

Illustration of "Domestic banks, excluding trust banks"

May 14, 2021

Financial Markets Department

Bank of Japan

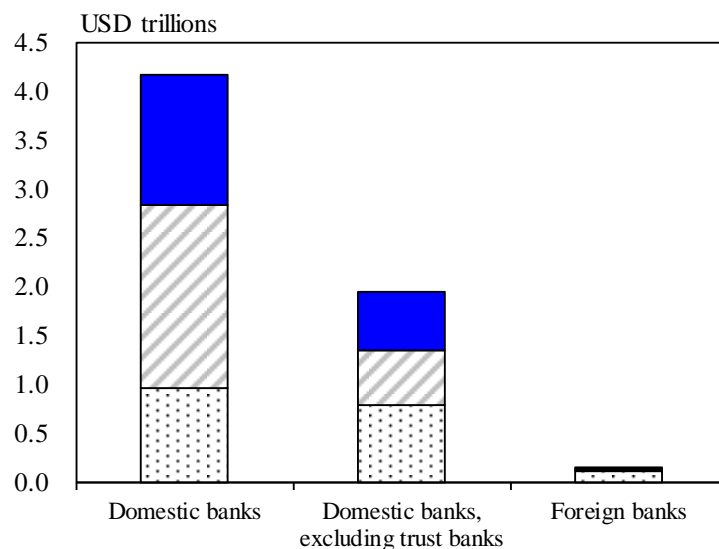
1. Background

- The Bank of Japan (BOJ) has been publishing aggregate results of the Bank for International Settlements (BIS) International Locational Banking Statistics and International Consolidated Banking Statistics for Japan, which include both positions of trust accounts and banking accounts, in line with the reporting guidelines provided by the BIS.
- However, many of the other major countries currently report figures of positions based solely on banking accounts, resulting in difficulties in drawing international comparison.
- In light of these circumstances, the BOJ has decided to release a new aggregate category that excludes figures for trust banks, mostly comprised of trust-account positions, with a view to facilitating the international comparison of the statistics.

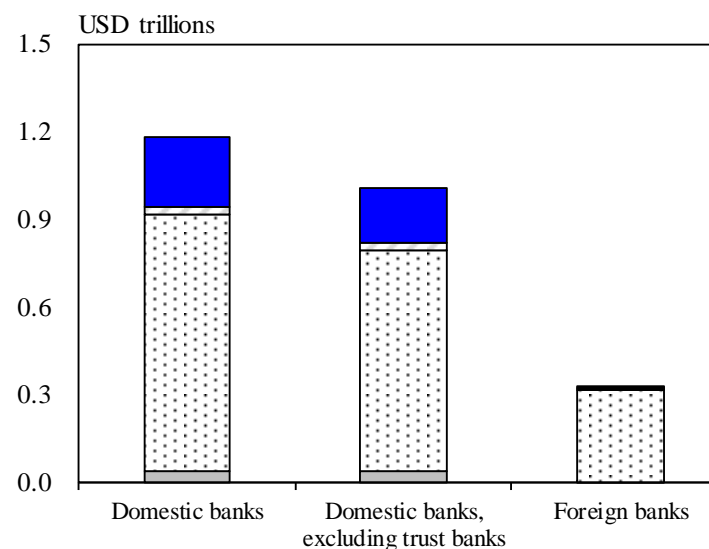
2. Scale of "Domestic banks, excluding trust banks" in the Locational Banking Statistics¹

- Gross external claims of "Domestic banks, excluding trust banks" were about 1.9 trillion U.S. dollars at the end of December 2020, which accounted for about half of the overall "Domestic banks" (Chart 1).
 — This implies that a relatively large portion of the external claims held by domestic banks is comprised of trust banks' trust-account-based positions.
- Gross external liabilities of "Domestic banks, excluding trust banks" were about 1.0 trillion U.S. dollars at the end of December 2020, which accounted for about 80% of the overall "Domestic banks" (Chart 2).

