

1 Profile of JBIC

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1 Profile

The Purpose of JBIC

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

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

Corporate Slogan

日本の力を、世界のために。
Supporting Your Global Challenges

Corporate Philosophy

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

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

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

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

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

Operational Principles

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

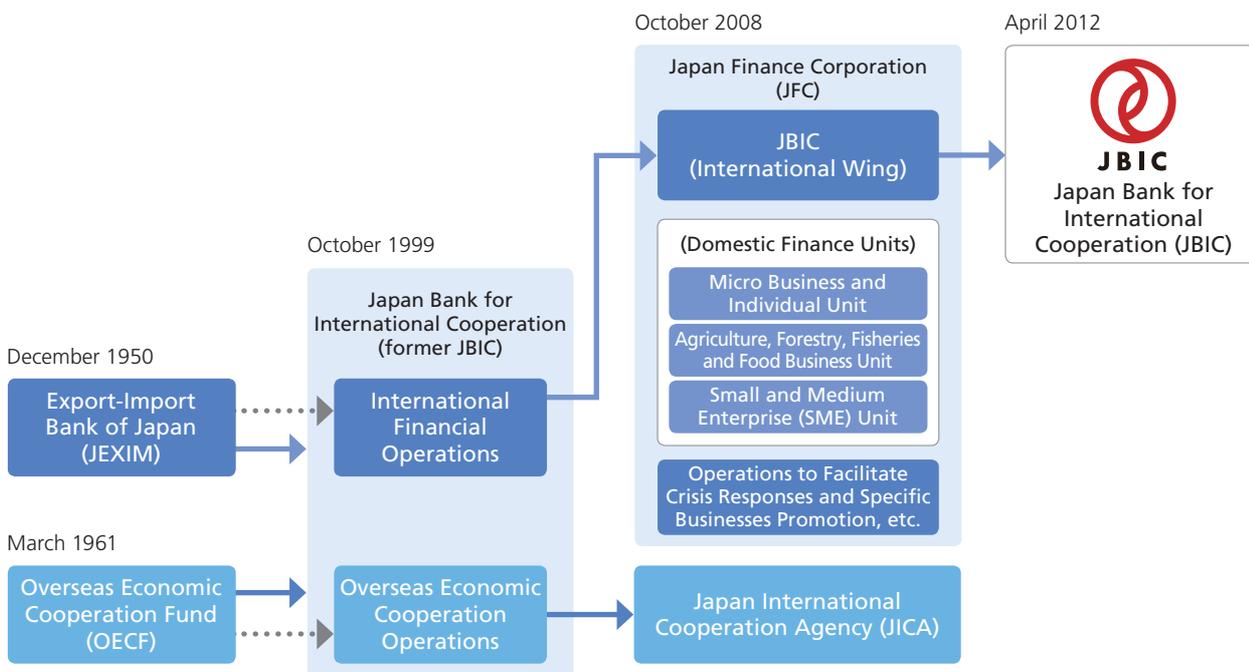
- 1. Supplementing the financial transactions implemented by private-sector financial institutions**
To effectively perform the functions required for policy-based financing, JBIC shall take account of situations where private-sector financial institutions are placed in their international finance activities and supplement their operations.
- 2. Ensuring financial soundness and certainty of repayment**
Pursuant to the JBIC Act, JBIC shall make efforts to maintain the financial soundness of its operations, and when making financial decisions, to conduct adequate screening regarding the outlook for the recovery of funds.
- 3. Maintaining and improving international creditworthiness and confidence**
In order to conduct adequate operations and effective overseas funding operations, JBIC shall maintain and improve the international creditworthiness and confidence gained by JBIC over the years.
- 4. Conducting business operations by drawing on its expertise and initiatives**
JBIC shall conduct operations by drawing on its own expertise and initiatives on international finance.

JBIC Code of Conduct

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

History

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



Profile

Name	Japan Bank for International Cooperation (JBIC)
Office	4-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8144, Japan
Capital*	¥1,765.2 billion (wholly owned by the Japanese government)
Outstanding Loans and Equity Participations*	¥13,919.4 billion
Outstanding Guarantees*	¥2,260.2 billion

* As of March 31, 2018

2 Interview with the Governor

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

The world economy is on a moderate recovery path driven largely by the buoyant U.S. economy boosted by the Trump administration's tax-reduction policies. On the other hand, as 10 years have passed since the collapse of Lehman Brothers, new concerns such as mounting trade frictions between the U.S. and China and the EU are now arising. Also, close attention is required for economic trends in emerging countries and the impact of geo-economic approaches taken by large nations. In the energy and natural resources sector, for example, the rise of emerging countries has weakened Japan's negotiating position in resources acquisition and caused uncertainty about a global energy supply and demand balance. Under such circumstances, it is important for Japan to ensure energy security of the Asian region by participating in the energy value chain in Asia while responding to robust demand in the region.

Looking at the domestic situation in Japan, a declining birthrate and the aging population put a strain on medium-to-long-term economic growth. To address this situation, Japan needs to push up its potential growth rate by encouraging wider workforce participation via work style reforms and to increase productivity through innovation. Against this backdrop, Prime Minister Shinzo Abe announced the Future Investment Strategy 2018 (Cabinet decision on June 15, 2018), aiming to significantly raise the potential growth rate of the Japanese economy and improve Japan's international competitiveness by adopting technological innovations such as IoT, Big Data, and AI. In reaction to this strategy, Japanese industries are making their efforts to boost productivity across different sectors. Quality infrastructure investment and climate change measures are also promising fields. There are expectations for projects that will help to improve and protect the global environment with high efficiency utilizing Japan's advanced infrastructure and environmental technologies.

Amid rapidly changing environments in Japan and overseas, we will proactively support Japanese companies in expanding overseas, with the focus on growth areas and new fields to address the key challenges facing Japan as explained above, in addition to our conventional business activities in the areas of natural resources development and infrastructure export.

To contribute to the sound development of Japan and the international economy and society amid changes in the globalized economy, JBIC is increasingly required to provide future-oriented support in a more proactive and flexible manner by expanding its existing financial support framework in response to trends in the fields of diplomacy, industry, and finance. As Japan's policy-based financial institution, JBIC will strive to fulfill these responsibilities by meeting the needs and expectations of Japanese industrial and financial communities.

