

Retroactive Revision to the Flow of Funds Accounts

The Bank of Japan retroactively revises data for the Flow of Funds Accounts (FFA), in principle once a year, to reflect information updates, such as newly obtained source data and institutional changes, and to incorporate revised estimation methods. The retroactive revision of 2020 was implemented on September 18 and data from the first quarter of 2005 onward has been updated accordingly. To download the retroactively revised data, please use the [BOJ Time-Series Data Search](#). Key points of the revision as well as their effect on outstanding figures in the FFA are as follows (figures are for end-March 2019).*

- 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 greatest interest to users in general: financial assets of "Households," and financial assets and liabilities of "Private nonfinancial corporations."

(1) "Outward investment in securities" held by "Households"

(a) Revision

In estimating the amount outstanding of "Outward investment in securities" held by "Households," the Bank used data for the following portfolio investment amounts (of Japan's external assets) recorded in the *Balance of Payments Statistics* and the *International Investment Position of Japan*: the amount invested by trust accounts in the holdings of "Other financial corporations," and the majority of investment amounts held by "Others." Specifically, in the FFA, these amounts have been regarded as investment amounts by "Private nonfinancial corporations" and "Households," and allocated to one of the two sectors according to the ratio between them in each type of domestic portfolio investments ("Debt securities," "Equity," and "Investment trust beneficiary certificates"). The sum of the allocated amounts and outstanding securities obtained from the National Tax Agency's data on foreign asset statements has been the amount outstanding of "Outward investment in securities" held by "Households."

After the revision, instead of allocating amounts as above, the Bank accumulates data utilizing,

* This document is an updated version of the "[Planned Retroactive Revision to the Flow of Funds Accounts](#)" released on July 29, 2020. The majority of the content is unchanged from the July version.

for example, information on assets in custody held by major securities companies for households, on foreign debt securities, foreign equities, and foreign investment trusts. Accordingly, the amount outstanding of "Outward investment in securities" held by "Households" has become the sum of the amount estimated using this new method and outstanding securities obtained from the National Tax Agency's data on foreign asset statements.

(b) Effect

The effect of the above revision on the figure for "Outward investment in securities" held by "Households" for end-March 2019 is marginal.

Change in amount outstanding: "Outward investment in securities" held by "Households" (end-March 2019)

Sector; Transaction item	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Households; Outward investment in securities	Assets	20.2 tril. yen	21.3 tril. yen	+1.1 tril. yen

(2) "Consumer credit" of "Finance companies"

(a) Revision

Regarding "Consumer credit" (consumer finance and sales credit to consumers) of "Finance companies," the Bank has estimated outstanding credit of money lending companies by (1) classifying money lending companies into four business types,¹ and (2) for each type, expanding consumer credit outstanding of major companies by applying the ratio of total operating loans outstanding, which are obtained from statistics covering all companies in the type, to aggregate operating loans outstanding of major companies, which are obtained from their financial statements.

After the revision, the Bank changes this estimation method to one which accumulates data by consumer finance and sales credit to consumers, while adding the following as source data: statistics on sales credit business, and financial statements of major companies engaged in consumer credit.

(b) Effect

Due to the above revision, figures for "Consumer credit" on the asset side of "Finance companies" and on the liability side of "Households" have been revised upward.

¹ The four business types are (1) money lending companies for consumers; (2) money lending companies for businesses; (3) credit card companies, sales credit companies, money lending companies affiliated to retailers, and money lending companies affiliated to manufacturers; and (4) leasing companies.

Change in amount outstanding: "Consumer credit" (end-March 2019)

Sector	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Finance companies	Assets	9.0 tril. yen	19.6 tril. yen	+10.5 tril. yen
Households*	Liabilities	32.2 tril. yen	42.5 tril. yen	+10.3 tril. yen

*The change in the amount outstanding of "Households" includes the effects of revisions other than the revision to "Finance companies."

(3) Other key points of the retroactive revision

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

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

In estimating the amount outstanding of "Unlisted shares" issued by "Private nonfinancial corporations," the Bank utilizes data such as those on market value from the *Annual Report on National Accounts*. With the revision, historical figures have been retroactively revised to reflect the newly obtained source data.