(Chart 1) Gross external claims by sector



(Chart 2) Gross external liabilities by sector



■ Non-bank financial institutions
 Non-bank non-financial institutions
 Banks, interoffice and other banks
 Others

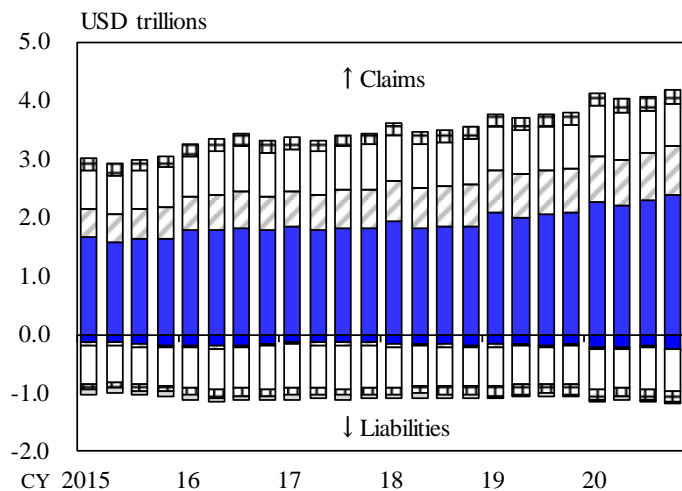
Source: BOJ.

¹ The statistics cover trends in foreign claims and liabilities held by banks located in the reporting countries (on a non-consolidated basis).

(Reference) Time-series data

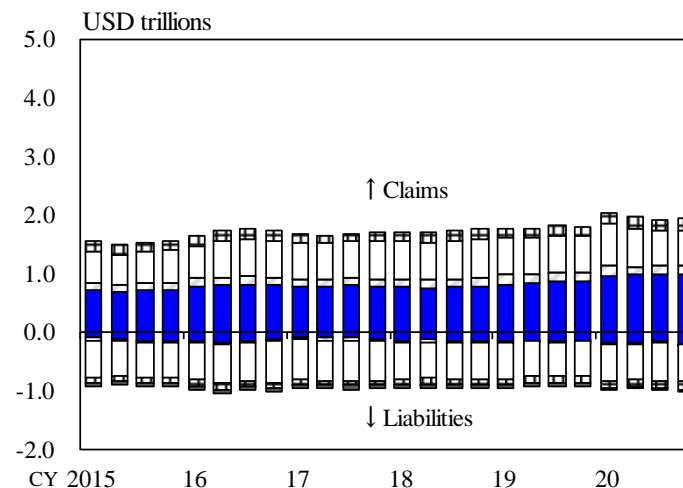
(Reference Chart 1) Gross external claims and liabilities

<Domestic banks>



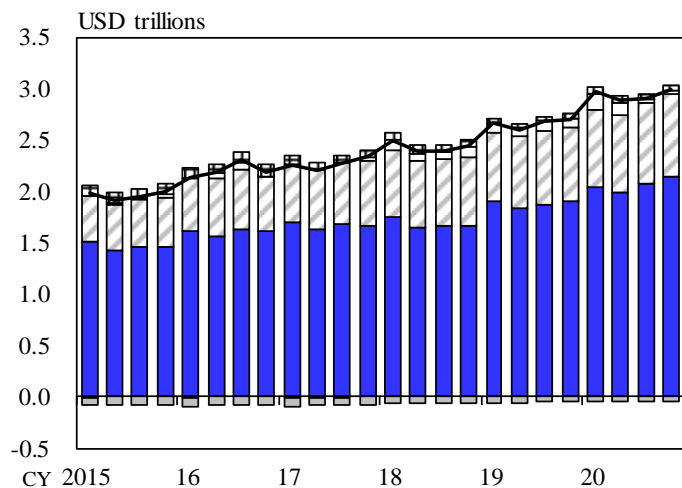
■ Non-banks in foreign currencies ■ Non-banks in yen □ Banks in foreign currencies ■ Banks in yen □ Others

