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 2020.

### Chart 1. Financial assets and liabilities of financial institutions

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>United States</th>
<th>Euro area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets (trillion yen)</strong></td>
<td><em>(3,605 trillion yen)</em></td>
<td><em>(101.6 trillion dollars)</em></td>
<td><em>(75.1 trillion euro)</em></td>
</tr>
<tr>
<td>Depository corporations</td>
<td><em>(2,024 trillion yen)</em></td>
<td><em>(21.9 trillion dollars)</em></td>
<td><em>(31.2 trillion euro)</em></td>
</tr>
<tr>
<td>Insurance and Pension funds</td>
<td><em>(663 trillion yen)</em></td>
<td><em>(34.2 trillion dollars)</em></td>
<td><em>(10.7 trillion euro)</em></td>
</tr>
<tr>
<td>Other financial institutions</td>
<td><em>(918 trillion yen)</em></td>
<td><em>(45.5 trillion dollars)</em></td>
<td><em>(33.2 trillion euro)</em></td>
</tr>
<tr>
<td><strong>Liabilities (trillion yen)</strong></td>
<td><em>(3,497 trillion yen)</em></td>
<td><em>(99.5 trillion dollars)</em></td>
<td><em>(74.1 trillion euro)</em></td>
</tr>
<tr>
<td>Depository corporations</td>
<td><em>(1,991 trillion yen)</em></td>
<td><em>(22.9 trillion dollars)</em></td>
<td><em>(30.5 trillion euro)</em></td>
</tr>
<tr>
<td>Insurance and Pension funds</td>
<td><em>(582 trillion yen)</em></td>
<td><em>(33.2 trillion dollars)</em></td>
<td><em>(10.8 trillion euro)</em></td>
</tr>
<tr>
<td>Other financial institutions</td>
<td><em>(924 trillion yen)</em></td>
<td><em>(43.4 trillion dollars)</em></td>
<td><em>(32.8 trillion euro)</em></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**

- **Japan**: Currency and deposits (54.2%), Debt securities (6.0%), Investment trusts (12.3%), Equity (9.6%), Insurance, pension and standardized guarantees (28.4%), Others (2.9%).
- **United States**: Currency and deposits (13.7%), Debt securities (2.0%), Investment trusts (8.7%), Others (3.0%).
- **Euro area**: Currency and deposits (34.9%), Debt securities (2.0%), Investment trusts (8.7%), Others (2.2%).

**Percentage ratio to the total financial assets**

* "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**

- **Japan**: Borrowings (25.8%), Debt securities (12.3%), Equity (50.1%), Others (19.4%).
- **United States**: Debt securities (12.3%), Borrowings (6.8%), Equity (48.0%), Others (32.9%).
- **Euro area**: Borrowings (30.3%), Debt securities (4.6%), Equity (52.4%), Others (13.4%).

**Percentage ratio to the total financial liabilities**

* "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.**

*** "Others" for US includes "Foreign direct investment in U.S." on a market value basis.**
Chart 4. Financial surplus and deficit of major sectors (as a percentage of nominal GDP)

### Japan

(*) See notes on the last page for the definition of each sector.

### United States

### Euro area

(*) 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 2020.

Chart 5. Financial assets held by investment trusts

* "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

* "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

* "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, 2020
FRB, Financial Accounts of the United States, First Quarter 2020, released on June 11, 2020
https://www.federalreserve.gov/releases/z1/
ECB, Euro Area Accounts, released on July 28, 2020

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
[US] Corporate Equities, Proprietors' Equity in Noncorporate Business, Investment by parent companies, etc.
[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 Borrowing (-) (Financial Account)
[EA] Net financial transactions

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