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Overview of Financial Results for the Fiscal Year Ended March 31, 2017

June 5, 2017
Japan Bank for International Cooperation

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1-i. Summary of Financial Results for the Fiscal Year Ended March 31, 2017 (Ordinary Operations Account)

(Unit: JPY in billion)

	2017/3(A)	2016/3(B)	(A)-(B)
Gross Operating Profit	103.6	109.2	5.6
Net Operating Profit	86.9	91.6	4.7
Ordinary Profit	41.6	42.7	1.1
Net Income	41.6	42.7	1.0

(Unit: JPY in billion)

	2017/3(A)	2016/3(B)	(A)-(B)
Loans and Bills Discounted	14,309.1	13,540.6	768.4
Loans and Bills (in Foreign Currencies)	13,088.5	12,067.6	1,020.8
USD equivalent to loans in foreign currencies (USD in billion)	116.6	107.0	9.5
Guarantees	2,384.9	2,464.7	79.7
Total Assets	18,369.2	17,580.6	788.6

- Gross operating profit and net operating profit decreased by JPY5.6 billion and JPY4.7 billion, respectively, compared to FY2015 due to a decrease in interest income.
- Ordinary profit decreased by JPY1.1 billion compared to FY2015 due to provision of allowance for loan losses.
- Net income decreased by JPY1.0 billion compared to FY2015.
- Loans and bills discounted increased by JPY768.4 billion due to an increase in foreign currency-denominated loans despite a decrease in yen-denominated loans.

1-ii. Statement of Operations: Comparison with FY2015 (Ordinary Operations Account)

(Unit: JPY in billion)

	2017/3(A)	2016/3(B)	(A)-(B)
Gross Operating Profit	103.6	109.2	5.6
Interest Income	81.8	90.0	8.2
Fees and Commissions	24.9	20.4	4.4
Other Profit	3.1	1.1	1.9
Operating Expenses ()	16.6	17.6	0.9
Net Operating Profit (Actual base)	86.9	91.6	4.7
Provision of Allowance for Loan Losses	53.8	52.7	1.0
Other Profits and Losses	8.5	3.8	4.6
Recoveries of Written-off Claims	0	0	0
Gain on Sales of Stocks	-	1.7	1.7
Gain on Investment in Partnership	8.4	1.9	6.5
Other	0.1	0.1	0
Ordinary Profit	41.6	42.7	1.1
Extraordinary Profits and Losses	0	0	0
Net Income	41.6	42.7	1.0

Net income for FY2016 reached JPY41.6 billion with a decrease of JPY1.0 billion compared to FY2015, due to the following reasons (increase and/or decrease below are in comparison with FY2015):

- Interest income decreased by JPY8.2 billion due to a decreased yen-equivalent value of profits in foreign currencies, caused by yen appreciation during the fiscal year;
- Fees and commissions increased by JPY4.4 billion due to an increase in loan origination;
- Provision of allowance for loan losses was accounted for JPY53.8 billion due to changes of the status of some borrowers;
- Other profits and losses increased by JPY4.6 billion due to a gain on investment in partnership.

1-iii. Balance Sheet: Comparison with FY2015 (1) (Ordinary Operations Account)

(Unit: JPY in billion)

	FY2017/3(A)	FY2016/3(B)	(A)-(B)
Total assets	18,369.2	17,580.6	788.6
Cash and due from banks	1,323.7	1,220.1	103.6
Securities	281.2	236.6	44.6
Loans and bills discounted	14,309.1	13,540.6	768.4
Of which USD equivalent to loans in foreign currencies (USD in billion)	116.6	107.0	9.5
Other	292.1	286.7	5.3
Customers' liabilities for acceptances and guarantees	2,384.9	2,464.7	79.7
Allowance for loan losses	222.0	168.2	53.7

Total assets reached JPY18,369.2 billion with an increase of JPY788.6 billion compared to FY2015, due to the following reasons (increase and/or decrease below are in comparison with FY2015):

- Securities increased by JPY44.6 billion due to acquisition of public / corporate bonds and increased equity participations in USD;
- Loans and bills discounted increased by JPY768.4 billion due to an increase in foreign currency-denominated loans, despite a decrease in yen-denominated loans;
- Customers' liabilities for acceptances and guarantees decreased by JPY79.7 billion due to repayments of guaranteed loans.

