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Overview of Financial Results for the Fiscal Year Ended March 31, 2019

June 6, 2019

Japan Bank for International Cooperation
(JBIC)

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1.(1) Ordinary Operations Account ① Balance Sheet

【Summary of Balance Sheet】

(billions of Yen)

	2019/3 (A)	2018/3 (B)	(A)-(B)
① Total assets	17,390.6	17,747.3	△356.6
② Cash and due from banks	946.1	1,500.9	△554.7
③ Securities	362.9	338.9	24.0
④ Loans and bills discounted	13,571.2	13,512.6	58.5
⑤ Other assets	311.5	409.0	△97.4
⑥ Customers' liabilities for acceptance and guarantees	2,491.7	2,259.3	232.3
⑦ Allowance for loan losses	△293.0	△273.5	△19.4
⑧ Total liabilities	14,961.8	15,465.2	△503.3
⑨ Borrowed money	7,574.7	8,370.7	△796.0
⑩ Bonds payable	4,583.4	4,392.5	190.8
⑪ Other liabilities	304.9	435.7	△130.8
⑫ Provision for retirement benefits	6.9	6.7	0.1
⑬ Acceptance and guarantees	2,491.7	2,259.3	232.3
⑭ Total net assets	2,428.7	2,282.0	146.7
⑮ Shareholders' equity	2,440.1	2,398.1	42.0
⑯ Deferred gains or losses on hedges	△10.7	△114.8	104.0
⑰ Valuation differences on available-for-sale securities	△0.5	△1.2	0.6

【Fluctuation factors of major items】

(billions of Yen)

	2019/3 (A)	2018/3 (B)	(A)-(B)	Main fluctuation factors
② Cash and due form banks	946.1	1,500.9	△554.7	Decreased due to a decrease in excess cash.
Japanese Yen	593.7	1,074.7	△480.9	
Foreign currencies	352.4	426.1	△73.7	
Denominated in USD (billions of USD)	3.0	3.6	△0.6	
③ Securities:	Increased primarily due to acquisition of Samurai bonds despite the losses on devaluation of stocks and other securities.			
④ Loans and bills discounted	13,571.2	13,512.6	58.5	The amounts denominated in both Japanese yen and foreign currencies decreased. However, the yen value of loans denominated in USD increased as a result of yen depreciation in the exchange rate as of March 31, 2019.
Japanese Yen	745.7	901.4	△155.7	
Foreign currencies	12,825.4	12,611.1	214.3	
Denominated in USD (billions of USD)	110.2	111.8	△1.6	
⑤ Other assets	311.5	409.0	△97.4	
Accounts receivable	0	107.2	△107.2	
Derivatives assets	42.2	43.1	△0.9	
Cash collateral paid for financial instruments	123.0	141.1	△18.1	
⑨ Borrowed money:	Decreased due to reductions in borrowings from the Fiscal Investment and Loan Program and the Foreign Exchange Funds Special Account.			
⑩ Bonds payable:	Increased due to an increase in the outstanding amount of USD-denominated Bonds payable and an increase in the yen value of bonds payable denominated in USD as a result of yen depreciation in the exchange rate as of March 31, 2019.			
⑪ Other liabilities	304.9	435.7	△130.8	
Accounts payable	0	89.4	△89.4	
Derivatives liabilities	140.0	181.1	△41.0	
Cash collateral received for financial instruments	44.6	56.0	△11.4	
Exchange rate (JPY/USD)	110.99	106.24	4.75	
⑮ Shareholders' equity :	Increased as a result of capital increase (JPY20.1 billion) and net income (JPY53 billion), despite the payment to National Treasury (JPY31.1 billion) through appropriation of retained earnings in FY2017.			

(Note) Figures are rounded down to nearest hundred million yen, therefore the total may not agree due to this rounding.

