

## **Retroactive Revision to the Flow of Funds Accounts**

Once a year in principle, the Bank of Japan retroactively revises data for the Flow of Funds Accounts (FFA), to reflect information updates, such as newly obtained source data and institutional changes, and to incorporate revised estimation methods. The retroactive revision of 2019 was implemented on September 20, and due to this revision, data from the first quarter of 2005 onward has been updated. To download the retroactively revised data, please use the [BOJ Time-Series Data Search](#). The 2019 revision highlights and their effect on outstanding figures in the FFA are as follows (figures are for end-March 2018).\*

- Charts at the end of this document present figures before and after the retroactive revision for the following outstanding amounts, which are assumed to be of great interest to users in general: financial assets in the sector "Households," and financial assets and liabilities in the sector "Private nonfinancial corporations."

### **(1) Mutual aid insurance**

#### **(a) Revision**

Figures for the sector "Mutual aid insurance" are compiled using financial statements, etc. of each institution as source data. In calculating the market value of the outstanding investment assets, the Bank previously made estimations mainly by multiplying the book value of outstanding amounts from financial statements by the market-to-book ratio of the market as a whole.

After the revision, the Bank uses market value figures directly for the applicable items disclosed in each institution's annual report.

#### **(b) Effects**

Due to the above revision, on the asset side, figures for the transaction items "Central government securities and FILP bonds" and "Listed shares" have been revised upward.

---

\* This document is an updated version of the "[Planned Retroactive Revision to the Flow of Funds Accounts](#)" released on August 13, 2019. The majority of the content is unchanged from the August version.

**Major changes in amounts outstanding: "Mutual aid insurance" (end-March 2018 figures)**

Transaction item	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Central government securities and FILP bonds	Assets	41.3 tril. yen	46.8 tril. yen	+5.5 tril. yen
Listed shares	Assets	1.1 tril. yen	1.5 tril. yen	+0.4 tril. yen

**(2) External securities issued by residents****(a) Revision**

As for the transaction item "External securities issued by residents," the total issuance amount was obtained from debt securities statistics compiled by the Bank for International Settlements (BIS). The issuance amounts by sector were recorded by (1) obtaining the amounts issued by financial institutions, etc. from information on issued bonds of individual entities (e.g., data compiled by the I-N Information Systems) and financial statements, etc., and then (2) estimating the amount issued by the sector "Private nonfinancial corporations" as residual, by subtracting the amounts issued by other sectors from the total issuance amount.

With the revision, in estimating the amounts issued by financial institutions, etc., the Bank of Japan has enhanced data accumulation by expanding source data from financial statements, etc. Moreover, the Bank has changed the method for estimating the amount issued by "Private nonfinancial corporations" to one using the BIS debt securities statistics (accordingly, the total issuance amount is calculated by accumulating the amount of liabilities for each sector).

**(b) Effects**

Due to the above revision, on the liability side, figures for sectors such as "Government financial institutions," "Securities companies," and "Financial holding companies" have been revised upward, while figures for the sector "Private nonfinancial corporations" have been revised downward. On the asset side, figures for the sectors "Domestically licensed banks," "Financial institutions for agriculture, forestry, and fisheries," and "Financial institutions for small businesses" have been revised downward, reflecting the downward revision in the total issuance amount of "External securities issued by residents."

**Major changes in amounts outstanding: "External securities issued by residents"  
(end-March 2018 figures)**

Sector	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Government financial institutions	Liabilities	5.3 tril. yen	5.9 tril. yen	+0.7 tril. yen
Securities companies	Liabilities	0.0 tril. yen	2.2 tril. yen	+2.2 tril. yen
Financial holding companies	Liabilities	7.9 tril. yen	9.4 tril. yen	+1.5 tril. yen
Private nonfinancial corporations	Liabilities	18.1 tril. yen	9.5 tril. yen	-8.6 tril. yen
Domestically licensed banks	Assets	3.8 tril. yen	2.8 tril. yen	-1.0 tril. yen
Financial institutions for agriculture, forestry, and fisheries	Assets	3.1 tril. yen	2.3 tril. yen	-0.8 tril. yen
Financial institutions for small businesses	Assets	2.2 tril. yen	1.6 tril. yen	-0.6 tril. yen

**(3) Other equity**

**(a) Revision**

As for the transaction item "Other equity" (holdings in corporations other than joint-stock corporations and in special corporations, etc.), the amounts issued by the sectors "Government financial institutions" and "Public nonfinancial corporations" are calculated by adding up figures obtained from each entity's financial statements, etc.