1-iii. Balance Sheet: Comparison with FY2015 (2) (Ordinary Operations Account)

(Unit: JPY in billion)

	FY2017/3(A)	FY2016/3(B)	(A)-(B)
Total liabilities	16,063.9	15,108.2	955.7
Borrowed money	9,908.7	9,438.4	470.2
Bonds payable	3,301.5	2,668.5	633.0
Other liabilities	461.8	529.4	67.5
Provision for retirement benefits	6.8	7.0	0.2
Acceptance and guarantees	2,384.9	2,464.7	79.7
Total net assets	2,305.2	2,472.3	167.0
Shareholders' equity	2,322.9	2,363.1	40.1
Deferred gains or losses on hedges	20.1	104.9	125.0
Valuation differences on available-for-sale securities	2.4	4.3	1.8

Total liabilities reached JPY16,063.9 billion with an increase of JPY955.7 billion compared to FY2015, and Total net assets reached JPY2,305.2 billion with a decrease of JPY167.0 billion compared to FY2015, due to the following reasons (increase and/or decrease below are in comparison with FY2015):

- Borrowed money increased by JPY470.2 billion due to borrowings from the Foreign Exchange Funds Special Account;
- Bonds payable increased by JPY633.0 billion due to issuances of government-guaranteed bonds denominated in USD;
- Shareholders' equity decreased by JPY40.1 billion due to the payment to National treasury (JPY21.4 billion) out of the net income in FY2015 and the transfer of legal retained earnings of the Ordinary Operations account to capital stock of the Special Operations account (JPY150.0 billion), despite the underwriting of capital increase (JPY89.5 billion) and net income (JPY41.6 billion);
- Deferred gains or losses on hedges decreased by JPY125.0 billion due to higher JPY and USD interest rate.

1-iv. Risk-Monitored Loans (Ordinary Operations Account)

(1) Banking Act enforcement regulations standard (Unit: JPY in billion)

	2017/3(A)	2016/3(B)	(A)-(B)
Bankrupt loans	-	-	-
Non-accrual loans	3.7	111.4	107.7
Past due loans (3 months or more)	53.3	44.7	8.6
Restructured loans	182.4	98.7	83.7
Total risk monitored loans (1)	239.5	254.8	15.3
Total loans and bills discounted (2)	14,309.1	13,540.6	768.5
Ratio of risk monitored loans ((1) / (2))	1.67%	1.88%	0.21%

(2) Financial Revitalization Law standard (Unit: JPY in billion)

	2017/3(A)	2016/3(B)	(A)-(B)
Bankrupt and quasi-bankrupt loans	-	-	-
Doubtful loans	3.7	111.4	107.7
Substandard loans	235.8	143.4	92.4
Total disclosed loans (1)	239.5	254.8	15.3
Normal loans	16,522.3	15,799.4	722.9
Total loans and bills (2)	16,761.9	16,054.2	707.7
Ratio of disclosed loans ((1) / (2))	1.43%	1.59%	0.16%

- Total risk monitored loans (Banking Act base) and total disclosed loans (Financial Revitalization Law base) decreased by JPY15.3 billion respectively, compared to FY2015.
- The ratio of risk monitored loans was 1.67% (0.21% decrease) and the ratio of disclosed loans was 1.43% (0.16% decrease), both compared to FY2015.

2-i. Summary of Financial Results for the Fiscal Year Ended March 31, 2017 (Special Operations Account)

(Unit: JPY in million)

	2017/3
Gross Operating Profit	7
Net Operating Profit	81
Ordinary Profit	81
Net Income	81

(Unit: JPY in million)

	2017/3
Cash and due from banks	202,419
Loans and Bills Discounted	-
Guarantees	-
Total Assets	202,432

- Net income amounted to minus JPY81 million due to expenses such as labor costs, while there was no income such as interest and fees on loans.
- Total assets amounted to JPY202.4 billion due mainly to an increase in cash and due from banks by the transfer of legal retained earnings of the Ordinary Operations account to capital stock of the Special Operations account (JPY150.0 billion) and the underwriting of capital increase (JPY52.5 billion).

