and make public the guidelines (hereinafter referred to as the "Special Operations Guidelines" in the following Paragraph and Paragraph 1 of the following Article) that JBIC shall follow upon conducting the operations listed below (hereinafter referred to as the "Special Operations"):
    (1) Operations listed in Items (1), (3), (4) and (6) of Article 11 that are conducted in the cases listed in Item (2), Paragraph 1 of the preceding Article;
    (2) Operations listed in Item (7) of Article 11 related to the operations listed in the preceding Item;
    (3) Operations listed in Item (8) of Article 11 related to the operations listed in the preceding two (2) Items; or
    (4) Operations listed in Item (9) of Article 11 related to the operations listed in the preceding three (3) Items (excluding operations listed in Item (2)).
2. The Special Operations Guidelines shall set forth the following matters:
    (1) Standards to follow upon conducting the loan of funds, the acquisition by assignment of loan receivables, acquisition of the Public/Corporate Bonds, etc., the Guarantee, etc. of Liabilities or conducting the contributions related to the Special Operations;
    (2) Matters regarding appropriate financial management of the Special Operations;
    (3) Matters regarding supplement of financial transactions implemented by ordinary financial institutions in respect of the Special Operations;
    (4) Matters regarding the system for conducting evaluation and monitoring with respect to the status of the implementation of the Special Operations;
    (5) Matters regarding reports to the Minister of Finance with respect to the status of the implementation of the Special Operations; and
    (6) Other matters necessary to ensure appropriate implementation of the Special Operations.

Article 13-3: Basic Policy concerning the Special Operations

1. JBIC shall set forth a basic policy concerning the Special Operations (hereinafter referred to as the "Special Operations Basic Policy" in the following Paragraph) with respect to the implementation of matters regarding the Special Operations as prescribed by the Ordinance of the Ministry of Finance, pursuant to the Special Operations Guidelines, and obtain the authorization of the Minister of Finance. The same shall apply if JBIC intends to make any changes thereto.
2. When the Minister of Finance determines that the Special Operations Basic Policy, approved pursuant to the provisions

of the preceding Paragraph, has become inappropriate for JBIC to conduct the Special Operations appropriately, the Minister of Finance may order JBIC to change it.

Article 15: Business Year

The business year of JBIC shall begin on April 1 of each year and end on March 31 of the following year.

Article 16: Budget

1. JBIC shall prepare the budget for revenues and expenditures and submit it to the Minister of Finance for each business year.
2. The revenues set forth in the preceding Paragraph mean interest on loans (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to an interest), interest on the Corporate/Public Bonds, etc., dividends on contributions, debt guarantee fees and other incomes related to asset management and miscellaneous incidental income, and the expenditures set forth in the same Paragraph mean expense of operations, business entrustment fees, interest on borrowings (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to a borrowing; the same shall apply hereinafter in Paragraphs 1 and 3 of Article 33), interest on bonds and notes and incidental expenses.
3. Upon receipt of the budget submitted pursuant to the provisions of Paragraph 1 above, the Minister of Finance shall examine such budget and make any necessary adjustments thereto, and obtain the Cabinet's decision thereon.
4. After the Cabinet's decision is made pursuant to the provisions of the preceding Paragraph, the Cabinet shall submit such budget to the Diet together with the national budget.
5. The form and content of the budget and procedures for the preparation and submission thereof shall be specified by the Minister of Finance.

Article 26: Submission of Financial Statements

1. JBIC shall prepare the list of assets every business year.
2. JBIC shall, within three (3) months after the end of every business year, submit to the Minister of Finance the balance sheets, statements of operations and list of assets (hereinafter referred to as the "Balance Sheets, etc.") and business report (including the Electro-Magnetic Record (which means the record specified by the Minister of Finance as a record which is produced by electronic, magnetic, or any other means unrecognizable by human perception and which is used for data-processing by a computer; the same shall apply hereinafter) which has recorded the matters to be described in such Balance Sheets, etc. and its business report) for each business year.

Article 26-2: Separate Accounting

JBIC shall separate the accounting for each category of operations listed below and allocate it by establishing the respective accounts for each category:

(1) Operations other than the Special Operations (referred to in Article 33 as "Ordinary Operations"); and
(2) Special Operations.

Article 26-3: Mutatis Mutandis Application of the Companies Act, etc. in respect of Separate Accounting