With the revision, the Bank has applied a refined method in using each entity's financial statements, etc. when obtaining the amount issued by "Government financial institutions" and held by "Central government" and the amount issued by "Public nonfinancial corporations" and held by "Local governments." This new method is in reference to a supporting table "Closing Stocks of Financial Assets and Liabilities" in the *Annual Report on National Accounts* compiled by the Cabinet Office.

**(b) Effects**

Due to the above revision, on the asset side, figures for the sectors "Central government" and "Local governments" have been revised upward. On the liability side, figures for the sectors "Government financial institutions" and "Public nonfinancial corporations" have been revised upward.

**Major changes in amounts outstanding: "Other equity" (end-March 2018 figures)**

Sector	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Central government	Assets	29.5 tril. yen	44.4 tril. yen	+14.9 tril. yen
Local governments	Assets	26.7 tril. yen	44.1 tril. yen	+17.4 tril. yen
Government financial institutions	Liabilities	9.4 tril. yen	23.9 tril. yen	+14.5 tril. yen
Public nonfinancial corporations	Liabilities	25.5 tril. yen	42.8 tril. yen	+17.3 tril. yen

**(4) Public pensions****(a) Revision**

In the sector "Public pensions," investment assets held by the following institutions are estimated by adding up figures from financial statements of each institution: the Mutual Aid Associations of Local Government Employees, etc.; the Federation of National Public Service Personnel Mutual Aid Associations; and the Promotion and Mutual Aid Corporation for Private Schools of Japan. As for the investment assets entrusted by these institutions to life insurance companies or trust accounts, the Bank estimates the amounts subject to data consolidation. Previously, the breakdown of the entrusted assets was estimated mainly by multiplying the assets by the composition ratio that are assumed to be the same as the overall asset-mix of the life insurance companies and of noncollectively managed trusts in the trust accounts (the trusts are all assumed as designated noncollectively invested money trusts).

After the revision, since detailed data on each institution's investment status (e.g., complete lists of securities holdings) have become available, the Bank uses these detailed data directly in estimating the breakdown of investment assets.

**(b) Effects**

Due to the above revision, on the asset side, figures for transaction items such as the following have been revised downward: "Loans by the nonfinancial sector"; "Central government securities and FILP bonds"; "Local government securities"; and "Industrial securities." On the other hand, figures for the transaction items "Listed shares" and "Outward investment in securities" have been revised upward.

**Major changes in amounts outstanding: "Public pensions" (end-March 2018 figures)**

Transaction item	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Loans by the nonfinancial sector	Assets	2.6 tril. yen	0.3 tril. yen	-2.3 tril. yen
Central government securities and FILP bonds	Assets	46.4 tril. yen	44.2 tril. yen	-2.2 tril. yen
Local government securities	Assets	6.8 tril. yen	5.7 tril. yen	-1.2 tril. yen
Industrial securities	Assets	5.9 tril. yen	4.5 tril. yen	-1.4 tril. yen
Listed shares	Assets	51.5 tril. yen	53.1 tril. yen	+1.7 tril. yen
Outward investment in securities	Assets	71.0 tril. yen	81.3 tril. yen	+10.4 tril. yen

**(5) Other highlights in the retroactive revision**

Other than the above revisions in estimation methods, the Bank has also reflected newly obtained source data as part of this revision. Below are the revisions that have had a relatively large effect on figures.

**("Unlisted shares" issued by "Private nonfinancial corporations")**

In estimating the amount outstanding for the transaction item "Unlisted shares" (liabilities) issued by the sector "Private nonfinancial corporations," the Bank utilizes data such as those in market value from the *Annual Report on National Accounts*. With the revision, newly obtained source data have been reflected in the estimation, and as a result, historical figures have been retroactively revised.

**("Loans by public financial institutions")**

As for the transaction item "Loans by public financial institutions," the Bank has expanded part of the borrower information of financial institutions by utilizing financial statements, and as a result, the historical figures have been retroactively revised. In addition, the Bank has made a partial revision to the data series for the breakdown of "Loans by public financial institutions," which is released as reference data in the FFA.