<Domestic banks, excluding trust banks>



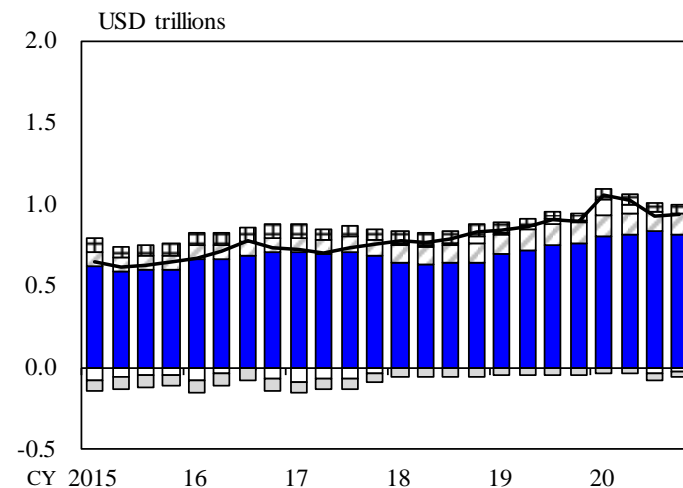
(Reference Chart 2) Net external claims

<Domestic banks>



■ Non-banks in foreign currencies ■ Non-banks in yen □ Banks in foreign currencies ■ Banks in yen □ Others — Net claims

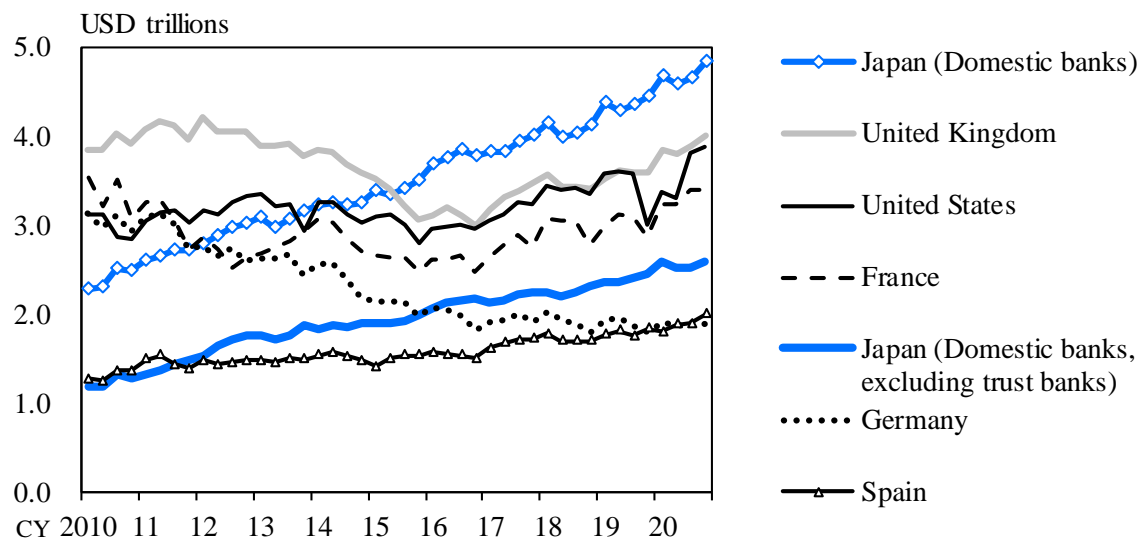
<Domestic banks, excluding trust banks>



3. International Comparison Using the Consolidated Banking Statistics²

- International consolidated claims of "Domestic banks, excluding trust banks" on an ultimate risk basis were about 2.6 trillion U.S. dollars at the end of December 2020, which accounted for about half of the overall "Domestic banks."
- Compared with banks of major nationalities, Japan has the largest amount outstanding in the global market on the "Domestic banks" basis, while it comes in fourth place in terms of the size on the "Domestic banks, excluding trust banks" basis, following the United Kingdom, the United States, and France (Chart 3).

(Chart 3) Foreign claims of major nationalities



Notes: 1. On an ultimate risk basis.

2. Latest data as at end-December 2020.

3. Figures for banks of major nationalities except Japan exclude those for trust accounts and thus are based solely on their banking accounts.

Sources: BIS; BOJ.

² The statistics cover trends in international credit exposures of banks headquartered in the reporting countries (on a consolidated basis).