Tadashi Maeda

Governor
Japan Bank for International Cooperation
(JBIC)



— You assumed the position of Governor in June 2018. Could you explain the challenges facing JBIC and the directions JBIC will pursue?

JBIC has undertaken a wide range of financing operations in accordance with the Japan Bank for International Cooperation Act. These operations include providing financial support for infrastructure and natural resource development projects involving country risk, and for Japanese companies with plans to expand overseas, including mid-tier enterprises and small and medium-sized enterprises (SMEs), in addition to responding to global financial instabilities.

Nonetheless, major shifts in international affairs and social issues make it increasingly difficult for JBIC to meet the expectations of industry and the financial community by simply performing operations in accordance with its legally mandated mission.

In view of this, we formulated the JBIC Third Medium-term Business Plan (FY2018–FY2020) in June 2018 based on our belief that JBIC should operate with a more proactive role. Under this business plan, JBIC aims “to serve as a ‘navigator’ for Japanese companies to expand overseas business in an uncertain world” and fulfill its role of opening a path to a new era.

Specifically, JBIC will provide support to the following areas in the form of loans, equity participations, and guarantees: the overseas deployment of new industries for the next generation, investments in quality infrastructure overseas, and securing of a resource supply to Japan. JBIC will take a lead in projects in relation to these areas by participating from the early stage of the project development process. I believe this approach will help boost Japan’s economic growth and raise its presence in the international community.

To fulfill this new role, JBIC also needs to build a strong organization and develop talented human resources. As JBIC’s new Governor, I will draw on my own experiences and promote work style reforms for enhancing operational competencies and management capabilities and for strengthening our organizational foundation.

— Can you please explain JBIC’s business results for FY2017?

In FY2017, JBIC made 130 financial commitments totaling ¥1,193.2 billion in loans, equity participations, and guarantees, reflecting a decline in the number of M&A deals overseas and loans to Japanese mid-tier enterprises and SMEs due to external factors.

By business field, beginning with the energy and natural resources sector, project finance for construction of the Nacala Railway and Port infrastructure in Mozambique and Malawi deserves special mention. As JBIC’s largest-ever financial commitment to Africa, this project intends to supply Japan with high-quality coking coal from inland Africa and contribute to economic development of regions in interior Africa. With the 7th Tokyo International Conference on African Development (TICAD VII) scheduled to convene in Yokohama in 2019, JBIC will proactively support economic growth in Africa through the promotion of trade investments by Japanese companies in the region.

Meanwhile, as part of efforts to strengthen strategic relations with oil-producing countries, JBIC provided financing to Abu Dhabi National Oil Company (ADNOC) to ensure stable imports of crude oil to Japan, with an eye to



Japanese companies renewing their existing concessions in offshore oilfields.

Looking at the infrastructure sector, JBIC provided project finance and a political risk guarantee to a hospital public-private partnership (PPP) project in Turkey. The government of Turkey is currently promoting policies that direct private-sector funds toward the enhancement of medical services in the country. This is the first PPP hospital project involving a Japanese company and it draws attention as a project which is expected to encourage Japanese companies to roll out their advanced medical systems and services in foreign countries.

In the environmental field, JBIC provided project finance to the Rantau Dedap Geothermal Power Project in Indonesia. JBIC also supported Japanese mid-tier enterprises and SMEs in expanding overseas in collaboration with Japanese regional banks, including a business that manufactures concrete products for use in India’s infrastructure.

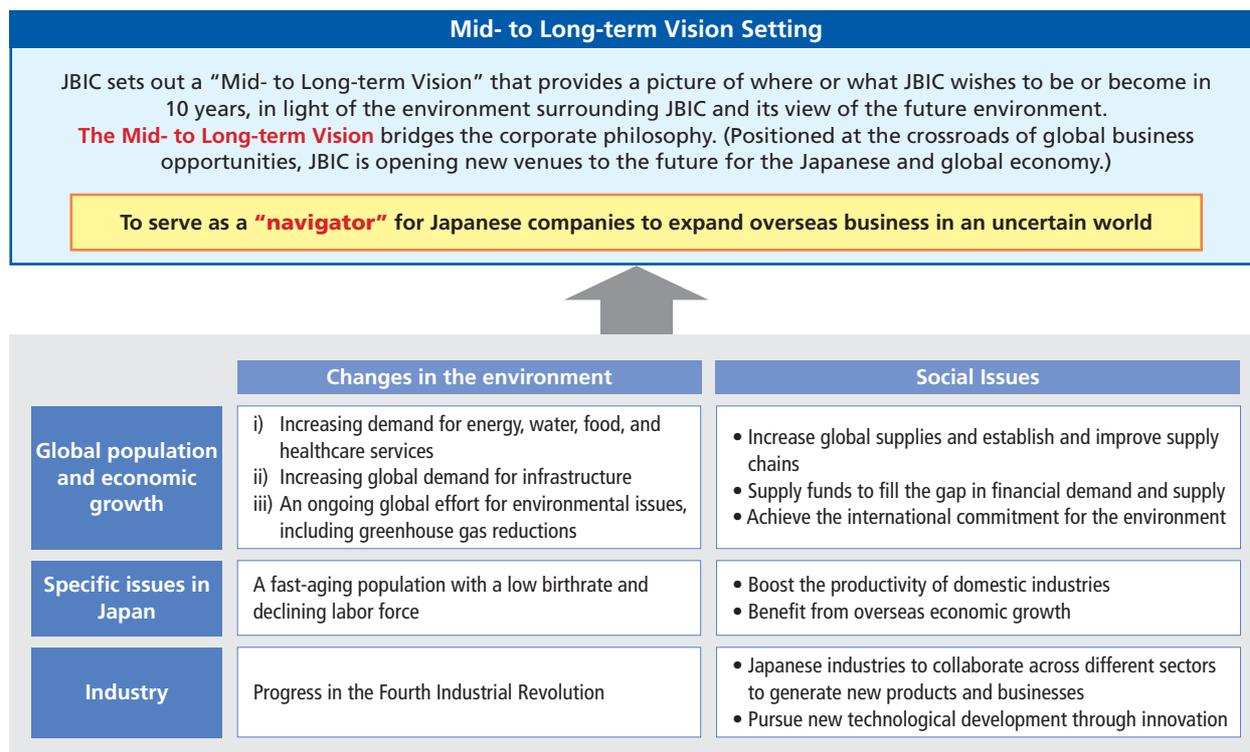
— Could you sum up the Second Medium-term Business Plan (FY2015–FY2017)?