**("Pension entitlements" in "Defined benefit schemes" and "Corporate pensions")**

The Bank has newly obtained data regarding firms' retirement benefits accounting for fiscal 2018, and incorporated them into the data for the transaction item "Pension entitlements" in

the sector "Defined benefit schemes," which is under the sector "Corporate pensions." As a result, stock, flow, and reconciliation figures from the second quarter of 2018 onward have been revised for "Pension entitlements" (liabilities) in the above sectors as well as for "Pension entitlements" (assets) in the sector "Households."

**("Industrial securities")**

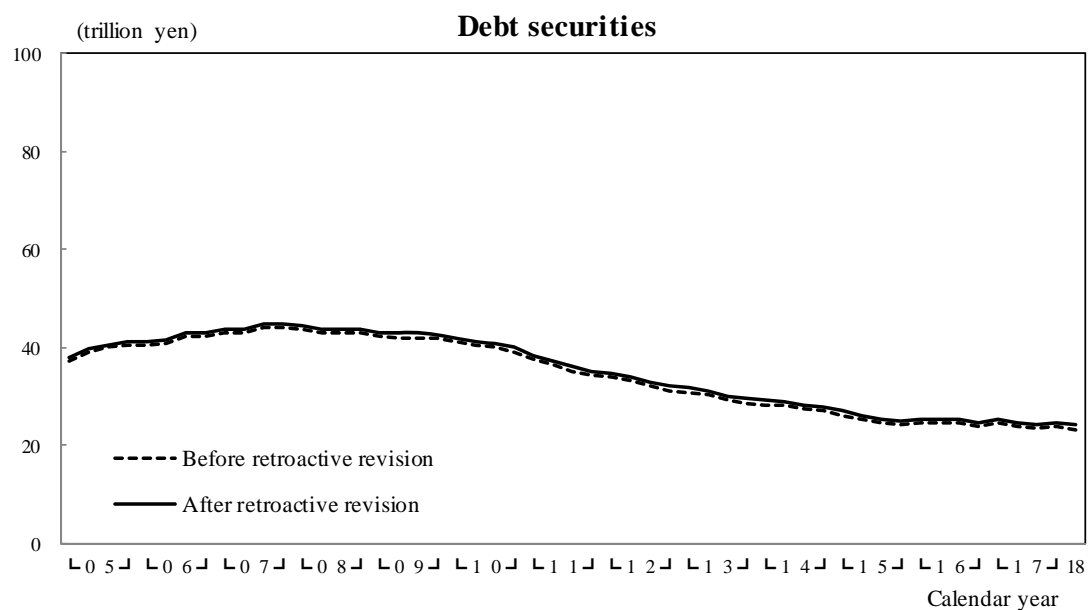