1. The provisions of Article 295, 337, 374, 396, Articles 431 through 443, and Articles 446 and 447 of the Companies Act shall apply *mutatis mutandis* to the separate accounting implemented by JBIC pursuant to the provisions of the preceding Paragraph. In such case, the term, "of a Stock Company", referenced in Article 446 of the same Act, shall be deemed to be replaced with "that belongs to the account established under the provision of Article 26-2 of Japan Bank for International Cooperation Act (Act No. 39 of 2011)"; the term, "the amounts listed in item (v) through (vii) from the sum", also referenced therein, shall be deemed to be replaced with "the amounts listed in item (v) through (vii), which is recorded in the account to which the said surplus belongs to, from the sum which is recorded in the account to which the said surplus belongs to"; and the term, "stated capital", referenced in Paragraphs 1 and 2 of Article 447 of the same Act, shall be deemed to be replaced with "stated capital belonging to the account established pursuant to the provision of Article 26-2 of Japan Bank for International Cooperation Act"; the term, "reserves", referenced in Item 2 of Paragraph 1 of the same Article, shall be deemed to be replaced with "reserves belonging to the account established pursuant to the provision of the same Article"; and the term, "and the reserves", also referenced therein, shall be deemed to be replaced with "and such reserves"; the term "the stated capital", referenced in Paragraph 3 of the same Article, shall be deemed to be replaced with "the stated capital belonging to the account established pursuant to the provision of Article 26-2 of Japan Bank for International Cooperation Act"; and the term, "the stated capital", also referenced therein, shall be deemed to be replaced with "the stated capital belonging to the account established pursuant to the provision of the same Article"; and any other necessary technical replacement of terms shall be specified by a Cabinet Order.
2. The provisions of Article 448, 449, and Paragraphs 1 (limited to the portions related to Item 5 thereof) and 2 (limited to the portions related to Item 5 thereof) of Article 828 of the Companies Act shall apply *mutatis mutandis* to the accounting practices implemented by JBIC by separating it pursuant to the provisions of the preceding Article, except for the case where any surplus is accumulated as a reserve under the provisions of Paragraph 1 of Article 31 hereof and the case where such reserve is drawn down pursuant to the provision of Paragraph 2 of Article 31 hereof. In this case, the term "the reserves", referenced in Paragraphs 1 and 2 of Article 448 of the same Act, shall be deemed to be replaced with "the reserves belonging to the account established pursuant to the provision of Article 26-2 of Japan Bank for International Cooperation Act"; the term "the stated capital", referenced in Item 2 of Paragraph 1 of the same Article shall be deemed to be replaced with "the stated capital that shall belong to the account established pursuant to the provision of the same Article"; the term, "and the stated capital", also referenced therein, shall be deemed to be replaced with "and such stated capital"; the term, "the reserves", referenced in Paragraph 3 of the same Article, shall be deemed to be replaced with "the reserves belonging to the account established pursuant to the provision of Article 26-2 of Japan Bank for International Cooperation Act"; and the term, "the reserves", also referenced therein in the same Paragraph, shall be deemed to be replaced with "the reserves belonging to the account established pursuant to the provision of the same Article"; and any other necessary technical replacement of terms shall be specified by a Cabinet Order.
3. In the case where JBIC increases or reduces the amount of its stated capital belonging to the account established pursuant to the provisions of the preceding Article, an amount of JBIC's stated capital shall be the sum of the amounts of

stated capital belonging to all the accounts of JBIC after the implementation of such increase or reduction; and in the case where JBIC increases or reduces the amount of its reserves belonging to the account established pursuant to the provision of the same Article, the amount of JBIC's reserves shall be the sum of the amounts of the reserves belonging to all the accounts of JBIC after the implementation of such increase or reduction. In this case, the provisions of Articles 447 through 449, and Paragraphs 1 (limited to the portions related to Item 5) and 2 (limited to the portions related to Item 5)of Article 828 of the Companies Act shall not apply.

Article 27: Preparation and Submission of Report on Settlement of Accounts

1. After submitting the Balance Sheets, etc. pursuant to the provisions of Paragraph 2 of Article 26, JBIC shall, every business year, prepare a report on the settlement of accounts for the relevant business year (including the Electro-Magnetic Record which has recorded the matters to be described in such report on the settlement of accounts; the same shall apply hereinafter) and submit it to the Minister of Finance, without delay, by attaching the opinion of the Auditor(s), Audit and Supervisory Committee or Audit Committee concerning such report on the settlement of accounts, together with such submitted Balance Sheets, etc.
2. Upon receiving the report on the settlement of accounts pursuant to the provisions of the preceding Paragraph, the Minister of Finance shall send it to the Cabinet, together with the Balance Sheets, etc. referenced in the same Paragraph.
3. Upon making the submission pursuant to the provisions of Paragraph 1 of this Article, JBIC shall, without delay, keep the report on the settlement of accounts and the document stating the opinion of the Auditor(s), Audit and Supervisory Committee or Audit Committee at its head office and branch offices and make them available for public inspection during the period prescribed by the Ordinance of the Ministry of Finance.
4. The form and content of the report on the settlement of accounts shall be specified by the Minister of Finance.

Article 28: Sending of Report on Settlement of Accounts to Board of Audit of Japan

Upon receiving JBIC's report on the settlement of accounts pursuant to the provisions of Paragraph 2 of the preceding Article, the Cabinet shall send it, together with the Balance Sheets, etc. set forth in Paragraph 1 of the same Article, to the Board of Audit of Japan no later than November 30 of the following business year.

Article 29: Submission of Report on Settlement of Accounts to Diet

The Cabinet shall submit JBIC's report on the settlement of accounts for which the Board of Audit of Japan has finished its inspection, to the Diet, by attaching the Balance Sheets, etc. set forth in Paragraph 1 of Article 27 hereof, together with the settlement of accounts for national revenues and expenditures.

Article 31: Payment to National Treasury

1. In each of the accounts related to the operations listed in each Item of Article 26-2, in the event that the amount of the surplus recorded in the settlement of accounts for each business year exceeds zero, JBIC shall accumulate, as a reserve, the amount calculated in accordance with the standards prescribed by a Cabinet Order, among such surplus, until it reaches the amount prescribed by the Cabinet Order, and if there is still a surplus, JBIC shall pay the amount of such surplus into the National Treasury within three (3) months after the end of such business year.
2. In the event that the amount of the surplus recorded in the settlement of accounts for each business year falls below zero in the respective accounts set forth in the preceding Paragraph, JBIC shall allocate such surplus by drawing down the reserve set forth in the same Paragraph until the amount of such surplus becomes zero.
3. The procedures for the payment into the National Treasury pursuant to the provisions of Paragraph 1 of this Article, the account into which such payment is to be made and other necessary matters concerning the payment to the National Treasury shall be prescribed by a Cabinet Order.
4. The reserves set forth in Paragraph 1 shall be allocated for each category of the accounts related to the operations listed in each Item of Article 26-2.
5. JBIC shall not be allowed to make any appropriation of its surplus, such as dividend of its surplus, nor any appropriation of its surplus belonging to the accounts related to the operations listed in each Item of Article 26-2, such as dividends of such surplus, unless such disposition is made pursuant to the provisions of Paragraphs 1 and 2 of this Article.

Article 32: Provision of Loans by Government

The Government may provide monetary loans to JBIC.

