Flow of Funds
- Overview of Japan, the United States, and the Euro area -

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Research and Statistics Department
Bank of Japan

*In this paper, major sectors are compared either among Japan, the United States, and the Euro area or between Japan and the United States.*
I. Overview: Japan, the United States, and the Euro area
— Data are as of end-March 2021.

Chart 1. Financial assets and liabilities of financial institutions

Japan

<table>
<thead>
<tr>
<th></th>
<th>Assets (3,980 trillion yen)</th>
<th>Liabilities (3,845 trillion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depository corporations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2,226 trillion yen)</td>
<td>Equity 1%</td>
<td>Loans 22%</td>
</tr>
<tr>
<td>Insurance and Pension funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(693 trillion yen)</td>
<td>Others 5%</td>
<td>Others 6%</td>
</tr>
<tr>
<td>Other financial institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,061 trillion yen)</td>
<td>Debt securities 1%</td>
<td>Others 8%</td>
</tr>
</tbody>
</table>

United States

<table>
<thead>
<tr>
<th></th>
<th>Assets (117.1 trillion dollars)</th>
<th>Liabilities (115.0 trillion dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depository corporations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(24.2 trillion dollars)</td>
<td>Others 1%</td>
<td>Loans 11%</td>
</tr>
<tr>
<td>Insurance and Pension funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(38.1 trillion dollars)</td>
<td>Debt securities 9%</td>
<td>Debt securities 2%</td>
</tr>
<tr>
<td>Other financial institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(54.8 trillion dollars)</td>
<td>Equity 1%</td>
<td>Equity 3%</td>
</tr>
</tbody>
</table>

Euro area

<table>
<thead>
<tr>
<th></th>
<th>Assets (80.9 trillion euro)</th>
<th>Liabilities (80.0 trillion euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depository corporations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(33.3 trillion euro)</td>
<td>Loans 18%</td>
<td>Debt securities 18%</td>
</tr>
<tr>
<td>Insurance and Pension funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(11.7 trillion euro)</td>
<td>Equity 2%</td>
<td>Debt securities 14%</td>
</tr>
<tr>
<td>Other financial institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(36.6 trillion euro)</td>
<td>Others 2%</td>
<td>Equity 3%</td>
</tr>
</tbody>
</table>

* "Other financial institutions" for Japan are the sum of "Securities investment trusts," "Other financial intermediaries," "Financial auxiliaries," and "Public captive financial institutions."

** "Others" is the residual which is the remaining after deducting "Currency and deposits," "Deposits with the Fiscal Loan Fund"(Japan only), "Loans/Borrowings," "Debt securities," "Investment trusts," "Equity," and "Insurance, pension, and standardized guarantees" from total financial assets/liabilities.

*** "Currency and deposits" held by "Depository corporations" for US includes "Vault cash" and "Reserves at Federal Reserve."
Chart 2. Financial assets held by households

* "Others" is the residual which is the remaining after deducting "Currency and deposits," "Debt securities," "Investment trusts," "Equity," and "Insurance, pension and standardized guarantees" from total financial assets.

Chart 3. Financial liabilities owed by private nonfinancial corporations

* "Others" is the residual which is the remaining after deducting "Borrowings," "Debt securities," and "Equity" from total financial liabilities.

** Figures for the Euro area consist of nonfinancial corporations, which include both public and private nonfinancial corporations.
Chart 4. Financial surplus and deficit of major sectors (as a percentage of nominal GDP)

**Japan**

(Financial surplus)
- Private nonfinancial corporations
- General government
- Households
- Rest of the world

(Financial deficit)

Fiscal year

**United States**

(Financial surplus)
- Private nonfinancial corporations
- General government
- Households
- Rest of the world

(Financial deficit)

Fiscal year

**Euro area**

(Financial surplus)
- Nonfinancial corporations
- General government
- Households
- Rest of the world

(Financial deficit)

Fiscal year

* See notes on the last page for the definition of each sector.
II. Overview: Japan and the United States
— Data are as of end-March 2021.

Chart 5. Financial assets held by investment trusts

<table>
<thead>
<tr>
<th>Japan</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency and deposits (2.9%)</td>
<td>Loans (4.1%)</td>
</tr>
<tr>
<td>Debt securities (12.8%)</td>
<td>Debt securities (32.0%)</td>
</tr>
<tr>
<td>Equity (29.7%)</td>
<td>Equity (61.1%)</td>
</tr>
<tr>
<td>Outward investment in securities (38.1%)</td>
<td>Others (1.7%)</td>
</tr>
</tbody>
</table>

Percentage ratio to the total financial assets

(279.5 trillion yen)

* "Others" is the residual which is the remaining after deducting "Currency and deposits," "Loans," "Debt securities," "Investment trusts," "Equity," and "Outward investment in securities"(Japan only) from total financial assets.
** Data for US include both outward and domestic investment in securities.