Under the previous Medium-term Business Plan, JBIC made financial commitments totaling ¥5,830.4 billion during the plan’s three-year implementation period. These were aimed at “contributing to exploring and creating new business opportunities that will lead to the sustainable growth of Japan, through supporting the strengthening of Japanese companies’ overseas business deployment and resource acquisition by exercising the financial intermediary functions unique to JBIC.”

During this three-year period, JBIC established a framework for strengthening its capacity to supply funding for projects with relatively high risk profiles, which becomes increasingly important in the execution of Japan’s growth strategy of benefitting from overseas growing markets. In October 2016, JBIC launched its new financing operations called the Special Operations to increase its risk-taking ability in investing in overseas infrastructure business. At the same time, JBIC established the Equity Finance Group and the Equity Investment Department to enhance its capability in the area of equity financing. In June 2017, JBIC established JBIC IG Partners (JBIC IG) to provide investment advisory services, in collaboration with Industrial Growth Platform, Inc. (IGPI).

The aim of JBIC IG is to provide long-term, continuous

Mid- to long-term vision set in the Third Medium-term Business Plan and background



assistance to Japanese companies with plans to expand overseas, by capitalizing on the respective strengths of JBIC and IGPI. As Japan’s policy-based financial institution, JBIC has built up an excellent network of contacts with government agencies in other countries and invested in many projects overseas. IGPI has significant experience in providing companies with hands-on support for long-term and sustainable growth in corporate and business value. JBIC IG started providing investment advisory services to the US\$1 billion Russia-Japan Investment Fund (RJIF) in cooperation with the Russian Direct Investment Fund (RDIF) to invest in Russian companies that are expected to boost Japan-Russia economic cooperation.

— Can you explain the Third Medium-term Business Plan (FY2018–FY2020) that was formulated in June 2018?

Under the Third Medium-term Business Plan (FY2018–FY2020), we aim “to serve as a ‘navigator’ for Japanese companies to expand overseas in an uncertain world,” which is also our mid- to long-term vision that expresses where or what JBIC wishes to be or become in 10 years. This plan identifies eight key focus areas and 21 action plans under three basic business policies which are: i) To enhance JBIC’s risk-taking capability by capitalizing on its strength as a policy-based financial institution, ii) To respond to changing social situations and clients’ needs in a flexible manner, while having the objective of supplementing the financial transactions implemented by private-sector financial institutions, and iii) To strengthen organizational competency. (For details, please see page 11.)

In key focus areas concerning operations, we will pursue our business plan for “growth areas, new fields.” For example, JBIC will work to broaden its vision to extend support to start-up companies expected to play key roles in growth fields exemplified by IoT and Big Data analysis, which are driving the Fourth Industrial Revolution. These companies require funding for investing in their new businesses, and when providing assistance to these companies in the form of equity financing, JBIC will diversify its risk through equity participation in various investment funds. JBIC will also utilize JBIC IG to play a role of a general partner who proactively invests in various businesses.

Next, let me turn to overseas infrastructure development. In the past, I used to serve as Special Advisor to the Japanese Cabinet and was involved in formulating the Japanese government’s previous growth strategy and the Strategy on Infrastructure Export. Nonetheless, Japan’s infrastructure system exports are still only at the midway point. Although Japanese infrastructure manufacturers have excellent technologies and products, they have limited experience in exporting entire infrastructure systems. This means they miss out on potential business opportunities. To break through this situation, JBIC will lead the way in helping Japanese companies to export quality infrastructure, by participating in projects from the early stage of project development process while proactively assuming risk in those projects.

Turning to global environmental protection, we launched JBIC Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG)” in July 2018 to provide

a wide range of support for infrastructure development that is expected to help protect the global environment, such as renewable energy and green mobility. Through the QI-ESG facility, JBIC aims to promote export of Japan's world top-level environmental technologies.

Regarding M&As by Japanese companies, I believe that acquiring overseas companies with technologies that Japanese companies do not have will enable them to accelerate their business and adapt quickly to evolving overseas markets. This M&A approach will help Japanese companies expand into the "growth areas, new fields" that I mentioned previously. JBIC will continue to support the strategic overseas M&As by Japanese companies.

— Could you describe JBIC's organizational reforms and work style reforms?

For organizational reforms, we aim for the enhancement of operational functions such as by promoting the formation of projects that are geo-economically important, responding to the changing business environment, and strengthening collaboration with private-sector financial institutions. Besides, we will strive to improve our management capabilities by making prompt decision-making and enhancing the financial and risk management systems. In August 2018, we set up the Strategic Research Department as part of efforts to provide support for structuring financing schemes for geo-economically important projects. JBIC will also cooperate with specialist organizations and specialists from around the world in performing advanced information analysis such as risk forecast management to promote accurate and quick decision-making in financial areas and business execution.

The management team will take the lead in promoting work style reforms that encourage employees to choose how to work. Specifically, we will strive to enhance the efficiency of operations by re-evaluating our operational processes and utilizing various IT technologies, including RPA (Robotic Process Automation). JBIC aims to build a resilient organization by having employees spend time on improving or learning new skills during work hours, while asking them to think about what they can do for Japan. I expect JBIC's employees to meet more companies and people to enter new business areas and acquire new clients, thereby becoming more aware of developments in financial markets and utilizing their knowledge and insights to help the Japanese government formulate policies.

— What is your message to stakeholders?

Amid increasing demand for large infrastructure investment across the world, the needs for raising funds are expected to rise further. In response to this, PPP-based projects mobilizing private-sector funds are expected to be promoted not only in the electric power sector but also in the transportation and communications sectors. To ensure that Japanese companies can participate widely in these projects, JBIC will increase opportunities for policy dialogue with government agencies of countries around the world and further strengthen its continued efforts to build relationships that generate mutual benefits. These efforts include development of cooperative projects in the Indo-Pacific based on a memorandum of understanding with Overseas Private Investment Corporation (OPIC) in the U.S. in November 2017 and the establishment in February 2018 of Far East Limited Liability Company

(Far East JPPV) to promote Japanese investment in the Russian Far East region through a joint investment with Russian government agencies. JBIC will further support the overseas business strategies of Japanese companies, including the cultivation of growth fields for the next generation, and will create environments where more private-sector financial institutions can provide financing to Japanese companies in collaboration with JBIC.