Article 33: Borrowings and Corporate Bonds

1. Borrowing of funds (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to a borrowing; the same shall apply hereinafter in this Article, Paragraph 1 of Article 35 and Item 5 of Article 46) made in order to meet JBIC's fund requirements for the performance of its operations shall be limited to the borrowings of short-term loans (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to short-term loans; the same shall apply hereinafter in the following Paragraph and Paragraph 6), or long-term loans in foreign currency (meaning a borrowing of an amount in foreign currency with a repayment period of more than one (1) year; the same shall apply hereinafter in this Article and Paragraph 1 of Article 35), from financial institutions, such as banks, or the borrowings related to the monetary loans obtained from the Government pursuant to the provisions of the preceding Article.
2. The short-term loans (excluding those in foreign currency) set forth in the preceding Paragraph shall be repaid during the business year in which these borrowings are made; provided, however, that in cases where repayment cannot be made due to shortage of funds, JBIC may reborrow (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to an act of reborrowing; the same shall apply hereinafter in the following Paragraph and Paragraph 7) only the amount which cannot be so repaid, with the authorization of the Minister of Finance.
3. Loans reborrowed pursuant to the proviso of the preceding Paragraph shall be repaid within one (1) year.
4. Pursuant to the provisions of a Cabinet Order, JBIC shall, every business year, prepare a basic policy concerning the issuance of corporate bonds and the borrowing of long-term loans in foreign currency made in order to meet fund

requirements for the performance of its operations and obtain the authorization of the Minister of Finance. When JBIC intends to make any change to the policy, the same shall apply.

5. When JBIC has issued corporate bonds or borrowed the long-term loans in foreign currency pursuant to the provisions of preceding Paragraph, it shall, without delay, make a notification of such fact to the Minister of Finance pursuant to the provisions prescribed by a Cabinet Order; provided, however, that this shall not apply if JBIC issues the certificates of corporate bonds, as prescribed by a Cabinet Order, in order to deliver to anyone who has lost such certificates of corporate bonds and, as a result of the issuance of such certificates of corporate bonds, JBIC assumes new liabilities.
6. The total amount of (i) the outstanding amounts of the short-term loans, the long-term loans in foreign currency and the borrowings related to the monetary loans obtained from the Government as set forth in Paragraph 1 of this Article that are made in order to meet JBIC's fund requirements for the performance of its Ordinary Operations, and (ii) the outstanding amount of liabilities relating to the principal amount of corporate bonds set forth in Paragraph 4 of this Article that are issued in order to meet JBIC's fund requirements for the performance of its Ordinary Operations shall not exceed the amount (hereinafter referred to as the "Limitation Amount Related to Ordinary Operations" in this Article) equivalent to ten (10) times the total amount of the capital and reserves belonging to the account related to the Ordinary Operations of JBIC (hereinafter referred to as the "Base Amount Related to Ordinary Operations" in this Article).
7. Notwithstanding the provisions of the preceding Paragraph, when the issuance of new bonds is necessary to reborrow the issued corporate bonds with respect to corporate bonds set forth in Paragraph 4 of this Article that were issued in order to meet JBIC's fund requirements for the performance of its Ordinary Operations, the corporate bonds may be issued in excess of the Limitation Amount Related to Ordinary Operations only within the period necessary to make such reborrowing.
8. Among the Ordinary Operations, the total amount of the outstanding amounts of (i) monetary loans, (ii) acquisition of the receivables related to assignment and the Corporate/ Public Bonds, etc., (iii) liabilities relating to the Guarantee, etc. of Liabilities and (iv) contributions, all of which are made pursuant to the provisions of Items (1) through (6) of Article 11 hereof, shall not exceed the aggregate amount of the Base Amount Related to Ordinary Operations and the Limitation Amount Related to Ordinary Operations.
9. The provisions set forth in the preceding three (3) paragraphs shall apply *mutatis mutandis* to the Special Operations. In this case, the term, "Base Amount Related to Ordinary Operations", referenced in Paragraphs 6 and the preceding Paragraph, shall be deemed to be replaced with "Base Amount Related to Special Operations"; the term, "Limitation Amount Related to Ordinary Operations", referenced in the preceding three (3) paragraphs, shall be deemed to be replaced with "Limitation Amount Related to Special Operations"; and the term, "through (6)", referenced in the preceding Paragraph, shall be deemed to be replaced with", Item (3), (4) and (6)".
10. The monetary funds financed through the borrowing of funds or the issuance of the corporate bonds pursuant to the provisions of this Article shall, in accordance with the separate accounting set forth in Article 26-2 hereof, be allocated to the respective accounts relevant to the operations listed in each Item of the same Article.

Article 34: Statutory Lien

1. A holder of JBIC's corporate bonds shall, with respect to the property of JBIC, have the right to have his/her receivables satisfied in preference to other creditors.
2. The order of the statutory lien set forth in the preceding Paragraph shall be next to the general liens prescribed by the provisions of the Civil Code (Act No. 89 of 1896).

Article 35: Government Guarantee

1. Notwithstanding the provisions of Article 3 of the Act Concerning Restrictions on Financial Assistance by the Government to Corporations (Act No. 24 of 1946), the Government may execute a guarantee agreement with respect to the liabilities related to JBIC's corporate bonds (excluding the liabilities with respect to which the Government may execute a guarantee agreement under Paragraph 2 of Article 2 of the Act on Special Measures Pertaining to the Acceptance of Foreign Capital from the International Bank for Reconstruction and Development, etc. (Act No. 51 of 1953) (referred to as the "Foreign Capital Acceptance Act" in the following Paragraph and Paragraph 1 of Article 16 of the Supplementary Provisions)) or the liabilities related to the long-term loans in foreign currency, within the scope of the amount fixed by the budget.
2. Among the amount fixed by the budget set forth in the preceding Paragraph, the amount of liabilities related to the corporate bonds issued in a foreign country and denominated in Japanese currency may be fixed by adding up to the amount fixed by the budget as set forth in Paragraph 2 of Article 2 of the Foreign Capital Acceptance Act, when it is difficult to fix the said amount of liabilities separately from the said amount fixed by the budget set forth in the same paragraph of the Foreign Capital Acceptance Act.
3. The Government may, in addition to the provisions of Paragraph 1 of this Article, execute a guarantee agreement with respect to the liabilities related to the certificates of corporate bonds or coupons thereof, which are issued by JBIC, pursuant to the provisions prescribed by a Cabinet Order, in order to deliver to a person who has lost the certificates of corporate bonds or coupons thereof.