1.(1) Ordinary Operations Account ② Statement of Operations

【Summary of Statements of Operations】

				(billions of Yen)		
		FY2018 (A)	FY2017 (B)	(A)-(B)		
①	Gross operating profit	102.4	104.1	△1.6		
②	Net Interest income	84.4	87.4	△3.0		
③	Fees and commissions	20.4	21.9	△1.5		
④	Other profit	△2.4	△5.2	2.8		
⑤	General and administrative expenses	△20.6	△19.2	△1.3		
⑥	Net operating profit	81.8	84.8	△3.0		
⑦	Provision of allowance for loan losses	△19.4	△51.5	32.0		
⑧	Other profits and losses	△9.3	28.9	△38.2		
⑨	Recoveries of written-off claims	3.2	0	3.2		
⑩	Gain on investments in partnerships	△0.9	28.8	△29.7		
⑪	Other	△11.5	0.1	△11.6		
⑫	Ordinary profit	53.0	62.2	△9.2		
⑬	Extraordinary profits and losses	0	0	0		
⑭	Net income	53.0	62.3	△9.2		

【Fluctuation factors of major items】

				(billions of Yen)		
		FY2018 (A)	FY2017 (B)	(A)-(B)	Main fluctuation factors	
②	Net Interest income	84.4	87.4	△3.0	Decreased due to a decrease in interest income from JPY funds despite an increase from foreign currency funds.	
	Interest income	450.3	336.7	113.5		
	Interest expenses	△365.8	△249.2	△116.5		
③	Fees and commissions	20.4	21.9	△1.5	Decreased due to a decrease in commitment charges and upfront fees.	
	Fee and commission income	22.7	23.7	△1.0		
	Fee and commission expenses	△2.3	△1.7	△0.5		
④	Other profit	△2.4	△5.2	2.8	Decreased due to a decrease in issuances of government-guaranteed bonds.	
	Amortization of bond issuance cost	△1.0	△2.3	1.2		
⑦	Provision of allowance for loan losses :					
	Increased due to an increase in allowance for specific overseas loan.					
⑨	Recoveries of written-off claims:					
	Increased primarily due to recoveries of claims on certain borrowers.					
⑩	Gain on investments in partnerships:					
	Decreased due to a decrease in gain on investments in partnership.					
⑪	Other: Recognition of losses on devaluation of stocks and other securities.					

(Note) Figures are rounded down to nearest hundred million yen, therefore the total may not agree due to this rounding.

1.(2) Special Operations Account

① Balance Sheet: Comparison with FY2017

(millions of Yen)

	2019/3 (A)	2018/3 (B)	(A)-(B)
Total assets	250,588	251,110	△521
Cash and due from banks	244,910	249,919	△5,008
Securities	-	-	-
Loans and bills discounted	5,345	1,023	4,322
Other assets	419	190	228
Customers' liabilities for acceptance and guarantees	-	-	-
Allowance for loan losses	△87	△22	△64
Total liabilities	320	222	98
Borrowed money	-	-	-
Bonds payable	-	-	-
Other liabilities	307	215	91
Provision for retirement benefits	13	6	6
Acceptance and guarantees	-	-	-
Total net assets	250,268	250,888	△620
Shareholders' equity	250,541	250,713	△172
Deferred gains or losses on hedges	△272	174	△447
Valuation differences on available-for-sale securities	-	-	-

(Note) Figures are rounded down to nearest million yen, therefore the total may not agree due to this rounding.

② Statements of Operations: Comparison with FY2017

(millions of Yen)

	FY2018(A)	FY2017 (B)	(A)-(B)
Gross operating profit	110	△13	124
Net Interest income	132	0	131
Fees and commissions	△20	△14	△6
Other profit	△0	-	△0
General and administrative expenses	△221	△169	△51
Net operating profit	△110	△183	73
Provision of allowance for loan losses	△64	△22	△41
Other profits and losses	1	1	0
Recoveries of written-off claims	-	-	-
Gain or loss on sales of stocks and other securities	-	-	-
Gain on investments in partnerships	-	-	-
Other	1	1	0
Ordinary profit	△172	△204	31
Extraordinary profits and losses	-	-	-
Net income	△172	△204	31

(Note) Figures are rounded down to nearest million yen, therefore the total may not agree due to this rounding.