JBIC will continue to strive to conduct balanced and sound business activities by strengthening its governance structure such as risk management alongside enhancing its operational competencies. JBIC will also carry out its responsibilities to contribute to the Japanese economy as well as the international economy and society by capitalizing on its human resources, global network of contacts, and policy recommendation capacity as a public financial institution.

3 Directors, Managing Executive Officers, and Corporate Auditors (As of August 1, 2018)



(Back row, from left)	Managing Director Shinichi Koizumi	Senior Managing Director Kuninori Kuroishi	Senior Managing Director Yasushi Hasegawa	Senior Managing Director Tatsuhiko Takesada	Managing Director Yoshinori Kawamura
(Front row, from left)	Deputy Governor Nobumitsu Hayashi	Governor Tadashi Maeda	Executive Managing Director Kazuhiko Amakawa		



Corporate Auditor Mitsuaki Tsuchiya	Corporate Auditor Yasuo Ota	Corporate Auditor Yuko Tamai
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■ Directors

Governor	Tadashi Maeda
Deputy Governor	Nobumitsu Hayashi
Executive Managing Director	Kazuhiko Amakawa
Senior Managing Director	Yasushi Hasegawa
Senior Managing Director	Kuninori Kuroishi
Senior Managing Director	Tatsuhiko Takesada
Managing Director (Outside Director)	Shinichi Koizumi
Managing Director (Outside Director)	Yoshinori Kawamura

■ Corporate Auditors

Corporate Auditor (Full-Time Corporate Auditor)	Yasuo Ota
Corporate Auditor (Outside Corporate Auditor)	Mitsuaki Tsuchiya
Corporate Auditor (Outside Corporate Auditor)	Yuko Tamai

■ Managing Executive Officers

Managing Executive Officer, Global Head of Corporate Planning Group	Shigeto Hashiyama
Managing Executive Officer, Global Head of Credit, Assessment and Risk Management Group	Yutaka Funada
Managing Executive Officer, Global Head of Treasury and Systems Group	Tsuyoshi Nishitani
Managing Executive Officer, Global Head of Energy and Natural Resources Finance Group	Masaaki Yamada
Managing Executive Officer, Global Head of Infrastructure and Environment Finance Group	Kazuhisa Yumikura
Managing Executive Officer, Global Head of Industry Finance Group	Kazuhiko Tanaka
Managing Executive Officer, Global Head of Equity Finance Group	Shinji Fujino

Since its establishment in April 2012, JBIC has provided proactive support for the projects such as natural resources and infrastructure development projects overseas, M&A transactions involving Japanese companies and the overseas businesses of Japanese SMEs. The Bank participates from the early stages of projects, and provides funds for projects with relatively high risk profiles through various financial instruments. Under its medium-term business plan for FY2015–2017, JBIC has aimed to “contribute to exploring and creating new business opportunities that will lead to the sustainable growth of Japan, through supporting the strengthening of Japanese companies’ overseas business deployment and resource acquisition, by exercising the financial intermediary functions unique to JBIC.” As a result, JBIC has made financial commitments in loans, equity participation and guarantees totaling JPY 5,830.4 billion.

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

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

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

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

Mid- to Long-term Vision Setting

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

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

JBIC’s mid- to long-term vision

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

JBIC’s view of the international environment

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

Changes in the environment surrounding JBIC

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

Principles, Key Focus Areas and Action Plans

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

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

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

Details of Action Plans for Business Performance

I Growth areas, new fields

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

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

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

(2) Building relationships with key entities/organizations

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

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

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

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

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

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

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

(1) Structuring financing schemes to respond to changing markets

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

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

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

(3) Ensuring new resources and energy sources

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

II Overseas infrastructure development

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

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

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

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

III Global environmental preservation

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

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

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

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

IV M&As

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

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

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

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

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

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

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

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

(2) Responding to the changing international financial environment

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

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

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

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

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

Details of Action Plans for Organizational Competency

I Enhancement of operational functions

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

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

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

(2) Collaborating with bilateral and international organizations

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

(3) Strengthening relationships with foreign governments and companies

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

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

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

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

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

II Enhancement of management capabilities

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

(1) Strengthening capability to execute corporate strategy

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

(2) Reviewing decision-making processes

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

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

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

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

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

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

(3) Strengthening the risk management system

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

III Strengthening of organizational foundation

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

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

Action plan III-2. To streamline operational workflow

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

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

(2) Ensuring safe and stable operation of IT system

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

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

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

Action plan III-4. To enhance human capital

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

Operational Highlights

The total amount of commitments JBIC made during FY2017 in loans, equity participations, and guarantees was ¥1,193.2 billion, which is 46.7% less than that of FY2016. The outstanding amount of loans and equity participations and guarantees as of March 31, 2018 was ¥16,179.6 billion.

The following is a report on JBIC's major operations in each sector during FY2017.

Efforts in the Energy and Natural Resources Sector

As Japan depends on imports from overseas for most of its resources, it is important that the country secures a stable supply of energy and mineral resources in the medium to long term by increasing the ratio of self-development resources. In FY2017, JBIC made a total of nine financial commitments in the natural resources sector, amounting to ¥494.6 billion in loans, equity participations, and guarantees for projects.

JBIC provided project finance¹ to fund the construction of the Nacala railway and port infrastructure in Mozambique and Malawi, which is needed to transport and export coal produced from a coal mine. JBIC also signed a loan facility agreement with Abu Dhabi National Oil Company (ADNOC) in the Emirate of Abu Dhabi in the United Arab Emirates. This facility is intended to ensure to ADNOC the stable import of crude oil by Japanese companies. Other projects that received financing from JBIC included a zinc and silver mine development project in Los Gatos, Mexico.