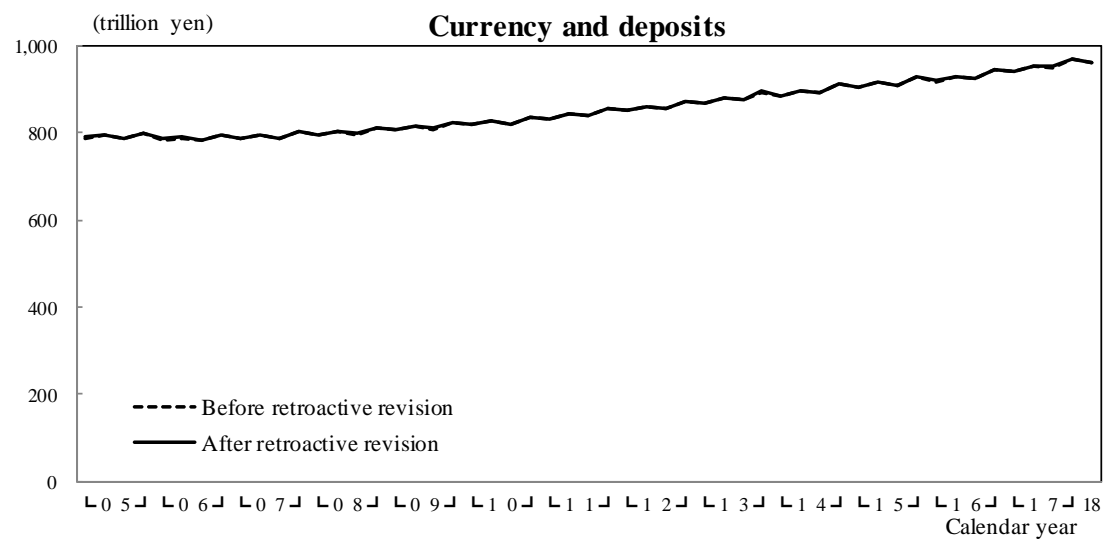
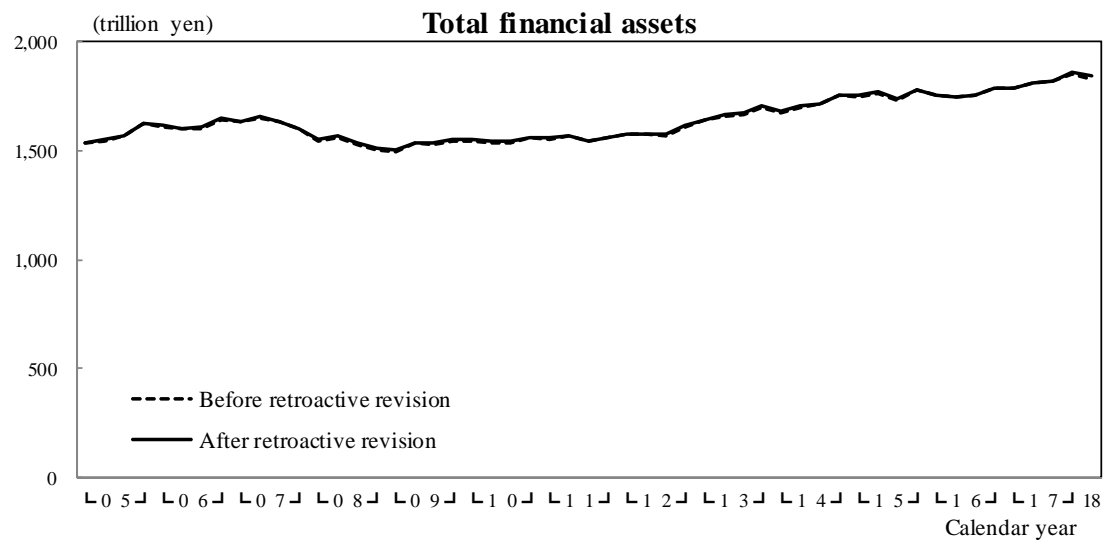
The Bank has changed part of the source data for recording the total issuance amount of the transaction item "Industrial securities" from the first quarter of 2012 onward. Specifically, the source data for recording the amount of publicly placed straight bonds issued domestically by corporations has been changed from the *Issuing, Redemption and Outstanding Amounts of Bonds* compiled by the Japan Securities Dealers Association to the *Issuance, Redemption and Outstanding Balance by Bonds' Category* released by the Japan Securities Depository Center, Inc.