Article 36: Investment of Surplus Funds

JBIC shall not invest any surplus funds of its business except by means of:

(1) Acquisition of national government bonds, local government bonds or government-guaranteed bonds (which mean the bonds for which the redemption of its principal and payment of interest thereon are guaranteed by the Government) and other securities designated by the Minister of Finance;
(2) Deposit with the Fiscal Loan Fund;
(3) Deposit with banks or other financial institutions designated by the Minister of Finance;
(4) Holding of negotiable deposit certificates;
(5) Money trust to the financial institutions engaging in trust business (which mean the financial institutions that have obtained the authorization set forth in Paragraph 1 of Article 1 of the Act on Provision, etc. of Trust Business by Financial Institutions);
(6) Lending of call funds; or
(7) Means prescribed in the Ordinance of the Ministry of Finance as the means equivalent to the means listed in each of the preceding Items.

Article 38: Supervision

1. The Minister of Finance shall supervise JBIC in accordance with the provisions of this Act.
2. With respect to the management or administration of JBIC, in the case where the Minister of Finance finds that there is a violation of laws and regulations or the Articles of Incorporation or any grossly unjust matter exists and in other cases where they find it necessary for the enforcement of this Act, the Minister of Finance may issue JBIC orders concerning its operations as are necessary for the supervision.

Article 39: Report and Inspection

1. If the Minister of Finance finds it necessary for the enforcement of this Act, the Minister of Finance may cause JBIC or the Juridical Person Delegated to submit reports or may cause its officials to enter the facilities of JBIC or of the Juridical Person Delegated, such as the offices to inspect the accounting books, documents and other necessary objects; provided, however, that, with respect to the Juridical Person Delegated, such action shall be limited to the scope of operations delegated to it by JBIC.
2. When an official of the Minister of Finance carries out an on-site inspection pursuant to the provisions of the preceding Paragraph, he/she shall carry with him/her identification certifying his/her status and present it to parties concerned.
3. The authority to carry out the on-site inspection pursuant to the provisions of Paragraph 1 above shall not be construed to be that given for the investigation of a criminal offense.

Article 40: Delegation of Authority

1. The Minister of Finance may, as prescribed by a Cabinet Order, delegate part of the authority to carry out an on-site inspection pursuant to the provisions of Paragraph 1 of the preceding Article to the Prime Minister.
2. If the Prime Minister has carried out an on-site inspection pursuant to the provisions of Paragraph 1 of the preceding Article on the basis of the delegation pursuant to the provisions of the preceding Paragraph, he/she shall promptly submit a report of the results of the inspection to the Minister of Finance.
3. The Prime Minister shall delegate both the authority delegated pursuant to the provisions of Paragraph 1 above and the authority set forth in the provisions of the preceding Paragraph to the Commissioner of Financial Services Agency.
4. The Commissioner of Financial Services Agency may, as prescribed by a Cabinet Order, delegate all or part of the authority delegated pursuant to the provisions of the preceding Paragraph, to Director-General of the Local Finance Bureau or the Director-General of the Local Finance Branch Bureau.
5. Part of the authority of the Minister of Finance set forth in this Act (excluding that delegated to the Prime Minister pursuant to the provisions of Paragraph 1 above) may, as prescribed by a Cabinet Order, be delegated to the Director-General of the Local Finance Bureau or the Director-General of the Local Finance Branch Bureau.

Article 41: Articles of Incorporation

1. In the Articles of Incorporation of JBIC, in addition to the matters listed in each of the Items of Article 27 of the Companies Act, matters relating to the procedures and requirements for the appointment of a person to assume management responsibility from among the Representative Directors or Representative Executive Officers shall be described or recorded.
2. With respect to the matters related to the requirements for the appointment of a person to assume management responsibility set forth in the preceding Paragraph, the provisions that the requirements listed below be satisfied shall be incorporated:
   (1) A person who has discernment and the capability recognized as necessary in light of the purposes set forth in Article 1 hereof and the operations set forth in Article 11 hereof shall be appointed; and
   (2) Due consideration shall be required in order to avoid automatically appointing such persons who have held certain specific governmental positions.
3. The resolution for the amendment of the Articles of Incorporation of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.

Article 42: Merger, Company Split, Share Exchange, Assignment and Acceptance of Assignment of Business and Dissolution

Notwithstanding the provisions of Part II, Chapters VII and VIII and Part V, Chapters II, III and IV, Section I of the Companies Act, the merger, company split, share exchange, assignment and acceptance of assignment of all or part of business, to which JBIC becomes a party, and dissolution of JBIC shall be provided for separately by an Act.