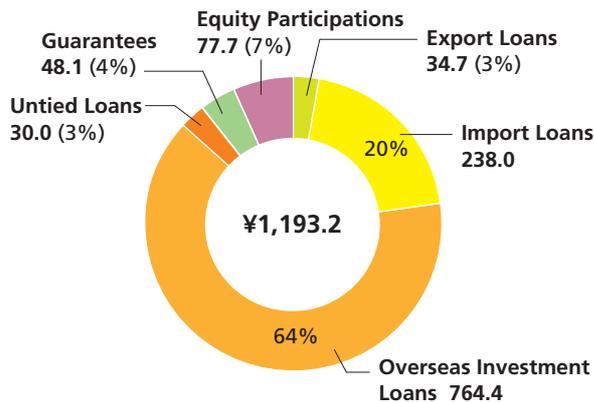
Supporting Overseas Infrastructure Business Deployment by Japanese Companies

In the power sector, JBIC provided project finance to infrastructure projects involving Japanese companies, such as a photovoltaic power project in India, an onshore wind power generation project in Egypt, and a geothermal power project in Indonesia.

In other sectors, JBIC provided support in the form of

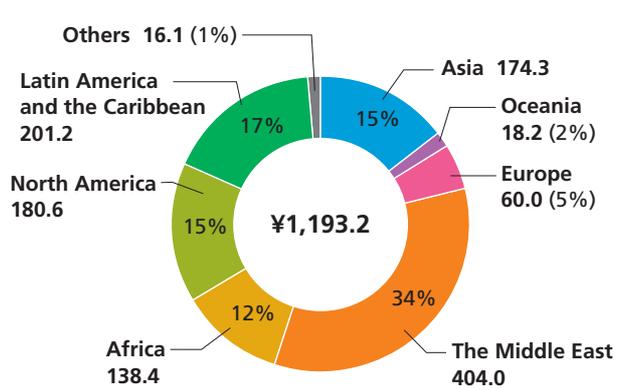
Commitments by Purpose of Financing

(FY2017; unit: billions of yen)



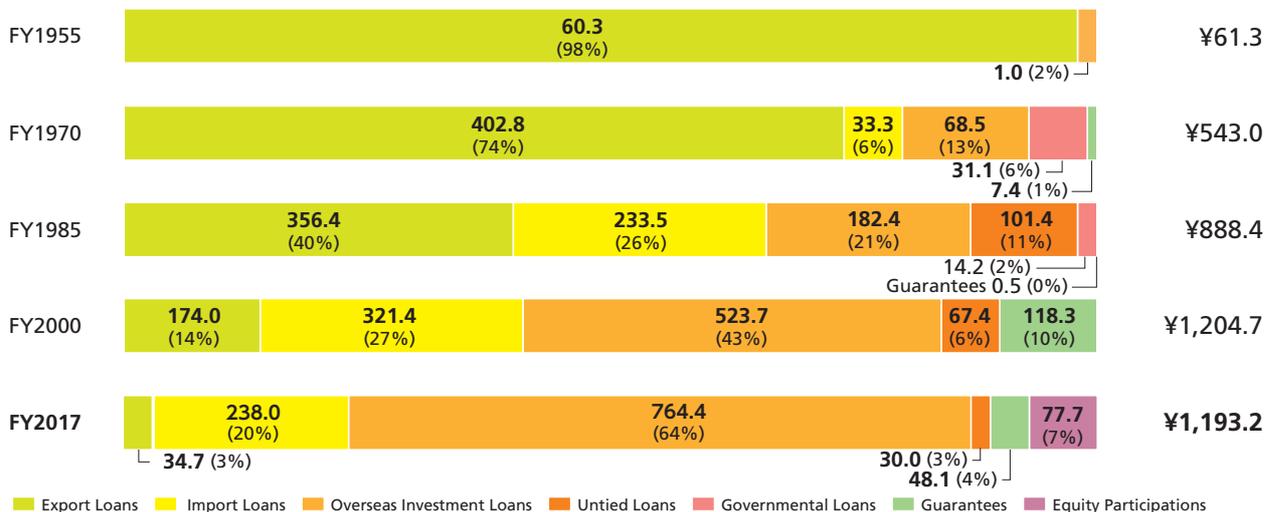
Commitments by Region

(FY2017; unit: billions of yen)



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

(Unit: billions of yen)



project finance with a political risk guarantee to a hospital public-private partnership (PPP) project in Turkey, in which a Japanese company participated.

■ Supporting Strategic Overseas Business Activities by Japanese Companies

In overseas M&A by Japanese companies, JBIC supported the acquisition of overseas companies by providing credit lines to Japanese financial institutions.

Additionally, JBIC provided loans to finance wharf development and operation by a Japanese company in Vietnam and the manufacturing and sales of automobile parts by a Japanese company in India.

Furthermore, JBIC, in collaboration with Japanese companies, implemented equity participation in a fund that invests in advanced IT companies, including those based in Silicon Valley.

■ Supporting Exports by Japanese Companies

As the second project for the Special Operations launched in October 2016 (refer to page 73 for details), JBIC offered financing for export of automatic railway stop systems by a Japanese company to the Government of Argentina. JBIC also supported a Japanese company in exporting construction machinery to Africa by utilizing the export credit line offered to the Eastern and Southern African Trade and Development Bank, a regional development bank in Africa. Other export support extended by JBIC included project finance to fund the export of vessels manufactured by a Japanese shipbuilder.

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

To support the overseas business expansion of Japanese mid-tier enterprises and small and medium-sized enterprises (SMEs), JBIC made a total of 74 financial commitments, in cofinancing with Japanese regional banks and *Shinkin* (credit) banks. The support included loans for a broiler meat processing business in Myanmar and an automobile maintenance and sales business in Vietnam.

In financing Japanese mid-tier enterprises and SMEs, JBIC is bolstering cooperation with Japanese regional banks and organized the High-level Workshop on International Finance as a venue for exchanging opinions for those regional banks to further strengthen the cooperative relationship between the regional banks and JBIC. Top executives and officials from more than 60 Japanese regional banks and foreign banks participated in the workshop and exchanged their opinions and views.