(Reflecting the retroactive revision of the Balance of Payments related statistics)

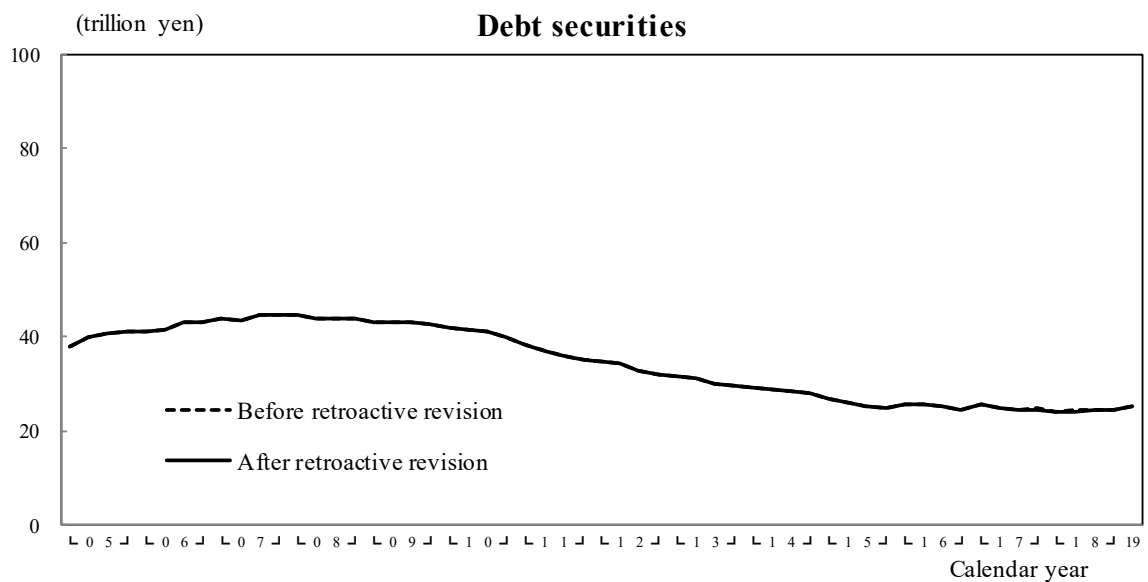
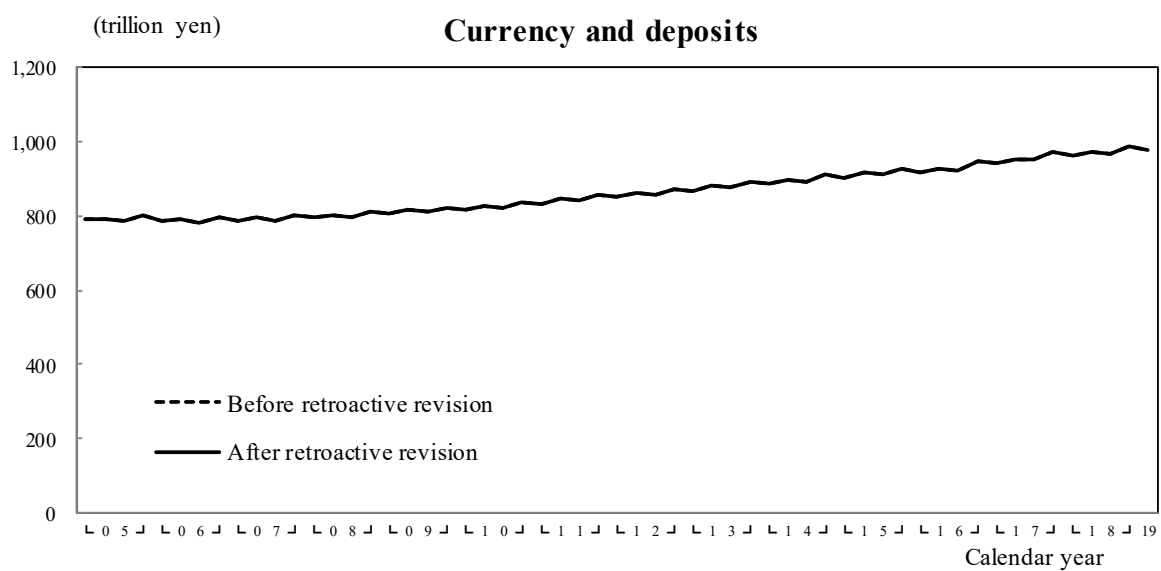
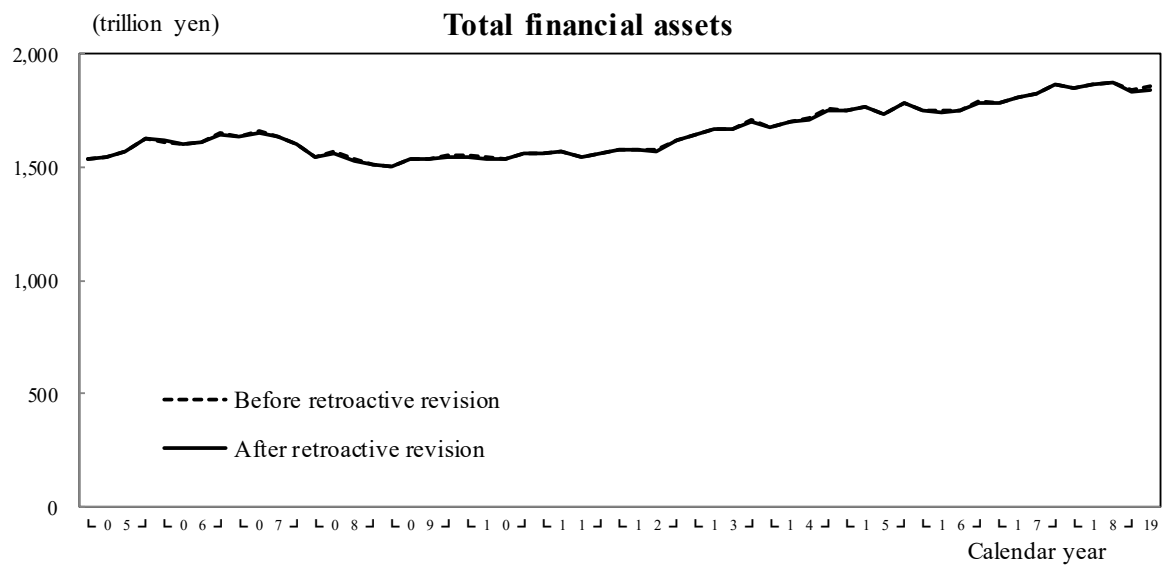
As a result of incorporating the retroactively revised data from the Balance of Payments related statistics, figures for some transaction items of the sector "Overseas" have been revised from 2017 onward.