Article 43: Exclusion from Application, etc. of Financial Instruments and Exchange Act

1. When JBIC performs the actions listed in each of the Items of Paragraph 8 of Article 2 of the Financial Instruments and Exchange Act pursuant to the provisions of Article 11, the provisions of Article 29 of the same Act shall not apply.
2. In the case set forth in the preceding Paragraph (excluding the case set forth in the following Paragraph), JBIC shall be deemed as the Financial Instruments Business Operator defined in Paragraph 9 of Article 2 of the Financial Instruments and Exchange Act, and the provisions of Chapter III, Section I, Subsection V and Section II (excluding Article 35, Article 35-2, Articles 36-2 through 36-4, Item (2) of Paragraph 1 of Article 37, Item (2) of Paragraph 1 of Article 37-3, Article 37-7 and Item (7) of Article 38) of the same Act and the provisions of Chapters VIII and VIII-II of the same Act relating to such provisions shall apply.
3. When JBIC performs the actions listed in each of the Items of Paragraph 1 of Article 63 of the Financial Instruments and Exchange Act pursuant to the provisions of Article 11 hereof, the provisions of Paragraph 2 of the said Article 63 shall not apply.
4. In the case set forth in the preceding Paragraph, JBIC shall be deemed as the Financial Instruments Business Operator defined in Paragraph 9 of Article 2 of the Financial Instruments and Exchange Act, and the provisions of Chapter III, Section I, Subsection V, Paragraph 1 of Article 36, Article 37 (excluding Item (2) of Paragraph 1), Article 37-3 (excluding Item (2) of Paragraph 1), Article 37-4, Article 38 (limited to the portions related to Items (1), (2) and (9)), Article 39 (excluding Paragraphs 4 and 6), Article 40, Article 40-3, Article 40-3-2, Article 42, Article 42-2, Article 42-4, Article 42-7 and Article 45 of the same Act and the provisions of Chapters VIII and VIII-II of the same Act related to such provisions shall apply.

This English version of the Act has been prepared purely for information purpose, and should not be considered as an official translation of the Japan Bank for International Cooperation Act or any authorities of Japanese Government.

5 Basic Policy for the Internal Control System

Article 1. Ensuring Compliance with Laws, Regulations, and Articles of Incorporation in Performance of Duties by Directors and Employees

1. The Japan Bank for International Cooperation ("JBIC") and its subsidiaries (both collectively called "JBIC Group") shall establish a corporate philosophy, code of conduct, as well as the policy for compliance with laws and regulations and other internal rules for compliance, and notify directors and employees of those principles and rules, for the purpose of ensuring that directors and employees including temporary workers (this definition is applied throughout this document) perform their duties in compliance with laws, regulations, and the articles of incorporation ("Laws and Regulations").
2. Directors and employees of the JBIC Group shall abide by the internal rules for compliance.
3. JBIC shall set up a department responsible for compliance and appoint a compliance officer in order to establish and reinforce a framework for compliance with Laws and Regulations within the JBIC Group.
4. JBIC shall establish a committee to deliberate important matters related to compliance within the JBIC Group and monitor the status of compliance with Laws and Regulations.
5. JBIC shall establish an effective internal anonymous reporting system and implement it in an appropriate manner so that important facts related to compliance within the JBIC Group can be detected earlier and necessary corrective measures can be taken.
6. The JBIC Group shall not have any connections whatsoever with antisocial forces. It shall adopt an uncompromising attitude, throughout its organization, toward antisocial forces, and decisively reject all improper demands from such forces.

Article 2. Retention and Management of Information concerning Performance of Duties by Directors

1. JBIC shall establish the information asset management regulations and other internal rules for retention and management of information in order that information concerning the performance of duties by directors, customer information and other information handled by JBIC can be appropriately retained and managed.
2. JBIC shall retain and manage the minutes of Board of Directors meetings and other documents relating to the performance of duties by directors, in accordance with laws, regulations, or internal rules for retention and management of information.
3. Directors and employees shall retain and manage information in an appropriate manner according to the internal rules for retention and management of information.

Article 3. Rules and Structures for Managing Risk of Loss

1. In recognition of the importance of risk management practices throughout its entire organization, JBIC and its subsidiaries shall individually control various risks in an appropriate manner by establishing the integrated risk management regulations and other internal rules for risk management, which stipulate the management of various risks that should be recognized in the course of business operations at the JBIC Group as well as the organizational structure that is needed for integrated risk management.
2. JBIC shall set up a department responsible for risk management and appoint a risk management officer. In addition, JBIC shall establish a committee to conduct deliberations and considerations on implementing effective risk management practices.
3. JBIC and its subsidiaries shall strive to create a crisis management structure in preparation for disasters and other crisis situations, by individually establishing the crisis management regulations and other internal rules for crisis management.
4. In the case where normal business operations of the JBIC Group are disrupted or might be affected by crisis situations, JBIC shall set up an emergency response office as necessary, in accordance with the internal rules for crisis management, to restore operations in a prompt and efficient manner.

Article 4. Ensuring Efficient Execution of Directors' Duties

1. The Board of Directors shall establish business plans and properly manage business of the JBIC Group.
2. JBIC shall establish the Executive Committee to which authority is delegated by the Board of Directors for approval of certain matters. In addition to making decisions on those specific matters by exercising the delegated authority, the Executive Committee shall deliberate matters requiring approval of the Board of Directors prior to Board of Directors meetings, in order to aid decision-making among the Board of Directors. Moreover, JBIC shall establish an advisory body to the Executive Committee or other various committees to which authority is delegated by the Executive Committee for approval of certain matters.
3. JBIC shall establish the internal rules for organizational structure stipulating the roles and responsibilities of the Board of Directors, for the purpose of efficiently executing matters approved by a Board of Directors meeting.
4. To expedite the decision-making process, JBIC shall introduce a function-based organization and an executive officer system in which authority is delegated by management for approval of specific matters in accordance with the organization rules, authority rules and other related internal rules.

Article 4 (2): Structures for Ensuring Proper Operations of JBIC Group's Business

1. JBIC shall take appropriate measures for business management and operations in its subsidiaries, to ensure proper operations of JBIC Group's business.
2. JBIC shall establish a structure where its subsidiaries report to JBIC, in a proper manner, the important matters that their Board of Directors execute.

