

1. DISTRIBUTION OF FINANCIAL INSTITUTIONS  
2. BALANCE OF DEPOSITS AND LOANS  
LIFE INSURANCE  
NON-LIFE INSURANCE

1. Distribution of Financial Institutions

The types of financial institutions existing in Japan include all banks; financial institutions for small- and medium-sized enterprises; agricultural, forestry and fisheries financial institutions; securities financial institutions; insurance firms; governmental financial institutions; post offices and Japanese branches of foreign banks.

The types of all banks can be categorized as follows: ordinary banks engaged in the short-term operation of capital with short-term deposits (77 banks as of March 1988); trust banks which function as a trustee in trust business (7 banks); and long-term credit banks which offer long-term loans by issuing bonds (3 banks). The ordinary banks are further categorized into city banks whose head offices are located in major or other cities and have a nationwide network of branch offices (13 banks), and regional banks, the business basis of which is limited to a regional sphere (64 banks). The category of financial institutions for small- and medium-sized enterprises includes, among others, mutual loan and saving banks (68 banks), credit associations (455 associations), credit cooperatives (439 cooperatives), labor credit associations (47 associations), and the Central Bank for Commercial and Industrial Cooperatives (1 bank). The mutual loan and saving banks have been permitted to function as ordinary banks since 1989.

The agricultural, forestry and fisheries financial institutions include, among others, the Central Bank for Agriculture and Forestry, agricultural cooperatives and fishing cooperatives. The category of governmental financial institutions includes such government-financed banks as the Bank of Japan, which issues currency as well as acting as the executive of financial policies; the Japan Development Bank, which is designated to supplement the financial activities conducted by general financial institutions in order to stimulate reconstruction of the economy and the development of industry; and the Export-Import Bank of Japan, which assists and supplements the trading financial activities conducted by general financial institutions. The same category also includes the People's Finance Corporation, Small- and Medium Enterprises' Finance Corporation, and the Housing Loan Corporation.

With advances in the internationalization of finance, the number of foreign banks which have branches or representative offices in Japan now numbers 143 banks from 31 nations, operating in Japan through 95 branches and 73 representative offices. Foreign banks are making inroads into the Japanese market, having established 72 branches and 71 representative offices in Tokyo, 15 branches and 1 office in Osaka and others in such cities as Kobe, Nagoya, Yokohama and Hukuoka.

Furthermore, mechanization of financial institutions has been implemented in order to cope with the increasing diversification and rapid growth of financial demands, as well as the liberalization and internationalization of the money market. Thus, on-line tie-up has been promoted among financial institutions regardless of business lines or operating regions. Many of the regional banks which have their business basis in provinces have opened branches or offices in Tokyo, reflecting the concentration of financial activities there. The foreign branches of Japanese financial institutions are spread through 76 cities in 44 nations, including 15 cities in the United States.

[Salient Points of the Legend and Map Compilation]

This map indicates the distribution of head offices of all banks, mutual loan and saving banks, credit associations, credit cooperatives, labor credit associations, and the Central Bank for Commercial and Industrial Cooperatives, selected from all the financial institutions in operation as of September 1, 1988.

2. Balance of Deposits and Loans

In regard to the balances of deposits and loans as of March 31, 1987, all banks had an outstanding balance of ¥262,500,000 million in their deposit accounts

(¥274,300,000 million in their loan accounts); mutual loan and saving banks, ¥41,500,000 million (¥31,900,000 million); credit associations ¥54,000,000 million (¥38,400,000 million); and credit cooperatives, ¥13,700,000 million (¥10,200,000 million). Among the agricultural, forestry and fisheries financial institutions, the Federation of Credit Agricultural Cooperatives Associations (Sin nō Ren), the Agricultural Cooperatives (Nōkyō), the Federation of Credit Fishing Cooperatives Associations (Sin Gyo Ren), and the Fishing Cooperatives (Gyo Kyō) together had an outstanding balance of ¥75,800,000 million (¥18,800,000 million). Postal savings had an outstanding balance of ¥110,400,000 million (¥600,000 million); the Central Bank for Commercial and Industrial Cooperatives, ¥2,200,000 million (¥8,800,000 million); and labor credit associations, ¥5,100,000 million (¥2,600,000 million). The proportion of these deposits and loans to the total capital operation in Japan was approximately 60%.

In regard to individual savings, the balance of deposits and savings with banks and post offices was ¥340,200,000 million, accounting for 64.5% of the total deposits and a savings balance of ¥527,400,000 million. Of course, bank deposits amounted to ¥109,700,000 million, whereas postal savings were worth ¥110,400,000 million.

