

1. Excerpt from the financial statements in accordance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board (IFRS) as of March 31, 2016. The 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 financial statements of JBIC, which comprise the statements of financial position as of March 31, 2016 and 2015, and the income statements, statements of comprehensive income, statements of changes in equity and 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 JBIC's financial statements prepared on a basis consistent with IFRS that are included in JBIC's annual report on Form 18-K to be 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 JBIC's financial statements under IFRS and related information.

Statement of Financial Position

(Millions of yen)

	March 31, 2016	March 31, 2015
Assets		
Cash and due from banks	1,220,187	850,496
Derivative financial instrument assets	237,274	174,946
Securities	154,976	173,758
Loans and other receivables	13,460,347	14,357,186
Equity method investments	106,618	115,358
Property and equipment	27,804	28,295
Other assets	166,661	370,073
Total assets	15,373,870	16,070,115
Liabilities		
Derivative financial instrument liabilities	570,245	991,161
Borrowings	9,438,450	9,425,316
Bonds payable	2,668,872	3,058,499
Financial guarantee contracts	76,710	84,708
Other liabilities	127,941	86,208
Total liabilities	12,882,220	13,645,893
Equity		
Capital stock	1,391,000	1,391,000
Retained earnings	1,066,533	985,166
Other reserves	34,116	48,055
Total equity	2,491,649	2,424,222
Total liabilities and equity	15,373,870	16,070,115

Income Statement

(Millions of yen)

	March 31, 2016	March 31, 2015
Interest income	216,592	173,110
Interest expense	116,024	103,876
Net interest income	100,567	69,234
Fee and commission income	14,523	13,512
Fee and commission expense	1,653	2,088
Net income from derivative financial instruments	56,227	25,760
Net investment income	3,708	1,505
Other income	1,718	1,060
Income other than interest income	74,524	39,749
Total operating income *1	175,091	108,984
Impairment losses (reversals) on financial assets	12,320	(13,176)
Net operating income*2	162,771	122,160
Operating expenses	16,734	9,985
Other expenses	883	419
Total operating expenses	17,618	10,404
Profits of equity method investments	436	13,405
Net profit	145,589	125,161

*1 Aggregate of "Net interest income" and "Income other than interest income"

*2 "Total operating income" less "Impairment losses (reversals) on financial assets"

Statement of Comprehensive Income

(Millions of yen)

	March 31, 2016	March 31, 2015
Net profit	145,589	125,161
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans:		
Remeasurement arising during the year	(537)	(642)
Total of items that will not be reclassified to profit or loss	(537)	(642)
Items that may be reclassified to profit or loss:		
Available-for-sale financial assets:		
Net gains arising during the year	176	815
Reclassification adjustments	(2,726)	(793)
Deferred gains (losses) on hedges:		
Reclassification adjustments	(3,461)	(3,992)
Exchange differences on translation of foreign operations:		
Net gains (losses) arising during the year	(7,927)	14,829
Total of items that may be reclassified to profit or loss	(13,938)	10,859
Other comprehensive income	(14,476)	10,217
Total comprehensive income	131,112	135,378

Statement of Changes in Equity

(Millions of yen)

	Attributable to equity holders of Japan Bank for International Cooperation							
	Capital stock	Retained earnings	Other reserves				Total	Total equity
			Remeasur- ement of defined benefit plans	Available- for-sale financial assets	Deferred gains (losses) on hedges	Exchange differences on translation of foreign operations		
April 1, 2014	1,360,000	906,331	—	5,315	16,664	15,216	37,195	2,303,527
Net profit	—	125,161	—	—	—	—	—	125,161
Other comprehensive income	—	—	(642)	22	(3,992)	14,829	10,217	10,217
Total comprehensive income	—	125,161	(642)	22	(3,992)	14,829	10,217	135,378
Issuance of new shares	31,000	—	—	—	—	—	—	31,000
Payment to national treasury	—	(45,683)	—	—	—	—	—	(45,683)
Other	—	(642)	642	—	—	—	642	—
March 31, 2015	1,391,000	985,166	—	5,338	12,671	30,045	48,055	2,424,222
Net profit	—	145,589	—	—	—	—	—	145,589
Other comprehensive income	—	—	(537)	(2,550)	(3,461)	(7,927)	(14,476)	(14,476)
Total comprehensive income	—	145,589	(537)	(2,550)	(3,461)	(7,927)	(14,476)	131,112
Issuance of new shares	—	—	—	—	—	—	—	—
Payment to national treasury	—	(63,684)	—	—	—	—	—	(63,684)
Other	—	(537)	537	—	—	—	537	—
March 31, 2016	1,391,000	1,066,533	—	2,787	9,210	22,117	34,116	2,491,649

Statement of Cash Flows

(Millions of yen)

	March 31, 2016	March 31, 2015
Cash flows from operating activities		
Net profit	145,589	125,161
Depreciation and amortization	1,302	1,356
Increase (decrease) in liability for retirement benefits	344	(7,342)
Profits of equity method investments	(436)	(13,405)
Net decrease (increase) in loans and other receivables	896,839	(1,783,913)
Net increase (decrease) in borrowings	13,134	1,017,608
Net decrease (increase) in deposits (excluding demand deposits)	171,193	230,543
Net decrease (increase) in receivables under resale agreements	—	202,733
Net change of derivative financial instrument assets and liabilities	(483,244)	584,362
Net increase (decrease) in financial guarantee contracts	(7,997)	12,807
Net increase (decrease) in bonds payable	(389,626)	324,609
Other	258,744	(353,332)
Net cash provided by (used in) operating activities	605,843	341,187
Cash flows from investing activities		
Purchase of securities	(55,373)	(29,768)
Proceeds from sales or redemption of securities	75,960	2,372
Purchase of equity method investments	(181)	(1,158)
Proceeds from return of equity method investments	1,850	11,917
Other	(367)	(2,718)
Net cash provided by (used in) investing activities	21,888	(19,356)
Cash flows from financing activities		
Proceeds from issuance of new shares	—	31,000
Payment to national treasury	(63,684)	(45,683)
Other	(13)	(12)
Net cash provided by (used in) financing activities	(63,698)	(14,695)
Exchange difference on cash and cash equivalents	(23,150)	50,715
Net increase (decrease) in cash and cash equivalents	540,884	357,850
Cash and cash equivalents at the beginning of the year	571,695	213,845
Cash and cash equivalents at the end of the year	1,112,579	571,695

Net cash provided by (used in) operating activities includes the following:

Interest received	194,052	162,226
Interest paid	(118,022)	(116,172)