Article 5. Internal Audit for Ensuring Proper Operations of JBIC's Business

1. JBIC shall establish the internal audit regulations and other internal rules for internal audit to ensure the appropriateness and soundness of its operations.
2. JBIC shall set up the Internal Audit Committee to make decisions or deliberations on important matters related to internal audit for the JBIC Group.
3. JBIC shall set up the Internal Audit Department, separated from the departments subject to audit, to supervise the operations of internal audit.
4. The Internal Audit Department shall conduct an internal audit for JBIC and its subsidiaries as necessary, and report to the director responsible for internal audit on the results, pursuant to the internal rules for internal audit.
5. The Internal Audit Department shall periodically and as necessary, as well as upon request of a director or a corporate auditor of JBIC ("Corporate Auditor"), report the results of internal audits to the Board of Directors, other bodies or committees.

6. The Internal Audit Department shall strive to perform an internal audit in an efficient manner by collaborating and exchanging necessary information with Corporate Auditors and accounting auditors.

Article 6. Assignment of Employees who Assist Corporate Auditors in Performing Their Duties

1. JBIC shall set up the Office of Corporate Auditor and assign employees to assist Corporate Auditors in performing their duties.
2. Those employees shall perform their duties in accordance with the instructions from the Corporate Auditors.
3. When deemed necessary, the Corporate Auditors may assign employees other than those stipulated in the above paragraph 1, on a temporary basis, to assist in conducting audit work, by obtaining prior approval from the Governor.

Article 7. Securing Effectiveness of Instructions to Employees Assisting Audit Work and Independence of Instructions from the Director of Organization where They Concurrently Work

1. JBIC shall obtain prior approval of the full-time Corporate Auditor on the personnel evaluation and transfer of, and other personnel matters relating to employees who assist Corporate Auditors in auditing ("the auditor's office staff"), before making decisions on those matters.
2. JBIC shall make the auditor's office staff engaged in audit work only as per the instructions given by corporate auditors, to secure the effectiveness of their instructions to the auditor's office staff. However, in the case where the auditor's office staff need to concurrently works in another department/office, JBIC shall obtain prior approval of the full-time Corporate Auditor on their duties in another position, by clearly stating the following points in writing:
   (1) There is a rational reason why the auditor's office staff need to concurrently serve in another organization.
   (2) In assisting with the duties of the Corporate Auditors, the auditor's office staff shall follow the instructions from the Corporate Auditors and not the instructions from a director in an organization where the auditor's office staff serve concurrently.
   (3) The scope of duties of and instructions to the auditor's office staff in the position other than the Office of Corporate Auditor shall be expressly limited.
   (4) The auditor's office staff shall not share, with others in another department/office where he/she concurrently serves, the information obtained from performing their duties at the Office of Corporate Auditor.
   (5) The auditor's office staff shall always give priority to the duties of assisting the Corporate Auditors ahead of the duties in another organization where the staff serve concurrently, to ensure the effectiveness of audits by the Corporate Auditors.
   (6) When deemed necessary, the full-time Corporate Auditor may withdraw his/her approval of the auditor's office staff's duties in another position while working at the Office of Corporate Auditor.

Article 8. Internal Reporting by Directors and Employees to Corporate Auditors and Preventing Unfair Treatment of Individuals who Reported to Corporate Auditors

1. Directors and employees of the JBIC Group, as well as corporate auditors of JBIC's subsidiaries shall, directly or indirectly, report the status of performance of their duties to the Corporate Auditors when required, in an accurate manner.
2. In the event that any fact that has the potential to inflict substantial harm upon the JBIC Group, or material facts of wrongdoing or violations of Laws and Regulations are detected, both directors and employees of the JBIC Group, as well as corporate auditors of JBIC's subsidiaries shall, directly or indirectly, report the fact to the Corporate Auditors without any delay.
3. JBIC Group shall ensure that an individual who reports unlawful, improper conduct or activity pursuant to the preceding paragraph shall be protected from being treated unfairly as a result of reporting such information.

Article 9. Securing Effectiveness in Auditing by Corporate Auditors

1. The Corporate Auditors shall be allowed to request directors and employees of the JBIC Group, as well as the corporate auditors of JBIC's subsidiaries, to report the status of performance of their duties, whenever they determine such reports are necessary to conduct audits in an effective manner. A director or employee of the JBIC Group as well as the corporate auditors of JBIC's subsidiaries who receive such a request shall promptly submit a report to the Corporate Auditors.
2. The Corporate Auditors may express their opinions as necessary at the Board of Directors meetings, Executive Committee meetings and other important committee meetings. The Corporate Auditors shall also be allowed to review the minutes of those committee meetings and other related documents.
3. The Governor shall hold periodic meetings with the Corporate Auditors to exchange opinions.
4. The Corporate Auditors may request the cooperation of the Internal Audit Department and departments responsible for compliance matters.
5. The Corporate Auditors may seek advice on audits from lawyers and certified public accountants when they consider it necessary for conducting audits in an effective manner.

Article 10. Procedures for Advance Payment and Payment of Fees, and Treatment of Other Fees and Liabilities Incurred by Corporate Auditors in Executing Their Duties

In the case where Corporate Auditors seek advice from lawyers and/or certified public accountants regarding audits pursuant to the provision of the preceding article, JBIC shall pay fees, expenses and liabilities arising from the execution of their duties based on the advice received from those specialists.

6 Security Policy

Japan Bank for International Cooperation (hereinafter "JBIC") adopts the following fundamental policy concerning the use and management of information assets and will properly handle, manage, protect, and maintain information assets to achieve information security that meets the highest standards so as to support its proper and efficient operations.

(1) Basic Principles
JBIC shall use and manage information assets in line with the basic principles set forth hereunder while complying with all applicable laws, regulations, and rules.

A. Information assets shall be used appropriately and only for their intended purposes.
B. Authority concerning the management of information assets shall be granted only after careful consideration of the nature of the work and necessity.
C. When adopting and implementing information security measures, the following matters shall be taken into consideration, based on the nature of the work:
   (a) Clarification of responsibilities and roles within implementation structures
   (b) Timely and prompt implementation of necessary, sufficient, effective, and efficient measures

(2) Proper Management of Information Assets
Information assets refer to information and information systems. JBIC classifies them according to such factors as their degree of confidentiality, completeness, usability, and importance, and manages them appropriately in accordance with their classification.