[Salient Points of the Legend and Map Compilation]

This map shows the balance of deposits and loans outstanding as of March 31, 1987 with the accounts of such financial institutions as banks, mutual loan and saving banks, credit associations, credit cooperatives, and agricultural, forestry and fisheries institutions, postal savings, the Central Bank for Commercial and Industrial Cooperatives and labor credit associations; they are classified by the prefecture where the operating branches and offices of these financial institutions are located. The figures for banks are the amounts in the banking accounts of all banks. In the case of mutual loan and saving banks, figures for deposits include installments, whereas the figures for loans exclude loans to financial institutions but include benefits. The category of credit cooperatives excludes those which have currently suspended operations. The figures for the loans outstanding with credit associations exclude loans to financial institutions. The figures for agricultural, forestry and fisheries financial institutions are the sum total of the Federation of Credit Agricultural Cooperatives Associations (Sin Nō Ren), the Agricultural Cooperatives (Nōkyō), the Federation of Credit Fishing Cooperatives Associations (Sin Gyo Ren) and the Fishing Cooperatives (Gyo Kyō).

2. Life Insurance

The category of life insurance includes, among others, individual insurance dealt with by life insurance firms, individual pension insurance, group insurance, group pension insurance, insurance of asset-making deposits, pension insurance of asset-making deposits, and postal life insurance dealt with by the Ministry of Posts and Telecommunications. Implementation of new-type insurance products of various kinds for the above types of insurance is being carried out to meet the diversification of consumer requirements.

As of March 1988, 28 Japanese life insurance firms (including 4 foreign-affiliated firms) and 5 foreign life insurance firms that conducted business for the Japanese customers (business being conducted by their Japanese branches), were operating in Japan.

The postal life insurance contracts in effect as of March 1987, totaled 57,630,000, being worth ¥93,849,300 million, whereas the newly-contracted postal life insurance policies for the one-year period from April 1986 to March 1987 totaled 6,500 thousand being worth ¥13,702,400 million. In regard to the life insurance contracts dealt with by life insurance firms, the individual insurance contracts in effect numbered 92,520 thousand contracts worth ¥662,622,200 million, including new contracts worth ¥94,983,000 million. The group insurance contracts numbered 276,730 thousand worth ¥3,142,800 million, including new contracts worth ¥10,787,500 million. The insurance contracts in effect held by branches of foreign life insurance firms were worth ¥23,706,600 million.

[Salient Points of the Legend and Map Compilation]

This map shows the number of life insurance contracts in effect as of March 1987, held by the post office life insurance sector and Japanese life insurance firms (including foreign-affiliated firms), focusing on individual insurance contracts and group insurance contracts.

2. Non-Life Insurance

The types of non-life insurance include fire insurance, marine/transport insurance, damage/injury insurance, automobile insurance and automobile liability insurance.

Development of new-type insurance products of various kinds for the above types of insurance is currently underway in order to cope with changes in social and economic circumstances and to meet contractors' needs. Reserve-type long-term insurance products are on the increase, in particular non-life and fire insurance products.

As of March 1988, 23 Japanese non-life insurance firms as well as 37 foreign non-life insurance firms (including those conducting re-insurance business only) were operating in Japan.

In regard to the net insurance premiums on principal contractors dealt with by Japanese non-life insurance firms for the one-year period from April 1986 to March 1987, those of fire insurance were worth ¥1,320,200 million including reserve-type

insurance premiums of ¥672,400 million. On the other hand, the number of newly-contracted insurance policies, excluding monthly installment insurance and reserve-type insurance, numbered 10,610 thousand of which insurance premiums were worth ¥303,835,300 million. The net insurance premiums on principal contractors for automobile insurance were worth ¥1,689,000 million, the number of automobiles newly-contracted being 34,420 thousand (including contracts dealt with by foreign non-life insurance firms). In addition, the net insurance premiums on principal contractors for automobile liability insurance were worth ¥1,302,000 million, the number of new contracts numbering 26,450 thousand (including contracts dealt with by foreign non-life insurance firms). In regard to the net insurance premiums on principal contractors dealt with by foreign non-life insurance firms, those for fire insurance were worth ¥18,650 million; those for automobile insurance, ¥52,560 million; and those for automobile liability insurance, ¥9,240 million.

In regard to the diffusion of non-life insurance in 1986, the proportion of families effecting contracts for fire insurance was about 1/2, of which 1/2 effected contracts for fire insurance covering both buildings and household effects. The ratio of diffusion for automobile insurance was 62.2% for accident compensation security insurance against human beings; 60.4% for accident compensation security insurance against objects; 17.6% for accident compensation security insurance against vehicles; and 78.8% for motorcycle insurance (bicycles fitted with a motor).

Finally, the expenditure for non-life insurance premiums per family per month in 1986 was ¥4,512, amounting to 1.2% of the total disposable income.