2-ii. Statement of Operations (Special Operations Account)

(Unit: JPY in million)

	2017/3
Gross Operating Profit	7
Interest Income	-
Fees and Commissions	7
Other Profit	-
Operating Expenses ()	74
Net Operating Profit (Actual base)	81
Provision of Allowance for Loan Losses	-
Other Profits and Losses	0
Recoveries of Written-off Claims	-
Gain on Sale of Stocks	-
Gain on Investment in Partnership	-
Other	0
Ordinary Profit	81
Extraordinary Profits and Losses	-
Net Income	81

2-iii. Balance Sheet (Special Operations Account)

(Unit: JPY in million)

	FY2017/3
Total assets	202,432
Cash and due from banks	202,419
Securities	-
Loans and bills discounted	-
Of which USD equivalent to loans in foreign currencies (USD in billion)	-
Other	13
Customers' liabilities for acceptances and guarantees	-
Allowance for loan losses	-

(Unit: JPY in million)

	FY2017/3
Total liabilities	99
Borrowed money	-
Bonds payable	-
Other liabilities	98
Provision for retirement benefits	1
Acceptance and guarantees	-
Total net assets	202,333
Shareholders' equity	202,418
Deferred gains or losses on hedges	85
Valuation differences on available-for-sale securities	-

3-i. Statement of Operations: Comparison with FY2015 (JBIC)

(Unit: JPY in billion)

	2017/3(A)	2016/3(B)	(A)-(B)
Gross Operating Profit	103.5	109.2	5.6
Interest Income	81.8	90.0	8.2
Fees and Commissions	24.9	20.4	4.4
Other Profit	3.1	1.1	1.9
Operating Expenses ()	16.7	17.6	0.9
Net Operating Profit (Actual base)	86.8	91.6	4.7
Provision of Allowance for Loan Losses	53.8	52.7	1.0
Other Profits and Losses	8.5	3.8	4.6
Recoveries of Written-off Claims	0	0	0
Gain on Sale of Stocks	-	1.7	1.7
Gain on Investment in Partnership	8.4	1.9	6.5
Other	0.1	0.1	0
Ordinary Profit	41.5	42.7	1.1
Extraordinary Profits and Losses	0	0	0
Net Income	41.6	42.7	1.1

3-ii. Balance Sheet: Comparison with FY2015 (JBIC)

(Unit: JPY in billion)

	FY2017/3(A)	FY2016/3(B)	(A)-(B)
Total assets	18,571.6	17,580.6	991.0
Cash and due from banks	1,526.2	1,220.1	306.0
Securities	281.2	236.6	44.6
Loans and bills discounted	14,309.1	13,540.6	768.4
Of which USD equivalent to loans in foreign currencies (USD in billion)	116.6	107.0	9.5
Other	292.1	286.7	5.3
Customers' liabilities for acceptances and guarantees	2,384.9	2,464.7	79.7
Allowance for loan losses	222.0	168.2	53.7

(Unit: JPY in billion)

	FY2017/3(A)	FY2016/3(B)	(A)-(B)
Total liabilities	16,064.0	15,108.2	955.8
Borrowed money	9,908.7	9,438.4	470.2
Bonds payable	3,301.5	2,668.5	633.0
Other liabilities	461.9	529.4	67.4
Provision for retirement benefits	6.8	7.0	0.2
Acceptance and guarantees	2,384.9	2,464.7	79.7
Total net assets	2,507.6	2,472.3	35.2
Shareholders' equity	2,525.3	2,363.1	162.2
Deferred gains or losses on hedges	20.2	104.9	125.1
Valuation differences on available-for-sale securities	2.4	4.3	1.8

(Appendix) Changes in Foreign Currency-denominated Loans (JBIC)

	2015/3	2015/9	2016/3	2016/9	2017/3	% Change (From 2016/9 to 2017/3)
Loans and bills discounted (JPY in billion)	14,432.9	14,459.6	13,540.6	13,169.5	14,309.1	8.7%
Of which foreign currencies	12,619.5	12,834.6	12,067.6	11,827.0	13,088.5	10.7%
% of foreign currencies	87.4%	88.8%	89.1%	89.8%	91.5%	-
USD equivalent to foreign currencies (USD in billion)	105.0	106.9	107.0	116.9	116.6	0.3%
JPY/USD exchange rate	JPY120.17	JPY119.96	JPY112.68	JPY101.12	JPY112.19	-

- Loans and bills discounted (total of JPY and foreign currencies) was approximately JPY14.3 trillion at the end of March 2017.
- The ratio of loans in foreign currencies to total loans is on an increase.
- Although loans in foreign currencies decreased by 0.3%, the figure increased by 10.7% in yen-equivalent value due to yen depreciation in comparison with September 2016.
- The majority of loans in foreign currencies was denominated in USD, which totaled JPY12.4 trillion (USD110.6 billion) making up 94.9% of the total at the end of March 2017.