■ Supporting Japanese Companies with Local Currency Loans

JBIC provided 14 local currency loans² totaling the equivalent of about ¥6.8 billion. The loans included a Russian ruble loan to fund a Japanese company's automobile sales finance business in Russia and a Mexican peso loan to support the manufacturing and sales of automotive parts in Mexico.

■ Efforts in the Environment-related Sector

JBIC provided project financing to renewable energy projects involving Japanese companies, such as a photovoltaic power project in India, onshore wind power generation project in Egypt, and geothermal power project in Indonesia.

■ Efforts to Develop Future Projects

As part of its efforts to develop future projects, JBIC signed a memorandum of understanding (MOU) with Overseas Private Investment Corporation of the U.S. for promoting projects in sectors such as infrastructure, energy, and natural resources in the regions of Asia, the Indo Pacific, the Middle East, and Africa. JBIC also concluded a memorandum of cooperation with the Washington State Government, the United States, aiming to contribute to the sustainable economic development of Washington State through supporting projects in the infrastructure sector. In addition, JBIC held joint conferences with Export Credit Bank of Turkey and with Export-Import Bank of India to promote bilateral cooperation for exports to and investments in third countries.

■ Supporting Samurai Bond Issuance

JBIC acquired a part of the Samurai bonds³ (privately placed Japanese yen-denominated foreign bonds) issued by the Government of Turkey.

■ Establishment of JBIC IG Partners

JBIC established JBIC IG Partners (JBIC IG) in June 2017 in collaboration with Industrial Growth Platform, Inc. (IGPI). The objective of JBIC IG is to provide investment advisory services regarding overseas investment funds by applying the respective strengths of JBIC and IGPI. While JBIC executes overseas business as Japan's policy-based financial institution, IGPI has extensive experience in providing companies with hands-on support for long-term, sustainable growth in corporate and business value.

In September 2017, JBIC launched the Russia-Japan Investment Fund (RJIF) in cooperation with the Russian Direct Investment Fund (RDIF), Russia's sovereign wealth fund. The aim of establishing the RJIF is to jointly invest in projects and companies which are expected to help enhance economic cooperation between Japan and Russia. JBIC IG administers and manages the RJIF along with the RDIF. As of the end of March 2018, the RJIF decided to make three investments.

1. Project finance is a financing scheme in which repayments for a loan are made solely from the cash flows generated by the project.

2. Currencies other than JPY, USD, and EUR

3. Samurai bonds are yen-denominated bonds issued by a foreign government or company in the Tokyo bond market.

Operation Results

JBIC made total disbursements of ¥1,726.9 billion in FY2017.

Planned and Actual Lending and Investments

(Unit: billions of yen)

	FY2014		FY2015		FY2016		FY2017	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Export Loans	200.0	112.0	200.0	148.8	290.0	227.2	315.0	279.4
Import Loans and Overseas Investment Loans	1,900.0	2,071.2	1,450.0	1,867.9	1,560.0	1,922.4	2,115.0	1,357.2
Untied Loans	50.0	64.3	70.0	44.5	90.0	32.2	50.0	50.3
Equity Participations	100.0	30.9	100.0	42.4	120.0	18.5	130.0	39.8
Total	2,250.0	2,278.6	1,820.0	2,103.8	2,060.0	2,200.4	2,610.0	1,726.9

Financial Results

■ Principles of Accounting

(1) Separate Accounting

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

(2) Preparation of Financial Statements

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

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

■ Ordinary Operations

(1) Statement of Operations

In FY2017, JBIC recorded ¥336.7 billion in Interest Income and ¥389.5 billion in Ordinary Income. This was for various reasons including support to promote the acquisition of interests and development of natural resources and to expand the overseas operations of Japanese companies, such as infrastructure projects. On the other hand, JBIC recorded ¥327.3 billion in Ordinary Expenses as a result of posting ¥249.2 billion in funding costs, such as Interest expenses. Therefore, Ordinary Profit was ¥62.2 billion, and Net Income totaled ¥62.3 billion, which included Extraordinary Income and others.

(2) Balance Sheet

Total Assets amounted to ¥17,747.3 billion. This was due primarily to a decrease in Loans and Bills Discounted (decreased by ¥796.4 billion to ¥13,512.6 billion compared with FY2016) mainly because of a reduction in the yen value of loans in foreign currencies as a result of yen appreciation in the exchange rate as of March 2018. Total Liabilities amounted to ¥15,465.2 billion. This was mainly due to an increase in Bonds Payable (increased by ¥1,091.0 billion to ¥4,392.5 billion compared with FY2016) as the amount of new issuances exceeded redemptions while on the other hand, Borrowed Money decreased (decreased by ¥1,537.9 billion to ¥8,370.7 billion compared with FY2016) due to the repayment of borrowings from the Government Fund for Fiscal Investment and Loan Program (FILP) and borrowings from the Foreign Exchange Fund Special Account. Total Net Assets was ¥2,282.0 billion. This was due mainly to the capital increase and net income of ¥62.3 billion, despite the payment to national treasury through appropriation of retained earnings in FY2016.

■ Special Operations

(1) Statement of Operations

In FY2017, Ordinary Income was ¥2 million. This was due mainly to the receipt of interest and fees on loans. On the other hand, Ordinary Expenses of ¥207 million were recorded since general and administrative expenses such as personnel expenses were incurred. As a result, Ordinary Loss and Net Loss amounted to ¥204 million, respectively.

(2) Balance Sheet

Total Assets amounted to ¥251,110 million. This was due mainly to capital increase and the execution of new loans. Total Liabilities was ¥222 million. This was due mainly to the recognition of accepted collateral such as financial instruments. Total Net Assets was ¥250,888 million. This was due mainly to a capital increase and a Net Loss of ¥204 million.