Inquiries:

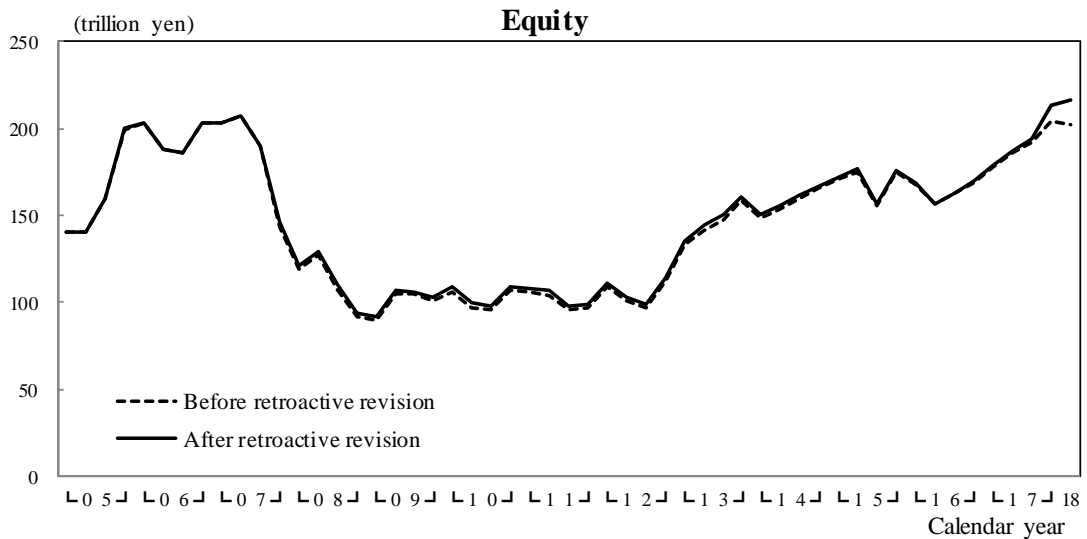
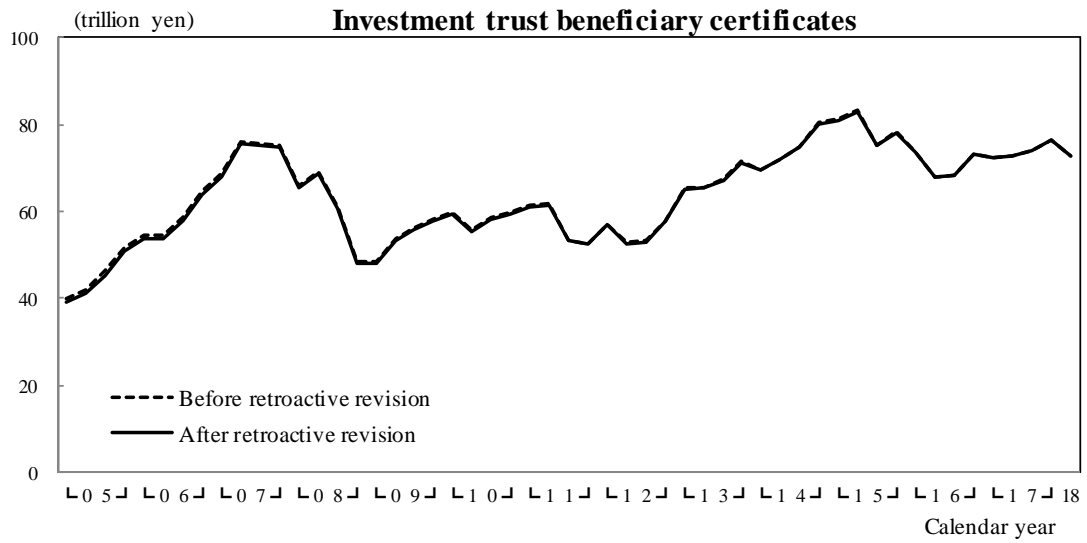
Financial Statistics Group, Economic Statistics Division, Research and Statistics Department

E-mail: [post.rsd5@boj.or.jp](mailto:post.rsd5@boj.or.jp)

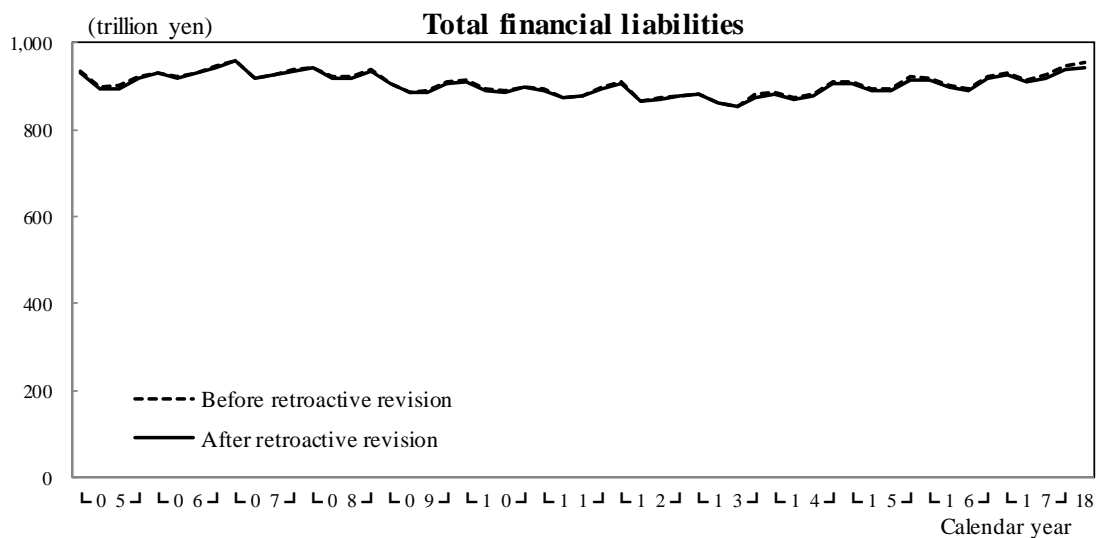
**(1) Households (outstanding financial assets)**