*The financial statements of JBIC will be made available in the Electronic Disclosure for Investor's Network (EDINET) by the end of June, 2017 (available only in Japanese language).

1. Japan Bank for International Cooperation

For the Fifth Fiscal Year Ended March 31, 2017
Balance Sheet (as of March 31, 2017)

(Unit: JPY in million)

Accounts	Amounts	Accounts	Amounts
(Assets)		(Liabilities)	
Cash and due from banks	1,526,209	Borrowed money	9,908,705
Cash	0	Borrowings	9,908,705
Due from banks	1,526,208	Bonds payable	3,301,565
Securities	281,249	Other liabilities	461,442
Other securities	281,249	Accrued expenses	43,592
Loans and bills discounted	14,309,138	Unearned revenue	65,572
Loans on deeds	14,309,138	Derivatives other than for trading-liabilities	332,906
Other assets	261,790	Cash collateral received for financial instruments	18,880
Prepaid expenses	653	Lease obligations	3
Accrued income	68,861	Other	487
Derivatives other than for trading-assets	1,972	Provision for bonuses	519
Cash collateral paid for financial instruments	189,920	Provision for directors' bonuses	6
Other	382	Provision for retirement benefits	6,807
Property, plant and equipment	27,613	Provision for directors' retirement benefits	16
Buildings	2,916	Acceptances and guarantees	2,384,997
Land	24,311		
Lease assets	5	Total Liabilities	16,064,061
Other	380	(Net Assets)	
Intangible assets	2,711	Capital stock	1,683,000
Software	2,711	Retained earnings	842,366
Customers' liabilities for acceptance and guarantees	2,384,997	Legal retained earnings	800,754
Allowance for loan losses	Δ222,036	Other retained earnings	41,612
		Retained earnings brought forward	41,612
		Total shareholders' equity	2,525,366
		Valuation difference on available-for-sale securities	2,468
		Deferred gains or losses on hedges	Δ20,223
		Total valuation and translation adjustments	Δ17,755
		Total Net Assets	2,507,611
Total Assets	18,571,673	Total Liabilities and Net Assets	18,571,673

For the Fifth Fiscal Year Ended March 31, 2017
Statement of Operations

(Unit: JPY in million)

Accounts	Amounts	
Ordinary Income		294,656
Interest income	259,250	
Interest on loans and discounts	253,672	
Interest and dividends on securities	755	
Interest on deposits with banks	4,822	
Other interest income	0	
Fees and commissions	26,836	
Other fees and commissions	26,836	
Other income	8,570	
Recoveries of written-off claims	0	
Gain on investments in partnerships	8,421	
Other	148	
Ordinary Expenses		253,118
Interest expenses	177,433	
Interest on borrowings and rediscounts	91,175	
Interest on bonds	59,420	
Interest on interest swaps	26,836	
Fees and commissions payments	1,919	
Other fees and commissions	1,919	
Other ordinary expenses	3,136	
Loss on foreign exchange transactions	482	
Amortization of bond issuance cost	1,662	
Expenses on derivatives other than for trading or hedging	422	
Other	569	
General and administrative expenses	16,726	
Other expenses	53,902	
Provision of allowance for loan losses	53,855	
Other	46	
Ordinary Profit		41,537
Extraordinary Income		75
Gain on disposal of noncurrent assets	75	
Net Income		41,612

2. Ordinary Operations Account

For the Fifth Fiscal Year Ended March 31, 2017
Balance Sheet (as of March 31, 2017)

(Unit: JPY in million)