1.(3) Overall Financial Results

① Balance Sheet: Comparison with FY2017 (billions of Yen)

	2019/3 (A)	2018/3 (B)	(A)-(B)
Total assets	17,641.2	17,998.4	△357.2
Cash and due from banks	1,191.0	1,750.8	△559.7
Securities	362.9	338.9	24.0
Loans and bills discounted	13,576.5	13,513.6	62.8
Other assets	311.9	409.1	△97.1
Customers' liabilities for acceptance and guarantees	2,491.7	2,259.3	232.3
Allowance for loan losses	△293.1	△273.5	△19.5
Total liabilities	14,962.1	15,465.4	△503.3
Borrowed money	7,574.7	8,370.7	△796.0
Bonds payable	4,583.4	4,392.5	190.8
Other liabilities	305.2	435.9	△130.7
Provision for retirement benefits	6.9	6.7	0.2
Acceptance and guarantees	2,491.7	2,259.3	232.3
Total net assets	2,679.0	2,532.9	146.0
Shareholders' equity	2,690.6	2,648.8	41.8
Deferred gains or losses on hedges	△11.0	△114.6	103.6
Valuation differences on available-for-sale securities	△0.5	△1.2	0.6

(Note) Figures are rounded down to nearest hundred million yen, therefore the total may not agree due to this rounding.

② Statements of Operations: Comparison with FY2017 (billions of Yen)

	FY2018 (A)	FY2017(B)	(A)-(B)
Gross operating profit	102.5	104.1	△1.5
Net Interest income	84.6	87.4	△2.8
Fees and commissions	20.3	21.9	△1.5
Other income	△2.4	△5.2	2.8
General and administrative expenses	△20.8	△19.4	△1.3
Net operating profit	81.7	84.6	△2.9
Provision of allowance for loan losses	△19.5	△51.5	31.9
Other profits and losses	△9.3	28.9	△38.2
Recoveries of written-off claims	3.2	0	3.2
Gain or loss on sales of stocks and other securities	0	△0	0.1
Gain on investments in partnerships	△0.9	28.8	△29.7
Other	△11.6	0.1	△11.7
Ordinary profit	52.8	62.0	△9.2
Extraordinary profits and losses	0	0	0
Net income	52.8	62.0	△9.2

(Note) Figures are rounded down to nearest hundred million yen, therefore the total may not agree due to this rounding.

1.(3) Overall Financial Results ③ Status of Risk-monitored Loans

【Disclosure Standards under the Banking Act】

(billions of Yen)

	2019/3 (A)	2018/3 (B)	(A)-(B)
Bankrupt Loans	-	-	-
Non-accrual Loans	191.1	188.8	2.2
Past due Loans (3 months or more)	-	-	-
Restructured Loans	188.0	225.8	△37.8
Total amount of Risk-Monitored Loans (1)	379.1	414.6	△35.5
Total Amounts of Loans (2)	13,576.5	13,513.6	62.8
Ratio of Risk-Monitored Loans (1) / (2) (%)	2.79%	3.07%	△0.28%

【Disclosure Standards under the Financial Revitalization Act】

(billions of Yen)

	2019/3 (A)	2018/3 (B)	(A)-(B)
Bankrupt and Quasi-Bankrupt Assets	-	-	-
Doubtful Assets	191.1	188.8	2.2
Substandard Loans	188.0	225.8	△37.8
Total amount of Loan Assets to be Disclosed (1)	379.1	414.6	△35.5
Normal Assets	15,798.2	15,441.2	357.0
Total (2)	16,177.4	15,855.9	321.4
Ratio of Loan Assets to be Disclosed under the Financial Revitalization Act (1) / (2) (%)	2.34%	2.61%	△0.27%

- Total amount of Risk-Monitored Loans disclosed under the Banking Act and total amount of Loan Assets to be Disclosed under the Financial Revitalization Act decreased by 35.5 billion yen from FY2017.
- The ratio of risk-monitored loans decreased by 0.28% to 2.79%, while the ratio Loan Assets to be Disclosed under the Financial Revitalization Act decreased by 0.27% to 2.34%.