**(1) Households (outstanding financial assets) (continued)**

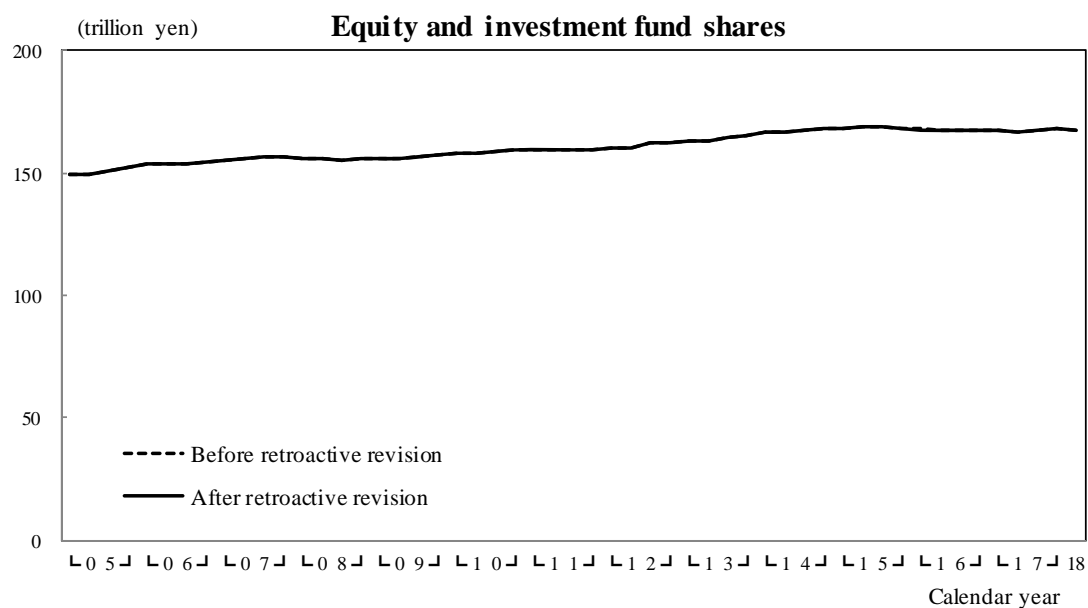
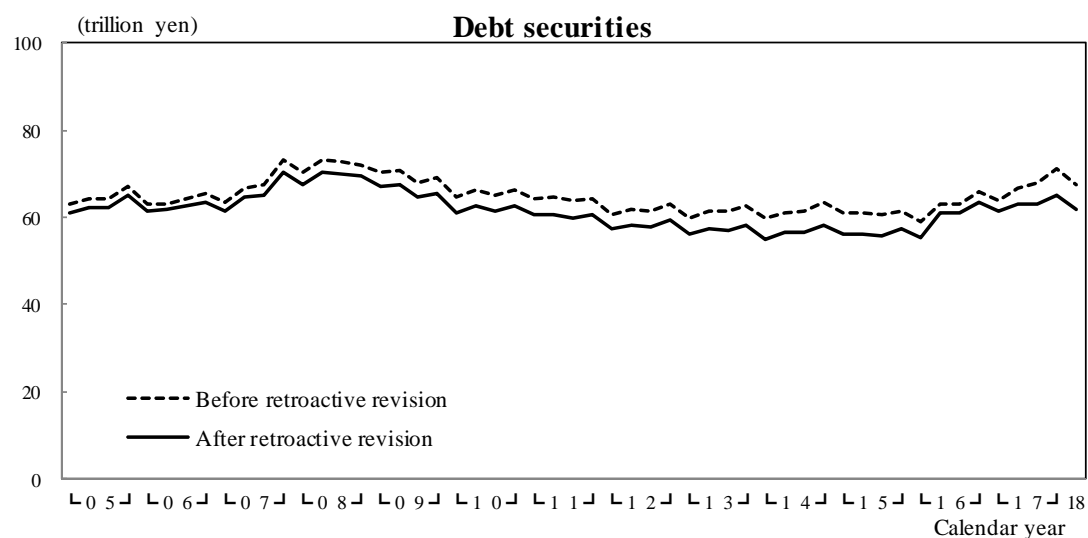
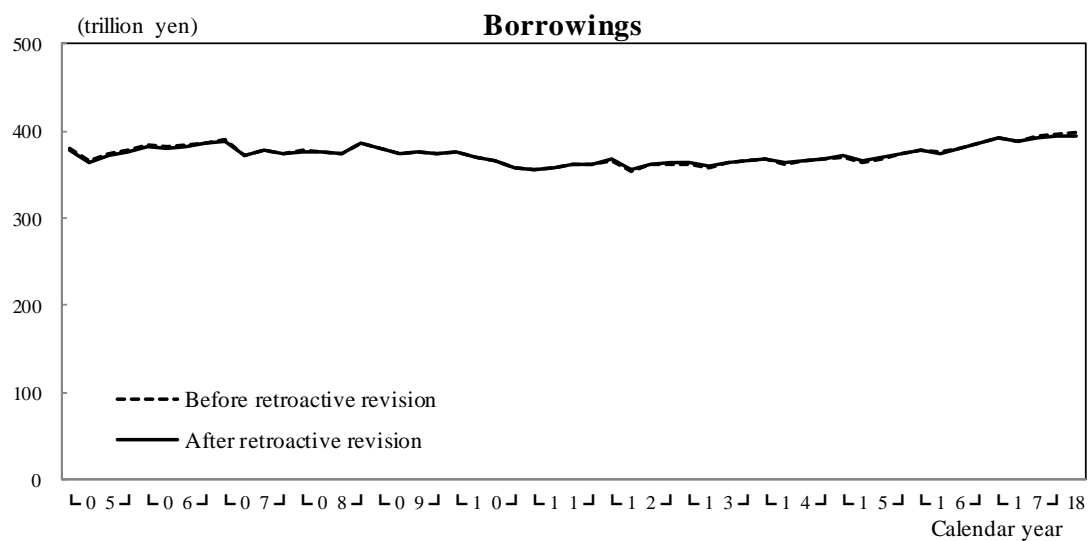