The Sixth Term for JBIC (FY2017)

[Consolidated Financial Statements]
Consolidated Statement of Operations
(April 1, 2017–March 31, 2018; unit: millions of yen)

Accounts	Amounts
Ordinary Income	390,060
Interest Income	336,768
Fees and Commissions	23,914
Other Ordinary Income	128
Other Income	29,248
Ordinary Expenses	327,996
Interest Expenses	249,256
Fees and Commissions Payments	2,043
Other Ordinary Expenses	5,363
General and Administrative Expenses	19,660
Other Expenses	51,672
Ordinary Profit	62,063
Extraordinary Income	9
Extraordinary Loss	8
Net Income Before Income Taxes	62,065
Income Taxes – Current	0
Total Income Taxes	0
Net Income	62,064
Loss Attributable to Non-controlling Interests	(17)
Net Income Attributable to Owners of Parent	62,081

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

(April 1, 2017–March 31, 2018; unit: millions of yen)

Accounts	Amounts
Ordinary Income	389,589
Interest Income	336,748
Fees and Commissions	23,722
Other Ordinary Income	128
Other Income	28,989
Ordinary Expenses	327,495
Interest Expenses	249,256
Fees and Commissions Payments	1,807
Other Ordinary Expenses	5,410
General and Administrative Expenses	19,429
Other Expenses	51,592
Ordinary Profit	62,094
Extraordinary Income	9
Extraordinary Loss	8
Net Income	62,095

Consolidated Balance Sheet

(As of March 31, 2018; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	1,751,287	Borrowed Money	8,370,758
Securities Note 6	351,605	Bonds Payable Note 8	4,392,597
Loans and Bills Discounted Notes 7	13,513,680	Other Liabilities	435,498
Other Assets Note 8	377,809	Provision for Bonuses	546
Property, Plant and Equipment Note 9	28,401	Provision for Directors' Bonuses	9
Intangible Assets	3,472	Net Defined Benefit Liability	6,785
Customers' Liabilities for Acceptances and Guarantees	2,259,369	Provision for Directors' Retirement Benefits	25
Allowance for Loan Losses	(273,564)	Acceptances and Guarantees	2,259,369
		Total Liabilities	15,465,589
		Capital Stock	1,765,200
		Retained Earnings	883,601
		Total Shareholders' Equity	2,648,801
		Valuation Difference on Available-for-sale Securities	(1,209)
		Deferred Gains or Losses on Hedges	(114,658)
		Foreign Currency Translation Adjustment	13,309
		Total Accumulated Other Comprehensive Income (Loss)	(102,558)
		Non-controlling Interests	227
		Total Net Assets	2,546,471
Total Assets	18,012,060	Total Liabilities and Net Assets	18,012,060

Note: See Notes 6 to 9 on pages 113 to 114 for details.

Balance Sheet

(As of March 31, 2018; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	1,750,821	Borrowed Money	8,370,758
Securities Note 3	338,928	Bonds Payable Note 5	4,392,597
Loans and Bills Discounted Note 4	13,513,680	Other Liabilities	435,385
Other Assets	377,370	Provision for Bonuses	546
Property, Plant and Equipment	28,355	Provision for Directors' Bonuses	9
Intangible Assets	3,464	Provision for Retirement Benefits	6,785
Customers' Liabilities for Acceptances and Guarantees	2,259,369	Provision for Directors' Retirement Benefits	25
Allowance for Loan Losses	(273,564)	Acceptances and Guarantees	2,259,369
		Total Liabilities	15,465,477
		Capital Stock	1,765,200
		Retained Earnings	883,615
		Total Shareholders' Equity	2,648,815
		Valuation Difference on Available-for-sale Securities	(1,209)
		Deferred Gains or Losses on Hedges	(114,658)
		Total Valuation and Translation Adjustments	(115,868)
		Total Net Assets	2,532,947
Total Assets	17,998,424	Total Liabilities and Net Assets	17,998,424

Note: See Notes 3 to 5 on pages 142 to 143 for details.

[Ordinary Operations Account]
Statement of Operations

(April 1, 2017–March 31, 2018; unit: millions of yen)

Accounts	Amounts
Ordinary Income	389,599
Interest Income	336,747
Fees and Commissions	23,722
Other Ordinary Income	128
Other Income	29,000
Ordinary Expenses	327,300
Interest Expenses	249,256
Fees and Commissions Payments	1,792
Other Ordinary Expenses	5,410
General and Administrative Expenses	19,272
Other Expenses	51,569
Ordinary Profit	62,298
Extraordinary Income	9
Extraordinary Loss	8
Net Income	62,300

[Special Operations Account]
Statement of Operations

(April 1, 2017–March 31, 2018; unit: millions of yen)

Accounts	Amounts
Ordinary Income	2
Interest Income	1
Other Income	1
Ordinary Expenses	207
Interest Expenses	0
Fees and Commissions Payments	14
General and Administrative Expenses	169
Other Expenses	22
Ordinary Loss	204
Net Loss	204

Balance Sheet

(As of March 31, 2018; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	1,500,902	Borrowed Money	8,370,758
Securities	338,928	Bonds Payable	4,392,597
Loans and Bills Discounted	13,512,657	Other Liabilities	435,186
Other Assets	377,190	Provision for Bonuses	541
Property, Plant and Equipment	28,355	Provision for Directors' Bonuses	9
Intangible Assets	3,464	Provision for Retirement Benefits	6,779
Customers' Liabilities for Acceptances and Guarantees	2,259,369	Provision for Directors' Retirement Benefits	25
Allowance for Loan Losses	(273,542)	Acceptances and Guarantees	2,259,369
		Total Liabilities	15,465,266
		Capital Stock	1,514,200
		Retained Earnings	883,901
		Total Shareholders' Equity	2,398,101
		Valuation Difference on Available-for-sale Securities	(1,209)
		Deferred Gains or Losses on Hedges	(114,833)
		Total Valuation and Translation Adjustments	(116,042)
		Total Net Assets	2,282,059
Total Assets	17,747,325	Total Liabilities and Net Assets	17,747,325

Balance Sheet

(As of March 31, 2018; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	249,919	Other Liabilities	210
Loans and Bills Discounted	1,023	Provision for Bonuses	4
Other Assets	190	Provision for Directors' Bonuses	0
Allowance for Loan Losses	(22)	Provision for Retirement Benefits	6
		Provision for Directors' Retirement Benefits	0
		Total Liabilities	222
		Capital Stock	251,000
		Retained Earnings	(286)
		Total Shareholders' Equity	250,713
		Deferred Gains or Losses on Hedges	174
		Total Valuation and Translation Adjustments	174
		Total Net Assets	250,888
Total Assets	251,110	Total Liabilities and Net Assets	251,110

Funding Sources

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

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

Borrowings from FILP Fiscal Loan, Government-guaranteed Foreign Bond issuance, Government-guaranteed Long-term Loans in Foreign Currency, and Capital Contributions from FILP Industrial Investment, etc., are included in the national budget (either as an item in the General Account budget or the Special Account budget), and requests for them are submitted to the Diet for approval along the operating budget of JBIC. Recent funding results and plans for FY2018 are shown in the table below.