[Salient Points of the Legend and Map Compilation]

This map shows the conditions of insurance contracts dealt with by non-life insurance firms, indicated by the net insurance premiums on principal contractors for the one-year period from April 1986 to March 1987, selecting fire insurance contracts, automobile insurance contracts, and automobile liability insurance contracts from the various kinds of non-life insurance contracts. They exclude insurance contracts dealt with by such organizations as the Fire Mutual Aid Association.

The premium rates for fire insurance contracts are calculated by the Non-Life Insurance Premium Rate Assessment Association. The figures for fire insurance contracts include, besides ordinary fire insurance contracts, all-round insurance contracts and annexed special contracts, but exclude various monthly installment insurance contracts and various reserve-type insurance contracts.

The insurance contracts dealt with by foreign insurance firms are included in the figures for automobile insurance contracts and automobile liability contracts, but excluded from the figures for fire insurance contracts.

The term "net insurance premiums on principal contractors" refers to the amount remaining after various refunds are deducted from the insurance premium revenue on principal contractors.

[Sources]

1. Data from the Federation of Bankers Association of Japan
2. Data from the Mutual Loan and Saving Association of Japan
3. Data from the Credit Union Associations of Japan
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5. Data from the Federation of Labor Credit Association of Japan
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11. Ministry of Posts and Telecommunications, *Annual Statistical Report on Postal Services*, 1986
12. Non-Life Insurance Premium Rate Assessment Association, *Fire Insurance Statistics*, 1986
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15. Data from Non-Life Insurance Association of Japan

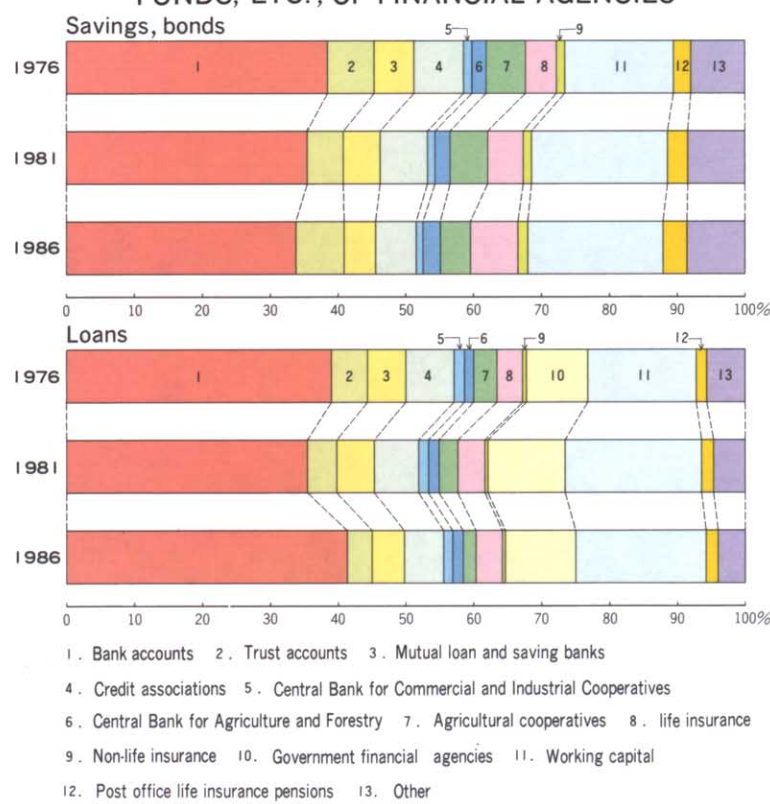
NUMBER OF OUTLETS OF MAJOR FINANCIAL AGENCIES (1987)

Financial agency	Number of outlets		
	Main offices	Branches	Sub-branches
City banks	13	2,880	350
Regional banks	64	6,285	594
Trust banks	7	360	4
Long-term trust banks	3	62	—
Mutual loan and saving banks	68	4,125	208
Credit associations	455	6,884	190
Credit cooperatives	443	2,383	70
Labor credit unions	47	554	34
Central Bank for Commercial and Industrial Cooperatives	1	87	8

Cash dispensing machines outside outlets are not included in sub-branches. Labor Credit Unions and the Central Bank for Commercial and Industrial Cooperatives refer to outlets other than main and branch offices.