**(2) Private nonfinancial corporations (outstanding financial liabilities, book value/face value basis)**

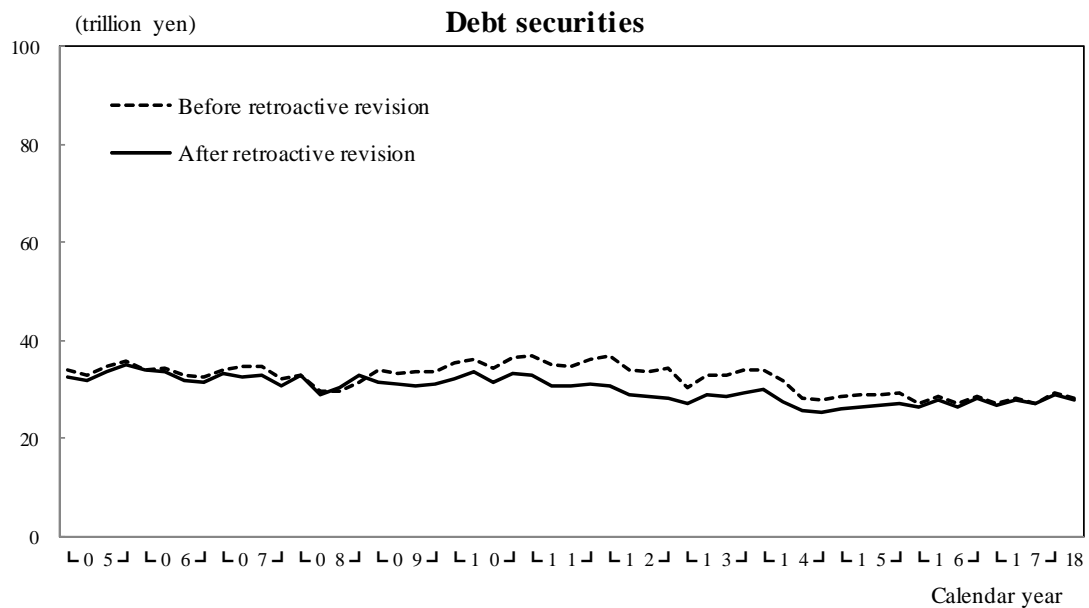
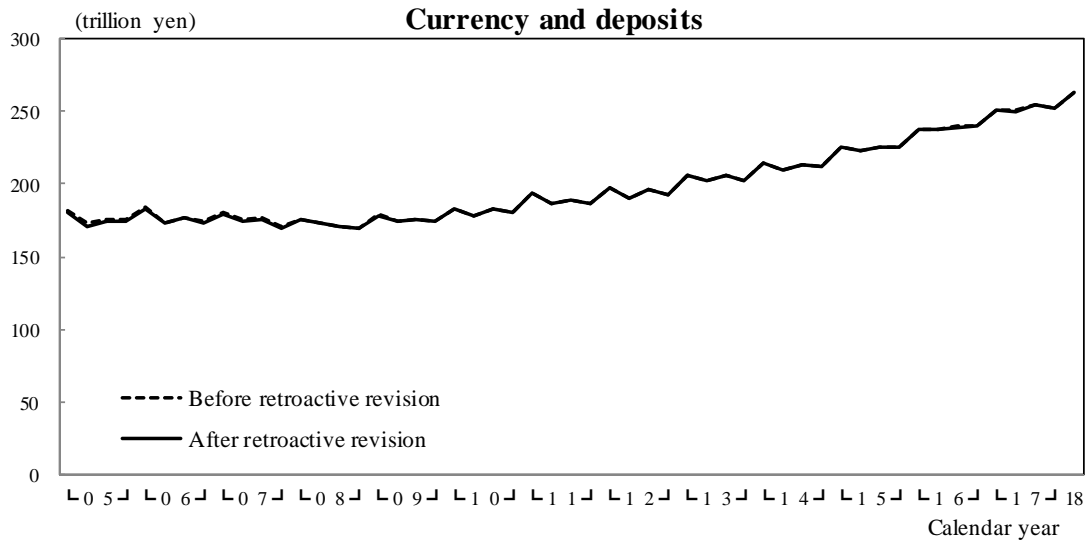
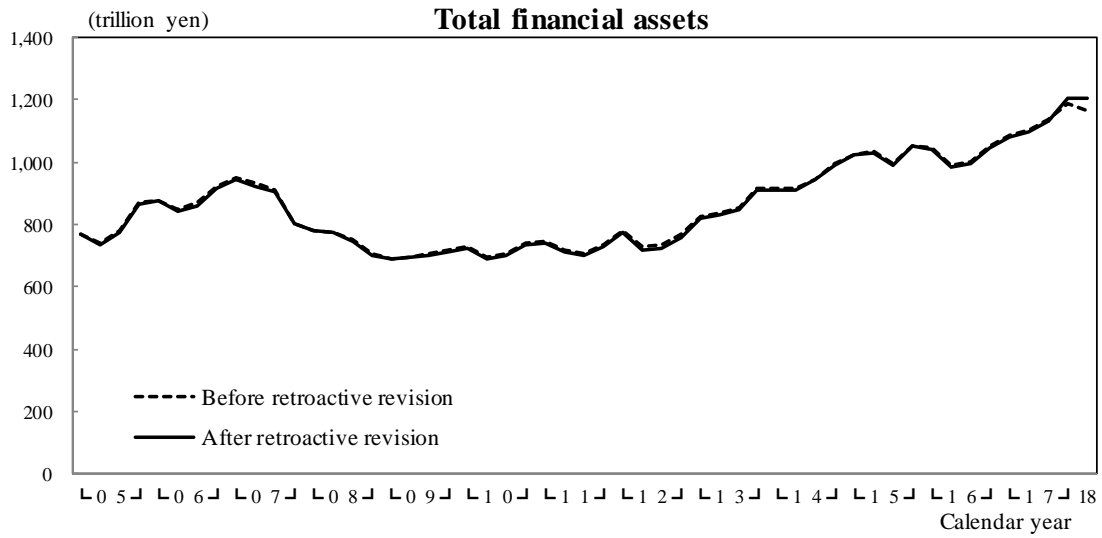




**(2) Private nonfinancial corporations (outstanding financial liabilities, book value/face value basis) (continued)**



### (3) Private nonfinancial corporations (outstanding financial assets)



**(3) Private nonfinancial corporations (outstanding financial assets) (continued)**