Chart 6. Financial assets held by pension funds

<table>
<thead>
<tr>
<th>Japan</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency and deposits (7.3%)</td>
<td>Loans (0.2%)</td>
</tr>
<tr>
<td>Debt securities (24.1%)</td>
<td>Debt securities (51.9%)</td>
</tr>
<tr>
<td>Investment trusts (9.5%)</td>
<td>Investment trusts (3.5%)</td>
</tr>
<tr>
<td>Others (9.5%)</td>
<td>Others (10.6%)</td>
</tr>
<tr>
<td>Equity (8.8%)</td>
<td>Equity (10.7%)</td>
</tr>
<tr>
<td>Outward investment in securities (28.5%)</td>
<td>Outward investment in securities (20.2%)</td>
</tr>
<tr>
<td>Claims of pension funds on pension managers (7.3%)</td>
<td>Claims of pension funds on pension managers (22.2%)</td>
</tr>
</tbody>
</table>

Percentage ratio to the total financial assets

(163.2 trillion yen)

(26.0 trillion dollars)

* "Others" is the residual which is the remaining after deducting "Currency and deposits," "Loans," "Debt securities," "Investment trusts," "Equity," "Outward investment in securities"(Japan only), and "Claims of pension funds on pension managers" from total financial assets.
** Data for US include both outward and domestic investment in securities.

Chart 7. Financial assets held by insurance

<table>
<thead>
<tr>
<th>Japan</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency and deposits (3.6%)</td>
<td>Loans (7.1%)</td>
</tr>
<tr>
<td>Debt securities (51.9%)</td>
<td>Debt securities (45.1%)</td>
</tr>
<tr>
<td>Investment trusts (3.5%)</td>
<td>Investment trusts (15.4%)</td>
</tr>
<tr>
<td>Others (7.7%)</td>
<td>Others (20.3%)</td>
</tr>
<tr>
<td>Equity (6.0%)</td>
<td>Equity (10.7%)</td>
</tr>
<tr>
<td>Outward investment in securities (20.2%)</td>
<td>Outward investment in securities (12.1%)</td>
</tr>
</tbody>
</table>

Percentage ratio to the total financial assets

(329.6 trillion yen)

(12.1 trillion dollars)

* "Others" is the residual which is the remaining after deducting "Currency and deposits," "Loans," "Debt securities," "Investment trusts," "Equity," and "Outward investment in securities"(Japan only) from total financial assets.
** Data for US include both outward and domestic investment in securities.
Notes to Charts 1 to 7

Data source
Bank of Japan, Flow of Funds Accounts, released on June 25, 2021
FRB, Financial Accounts of the United States, First Quarter 2021, released on June 10, 2021
https://www.federalreserve.gov/releases/z1/
ECB, Euro Area Accounts, released on July 28, 2021

Sectors and transaction items
Sectors and transaction items of the United States [hereafter "US"] and Euro area [hereafter "EA"] are reclassified according to the Japan's Flow of Funds Accounts (see below).

Sectors
Depository corporations
[US] U.S.-Chartered Depository Institutions, Foreign Banking Offices in U.S., Banks in U.S.-Affiliated Areas, Credit Unions
[EA] Monetary Financial Institutions other than Central Bank: Includes MMF
Insurance and pension funds (Sectors marked with an asterisk indicate pension funds)
[US] Life Insurance Companies, Property-Casualty Insurance Companies, Private Pension Funds*, State and Local Government Employee Retirement Funds*, Federal Government Employee Retirement Funds*
[EA] Insurance Corporations and Pension Funds
Other financial institutions (Sectors with an asterisk indicate investment trusts. Sectors with double asterisks indicate nonbanks)
[EA] Investment Funds (except MMFs), Other Financial Institutions
Private nonfinancial corporations
[US] Nonfinancial Corporate Business
[EA] Non-Financial Corporations: Includes both private and public nonfinancial corporations.
General government
Households
[US] Households and Nonprofit Organizations
[EA] Households and Non-Profit Institutions Serving Households
- In Japan's Flow of Funds Accounts, households excludes private nonprofit institutions serving households.

Transaction items
Currency and deposits
[US] U.S. Deposits in Foreign Countries, Checkable Deposits and Currency, Time and Savings Deposits
[EA] Currency and Deposits
Loans/Borrowings
[US] Net Interbank Transactions, Federal Funds and Security Repurchase Agreements, Loans
[EA] Loans
Debt securities
[US] Debt Securities
[EA] Short-Term Debt Securities, Long-Term Debt Securities
Investment trusts
[US] Money Market Fund Shares, Mutual Fund Shares, Total Shares Issued by Closed-End Funds and Exchange-Traded Funds(included in the liabilities side)
[EA] Investment Fund Shares (including MMF Shares)
Equity
[EA] Listed Shares, Unlisted Shares and Other Equity
Insurance, pension and standardized guarantees
[US] Life Insurance Reserves, Pension Entitlements(including Claims of Pension Fund on Sponsor)
[EA] Insurance and Pension Schemes
Claims of pension funds on pension managers
[US] Claims of Pension Fund on Sponsor
Financial surplus and deficit
[US] Net Lending (+) or Net Borrowing (-) (Financial Account)
[EA] Net Financial Transactions

Note
Some items with small amount outstanding are not explicitly shown on charts.