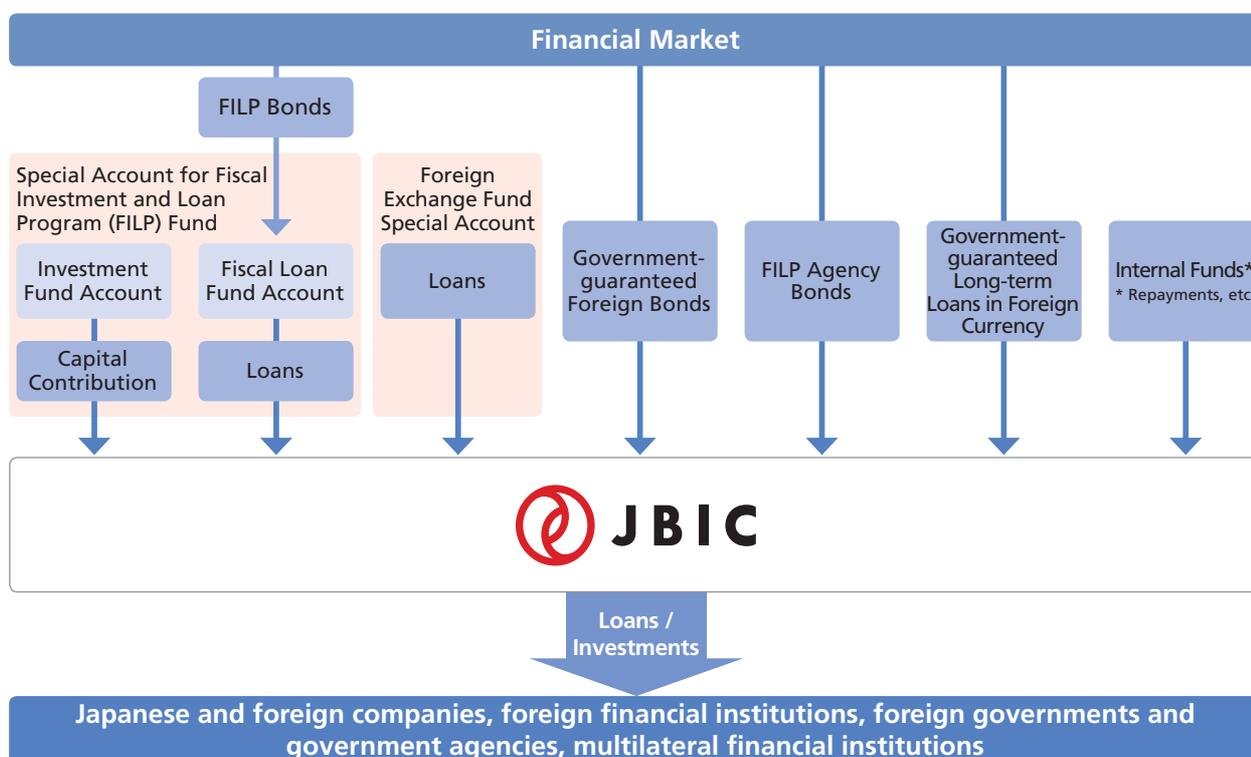
Funding Sources: Actual and Planned

(Unit: billions of yen)

	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Planned
Capital Contribution from FILP Industrial Investment	31.0	—	142.0	82.2	62.4
Borrowing from FILP Fiscal Loan	239.7	244.9	530.5	209.5	290.0
Borrowing from Foreign Exchange Fund Special Account	1,273.2	1,595.8	1,142.7	854.4	800.0
Government-guaranteed Long-term Loans in Foreign Currency			—	—	40.0
Government-guaranteed Foreign Bonds*	374.8	419.0	1,106.2	1,629.7	1,680.0
FILP Agency Bonds*	10.0	—	—	60.0	60.0
Other Sources of Funds, Including Repayments	349.8	(155.9)	(721.0)	(1,108.9)	(675.5)
Total	2,278.6	2,103.8	2,200.4	1,726.9	2,256.9

* Figures for bonds are indicated at face value.

Funding Sources



■ Government-guaranteed Bonds

JBIC raises part of its funds by issuing government-guaranteed bonds in international capital markets. Outstanding government-guaranteed bonds at the end of FY2017 amounted to ¥4,211.9 billion at face value, which accounts for 32.98% of the total outstanding borrowings and bonds. JBIC provides foreign currency loans when necessary to effectively implement policy, and funds raised by issuing government-guaranteed bonds are used as a source of those loans.

As Japanese companies have been moving forward with their overseas business deployment, there are greater expectations for JBIC to provide financial support denominated in local currencies. To properly meet demand for such funds, JBIC issued government-guaranteed foreign bonds denominated in Canadian dollars in March 2013 and similar bonds denominated in British pounds in March 2014.

In the FY2018 budget, JBIC plans to issue in the total amount of up to ¥1,680.0 billion in government-guaranteed bonds.

JBIC's government-guaranteed bonds receive the same ratings as the Government of Japan from the rating agencies (A1 from Moody's Japan K.K. (Moody's) and A+ from S&P Global Ratings Japan Inc. (S&P) as of July 31, 2018). Since they are treated as assets for which the Bank for International Settlements (BIS) assigns zero risk weight in calculating the capital adequacy ratio for depository institutions, these bonds provide a quality investment opportunity for investors in international capital markets.

■ FILP Agency Bonds

In compliance with the government policy to reform FILP, JBIC has issued bonds without government guarantees (FILP agency bonds) in the Japan's capital market since FY2001, thereby raising funds based on its own creditworthiness. JBIC plans to issue up to ¥60.0 billion in FY2018.

FILP agency bonds that JBIC has already issued received the same ratings as the government of Japan (as of July 31, 2018) as shown below. They are treated as assets for which BIS assigns 10% risk weight in calculating the capital adequacy ratio for depository financial institutions.

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