(3) Information Asset Management Structures
JBIC shall establish a structure for ensuring the security of information assets.

(4) Protection of Personal Information
JBIC shall protect and manage personal information by establishing and making public our Privacy Policy and pursuant to the provisions of the Act on the Protection of Personal Information Held by Independent Administrative Agencies (Law No. 59 of 2003).

(5) Protection of Client Information
JBIC shall establish the basic policy for protecting its clients and increasing their convenience for the purpose of appropriate protection and management of information pertaining to them in accordance with this basic policy.

(6) Training on Information Asset Management
JBIC shall provide necessary training to all officers and employees who handle information assets to ensure that they understand requirements in the applicable laws and regulations, as well as in this policy and other applicable rules, and prevent the occurrence of information security problems.

(7) Outsourcing Work
In the event that JBIC engages persons other than its officers and employees to manage its information assets by outsourcing such work, it shall verify that information security is ensured and that appropriate measures have been taken in accordance with the content of the information assets.

(8) Responses to Incidents Concerning Information Assets
In the event of improper disclosure of personal or client information or other incidents causing a problem on information security, JBIC shall promptly take appropriate measures.

(9) Evaluation and Review
JBIC shall evaluate and review this policy, as necessary, to make flexible responses to changes in the external environment, such as the enactment, amendment, or repeal of applicable laws and regulations, as well as innovations in information security technology, and to changes in the internal environment, including organizational and operational changes and updates to JBIC's information systems.

7 Outline of Conflict of Interest Management Policy

The Japan Bank for International Cooperation ("JBIC") and its subsidiary financial institutions, etc. (collectively, the "JBIC Group"), in accordance with the Financial Instruments and Exchange Act, have established the Conflict of Interest Management Policy (the "Policy") and will appropriately manage the transactions that may cause conflicts of interest in order to prevent the interests of our clients from being unjustly impaired. The summary of the Policy is hereby published as provided below.

1. Identification of Transactions That May Cause Conflicts of Interest

(1) Subject Transactions

"Transactions that may cause conflicts of interest", which are subject to the Policy, mean such transactions conducted by the JBIC Group that may unjustly impair the interests of its clients ("Subject Transactions") in the following situations: i) when the JBIC Group's interests conflict or compete with the interests of its clients or ii) when the interests of multiple clients of the JBIC Group conflict or compete with each other.

(2) Scope of the Subject Clients

"Clients" who are subject to this Policy mean any client who is utilizing, had previously been utilizing, or may enter into business relations in relation to, the services provided by the JBIC Group in its "Financial Instruments Related Business".

The "Financial Instruments Related Business" refers to the business specified in Article 70-3 of the Cabinet Office Order on Financial Instruments Business, etc.

2. Companies Requiring Conflict of Interest Management

As stated in 1 (1) above, the Subject Transactions are transactions conducted by the JBIC Group (i.e. JBIC and its subsidiary financial institutions, etc.). JBIC's "subsidiary financial institutions, etc." mean a subsidiary or affiliated company of JBIC which meets the definition of the term "Subsidiary Financial Institution, etc." specified in Article 36, Paragraph 5 of the Financial Instruments and Exchange Act.

As of September 30, 2019, the companies listed below are the subsidiary financial institutions, etc. of JBIC.

- IFC Capitalization (Equity) Fund, L.P.
- Delhi Mumbai Industrial Corridor Development Corporation Limited
- JBIC IG Partners
- RJIF Management Limited
- Russian-Japan Investment Fund, L.P.
- JB Nordic General Partner S.à.r.l.
- JB Nordic Ventures Oy
- JB Nordic Fund I SCSp

3. Method of Managing Transactions That May Cause Conflicts of Interest

If the JBIC Group identifies any situations where conflicts of interest may arise in connection with transactions with its clients, the JBIC Group will take measures in accordance with the relevant situation, including, for example, the following methods:

- The method of separating the department conducting the Subject Transaction, from the department conducting the transaction with such client;
- The method of amending the conditions or method of the Subject Transaction or the transaction with such client;
- The method of discontinuing the Subject Transaction or the transaction with such client;
- The method of properly disclosing to such client the possibility that the interests of the client may be unjustly impaired in connection with the Subject Transaction; and/or
- Any other methods to properly manage the Subject Transaction.

4. Conflict of Interest Management System

The JBIC Group will centrally manage the group's overall conflict of interest by establishing a department which will manage and control conflicts of interest. The JBIC Group will continue to establish and maintain proper internal systems and comply with laws and regulations and other rules concerning the management of conflicts of interest.

8 Privacy Policy

Japan Bank for International Cooperation (hereinafter "JBIC") positions the trust of our clients as our first priority, deeply recognizes the importance of our clients' personal information, and believes that it is our duty to our clients to properly manage and protect their personal information.

With a view to protecting our clients' personal information, JBIC will conduct our operations in a manner whereby we observe the Act on the Protection of Personal Information Held by Independent Administrative Agencies, etc. (hereinafter "Act"), the Guidance concerning the Measures to Properly Manage the Personal Information held by Independent Administrative Agencies, etc. and so forth.

(1) Acquisition of Personal Information

JBIC will acquire our clients' personal information through proper and lawful means. When we acquire personal information from our clients directly in writing, we will specify in advance the purposes for its use that are within the necessary scope of JBIC's operations.