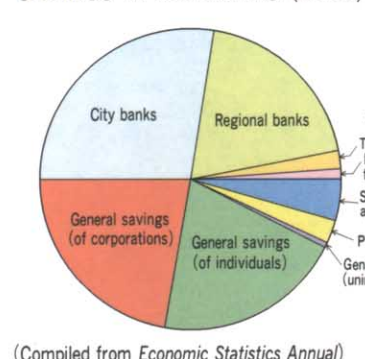
(Compiled from Economic Statistics Annual)

FUNDS, ETC., OF FINANCIAL AGENCIES



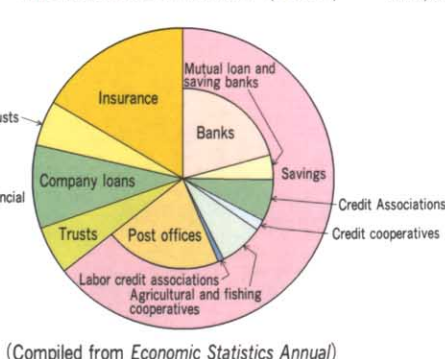
(Compiled from Economic Statistics Annual)

SAVINGS IN ALL BANKS (1986)



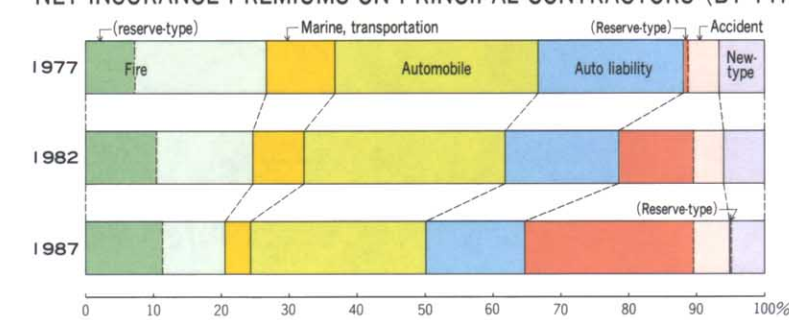
(Compiled from Economic Statistics Annual)

INDIVIDUAL SAVINGS (1986)



(Compiled from Economic Statistics Annual)

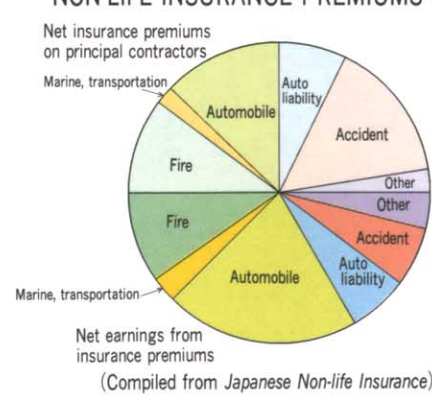
NET INSURANCE PREMIUMS ON PRINCIPAL CONTRACTORS (BY TYPE)



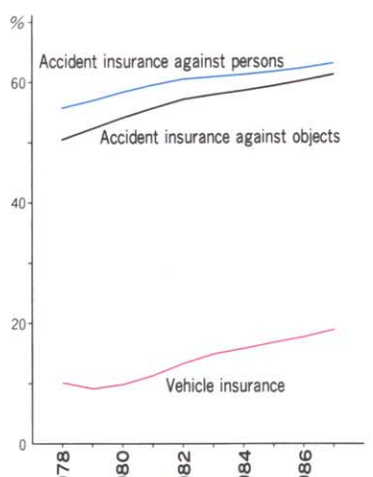
(Compiled from Japanese Non-life Insurance)

CHANGES IN THE DIFFUSION OF AUTOMOBILE INSURANCE (EXCLUDING POWER CYCLES)

NON-LIFE INSURANCE PREMIUMS (1987)

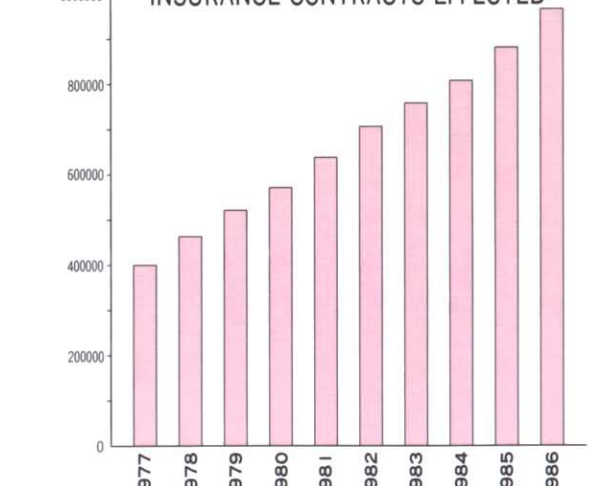


(Compiled from Japanese Non-life Insurance)



(Compiled from Japanese Non-life Insurance)

CHANGES IN THE VALUE OF LIFE INSURANCE CONTRACTS EFFECTED



(Compiled from Economic Statistics Annual)