Accounts	Amounts	Accounts	Amounts
(Assets)		(Liabilities)	
Cash and due from banks	1,323,789	Borrowed money	9,908,705
Cash	0	Borrowings	9,908,705
Due from banks	1,323,789	Bonds payable	3,301,565
Securities	281,249	Other liabilities	461,359
Other securities	281,249	Accrued expenses	43,589
Loans and bills discounted	14,309,138	Unearned revenue	65,572
Loans on deeds	14,309,138	Derivatives other than for trading-liabilities	332,821
Other assets	261,788	Cash collateral received for financial instruments	18,880
Prepaid expenses	648	Lease obligations	3
Accrued income	68,859	Other	492
Derivatives other than for trading-assets	1,972	Provision for bonuses	514
Cash collateral paid for financial instruments	189,920	Provision for directors' bonuses	6
Other	388	Provision for retirement benefits	6,806
Property, plant and equipment	27,613	Provision for directors' retirement benefits	16
Buildings	2,916	Acceptances and guarantees	2,384,997
Land	24,311	Total Liabilities	16,063,972
Lease assets	5	(Net Assets)	
Other	380	Capital stock	1,480,500
Intangible assets	2,711	Retained earnings	842,448
Software	2,711	Legal retained earnings	800,754
Customers' liabilities for acceptance and guarantees	2,384,997	Other retained earnings	41,693
Allowance for loan losses	△222,036	Retained earnings brought forward	41,693
		Total shareholders' equity	2,322,948
		Valuation difference on available-for-sale securities	2,468
		Deferred gains or losses on hedges	△20,137
		Total valuation and translation adjustments	△17,669
		Total Net Assets	2,305,278
Total Assets	18,369,251	Total Liabilities and Net Assets	18,369,251

Ordinary Operations Account

For the Fifth Fiscal Year Ended March 31, 2017
Statement of Operations

(Unit: JPY in million)

Accounts	Amounts	
Ordinary Income		294,661
Interest income	259,250	
Interest on loans and discounts	253,672	
Interest and dividends on securities	755	
Interest on deposits with banks	4,822	
Other interest income	0	
Fees and commissions	26,836	
Other fees and commissions	26,836	
Other income	8,574	
Recoveries of written-off claims	0	
Gain on investments in partnerships	8,421	
Other	153	
Ordinary Expenses		253,042
Interest expenses	177,433	
Interest on borrowings and rediscounts	91,175	
Interest on bonds	59,420	
Interest on interest swaps	26,836	
Fees and commissions payments	1,912	
Other fees and commissions	1,912	
Other ordinary expenses	3,136	
Loss on foreign exchange transactions	482	
Amortization of bond issuance cost	1,662	
Expenses on derivatives other than for trading or hedging	422	
Other	569	
General and administrative expenses	16,657	
Other expenses	53,902	
Provision of allowance for loan losses	53,855	
Other	46	
Ordinary Profit		41,618
Extraordinary Income		75
Gain on disposal of noncurrent assets	75	
Net Income		41,693

3. Special Operations Account

For the Fifth Fiscal Year Ended March 31, 2017
Balance Sheet (as of March 31, 2017)

(Unit: JPY in million)

Accounts	Amounts	Accounts	Amounts
(Assets)		(Liabilities)	
Cash and due from banks	202,419	Other liabilities	93
Due from banks	202,419	Accrued expenses	2
Other assets	13	Unearned revenue	0
Prepaid expenses	5	Derivatives other than for trading-liabilities	85
Accrued income	2	Other	5
Other	5	Provision for bonuses	4
		Provision for directors' bonuses	0
		Provision for retirement benefits	1
		Provision for directors' retirement benefits	0
		Total Liabilities	99
		(Net Assets)	
		Capital stock	202,500
		Retained earnings	Δ81
		Other retained earnings	Δ81
		Retained earnings brought forward	Δ81
		Total shareholders' equity	202,418
		Deferred gains or losses on hedges	Δ85
		Total valuation and translation adjustments	Δ85
		Total Net Assets	202,333
Total Assets	202,432	Total Liabilities and Net Assets	202,432

Special Operations Account

For the Fifth Fiscal Year Ended March 31, 2017
Statement of Operations

(Unit: JPY in million)

Accounts	Amounts	
Ordinary Income		0
Other income	0	
Other	0	
Ordinary Expenses		81
Fees and commissions payments	7	
Other fees and commissions	7	
General and administrative expenses	74	
Ordinary loss		81
Net loss		81