1.(3) Overall Financial Results

(Reference) Changes in Foreign Currency-denominated Loans

	2017/3	2017/9	2018/3	2018/9	2019/3	Change (%) from 2018/9 to 2019/3
Loans and bills discounted (billions of JPY)	14,309.1	14,473.5	13,513.6	13,860.7	13,576.5	△2.1%
Loans and bills discounted in foreign currencies	13,088.5	13,406.3	12,611.7	13,065.9	12,826.5	△1.8%
Percentage of foreign currencies	91.5%	92.6%	93.3%	94.3%	94.4%	-
(Reference) USD equivalent in billions	116.6	118.9	118.7	115.0	115.5	0.4%
JPY/USD exchange rate	JPY 112.19	JPY 112.73	JPY 106.24	JPY 113.57	JPY 110.99	-

- Amount of Loans Outstanding (total of loans in yen and foreign currencies) was 13,576.5 billion as of March 31, 2019.
- The ratio of loans in foreign currencies to total loans has been on an increasing trend.
- Loans in foreign currencies (mainly USD) increased by 0.4% compared to September 2018. The yen value of those loans decreased by 1.8% due to yen appreciation in the exchange rate as of March 31, 2019.
- Of total amount of outstanding loans in foreign currencies, the USD-denominated loan amount was JPY12,233.7 billion (USD 110.2 billion) as of March 2019, accounting for 95.3% of the total.

※JBIC's annual securities report for FY2018 will be made available in the FSA's Electronic Disclosure for Investors' NETwork (EDINET) system by the end of June 2019 (available only in Japanese).

2. Consolidated Financial Results

(JBIC's consolidated subsidiaries: JBIC IG Partners and Russia-Japan Investment Fund, L.P.)

① Consolidated Balance Sheet (Comparison with FY2017)

(billions of Yen)

	2019/3 (A)	2018/3 (B)	(A)-(B)
Total assets	17,648.9	18,012.0	△363.1
Cash and due from banks	1,191.4	1,751.2	△559.8
Securities	367.0	351.6	15.4
Loans and bills discounted	13,576.5	13,513.6	62.8
Other assets	315.2	409.6	△94.4
Customers' liabilities for acceptance and guarantees	2,491.7	2,259.3	232.3
Allowance for loan losses	△293.1	△273.5	△19.5
Total liabilities	14,962.2	15,465.5	△503.3
Borrowed money	7,574.7	8,370.7	△796.0
Bonds payable	4,583.4	4,392.5	190.8
Other liabilities	305.3	436.0	△130.7
Net defined benefit liability	6.9	6.7	0.2
Acceptance and guarantees	2,491.7	2,259.3	232.3
Total net assets	2,686.6	2,546.4	140.1
Shareholders' equity	2,690.7	2,648.8	41.9
Deferred gains or losses on hedges	△4.3	△102.5	98.2
Non-controlling interests	0.2	0.2	0

(Note) Figures are rounded down to nearest hundred million yen, therefore the total may not agree due to this rounding.

② Consolidated Statements of Operations (Comparison with FY2017)

(billions of Yen)

	FY2018(A)	FY2017 (B)	(A)-(B)
Gross operating profit	102.5	104.1	△1.5
Net Interest income	84.9	87.5	△2.5
Fees and commissions	20.0	21.8	△1.8
Other income	△2.3	△5.2	2.8
General and administrative expenses	△21.2	△19.6	△1.5
Net operating profit	81.3	84.4	△3.0
Provision of allowance for loan losses	△19.5	△51.5	31.9
Other profits and losses	△8.8	29.1	△37.9
Recoveries of written-off claims	3.2	0	3.2
Gain or loss on sales of stocks and other securities	1.1	△0	1.2
Gain on investments in partnerships	0.4	6.8	△6.4
Profits of equity method investments	△2.0	22.2	△24.2
Other	△11.6	0.1	△11.7
Ordinary profit	53.0	62.0	△9.0
Extraordinary income and losses	0	0	0
Net income	53.0	62.0	△9.0
Net income attributable to owners of parent	53.0	62.0	△9.0

(Note) Figures are rounded down to nearest hundred million yen, therefore the total may not agree due to this rounding.