(2) Use of Personal Information

JBIC will specify the purposes for use in obtaining the necessary personal information of our clients as listed below, and will use it within the scope that is necessary to achieve such purposes:

A. Loan, equity participation, and guarantee operations, and their related due diligence exercise and research (or their supplementary work)
B. Execution of agreements with JBIC, and exercise of rights and performance of obligations under laws, etc.
C. Confirmation of personal identity as per such laws as Foreign Exchange and Foreign Trade Act (Act No. 228, 1949)
D. Invitation to events (such as seminars) organized by JBIC
E. Delivery of various JBIC-related materials
F. Issuance and collection of surveys and questionnaires, and statistical processing and analysis of such outcomes
G. Operations necessary for responding to questions and inquiries, and for dealing with transactions including queries from JBIC, in a proper and smooth manner

(3) Provision of Personal Information to Third Parties

JBIC will not provide the personal information acquired from its clients to third parties except in the following cases:

A. It is required by law.
B. It is provided within the scope of the purposes for use as prescribed above.
C. Consent is obtained from the clients.
D. There are convincing reasons why executive agencies, independent administrative agencies, local municipal entities or local independent administrative agencies would use it to the necessary extent to carry out the law-stipulated operations.
E. It is used for statistics compilation or academic research.
F. It is clearly beneficial to the clients or there exist special reasons to provide personal information.

(4) Subcontract

JBIC may subcontract the handling of our clients' personal information to conduct such operations more smoothly. In such cases, JBIC will attempt to select a trustworthy subcontractor, enter into a confidentiality agreement, adequately supervise the handling and administering of the personal information, and assure the protection of personal information.

(5) Personal Information Management (PIM)

A. JBIC will attempt to keep our clients' personal information correct and updated, and take prevention and safety measures against unauthorized access, leakage, loss, damage, and alteration of personal information.
B. JBIC will constantly educate its employees about the protection and proper management of our clients' personal information to thoroughly make sure of its proper handling in its daily operations.
C. JBIC will audit and inspect whether the protection and management of personal information is undertaken properly.

(6) Disclosure, Correction, and Disuse

If a client wishes to make a request to disclose, correct or disuse the clients' personal information held by JBIC, we will deal with such a request by following the procedure of disclosure etc. stipulated in the Act. Meanwhile, there are some cases when such disclosure etc. could be made out of the procedure of disclosure etc. stipulated in the Act, for which please contact our Head Office or Osaka Branch.

(7) Inquiries about Personal Information Management (PIM)

For inquiries or complaints about the clients' personal information management (PIM) at JBIC, please contact our Head Office or Osaka Branch.

(8) Continuous Improvement

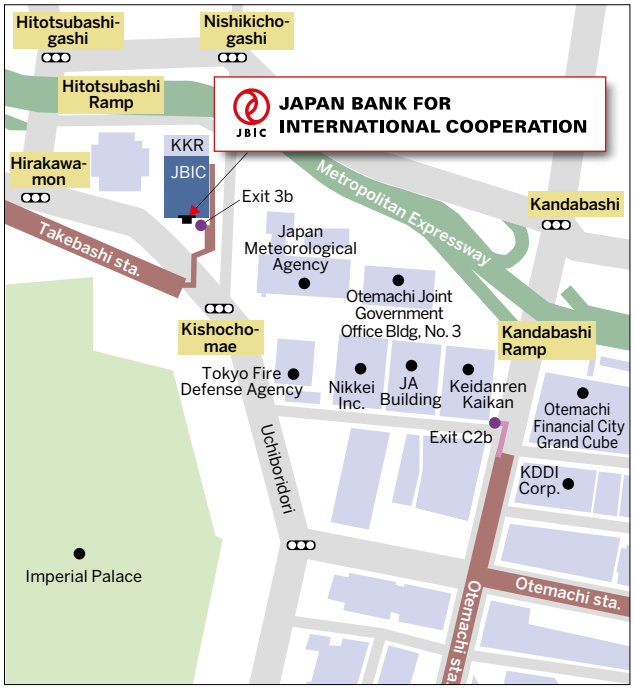
JBIC will continuously improve the clients' personal information management (PIM) as necessary.

JBIC separately stipulates its basic policy on the safe management of Individual Numbers and Personal Information that includes Individual Numbers (hereinafter "Specific Personal Information"; Individual Number and Specific Personal Information shall hereinafter be collectively referred to as "Specific Personal Information, etc."). "Personal information" as used in this Privacy Policy shall not include Specific Personal Information, and it is not contemplated that JBIC will obtain our clients' Specific Personal Information, etc.

Access to JBIC Head Office and Osaka Branch

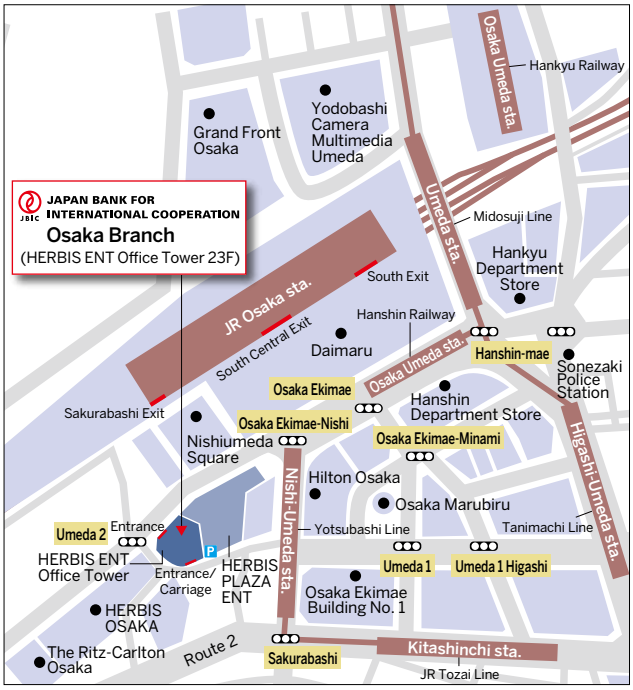
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Website (URL) https://www.jbic.go.jp/en/

JAPAN BANK FOR
INTERNATIONAL COOPERATION

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