Inquiries:

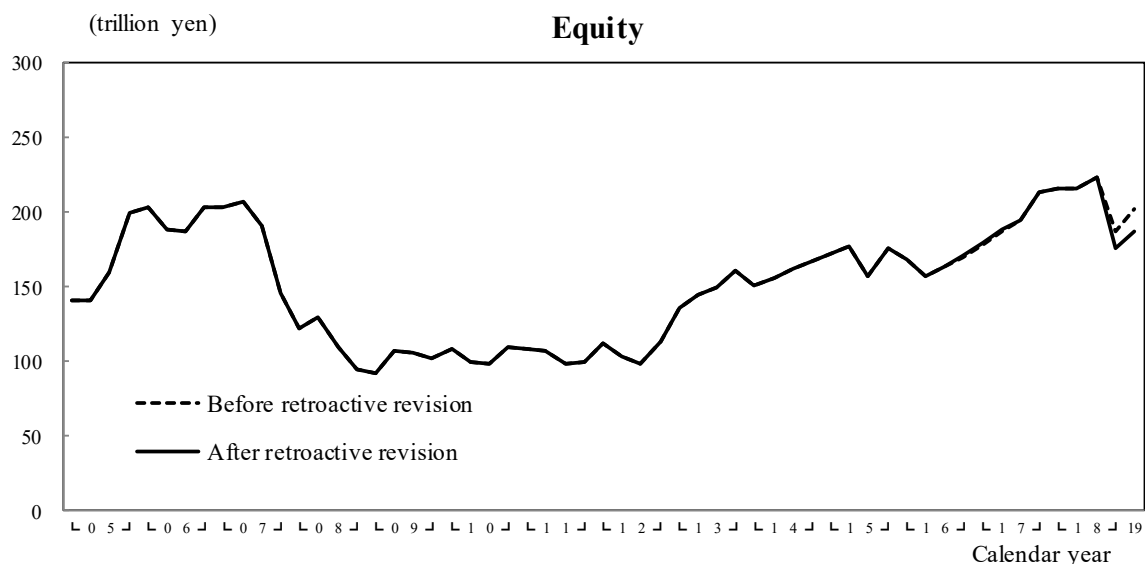
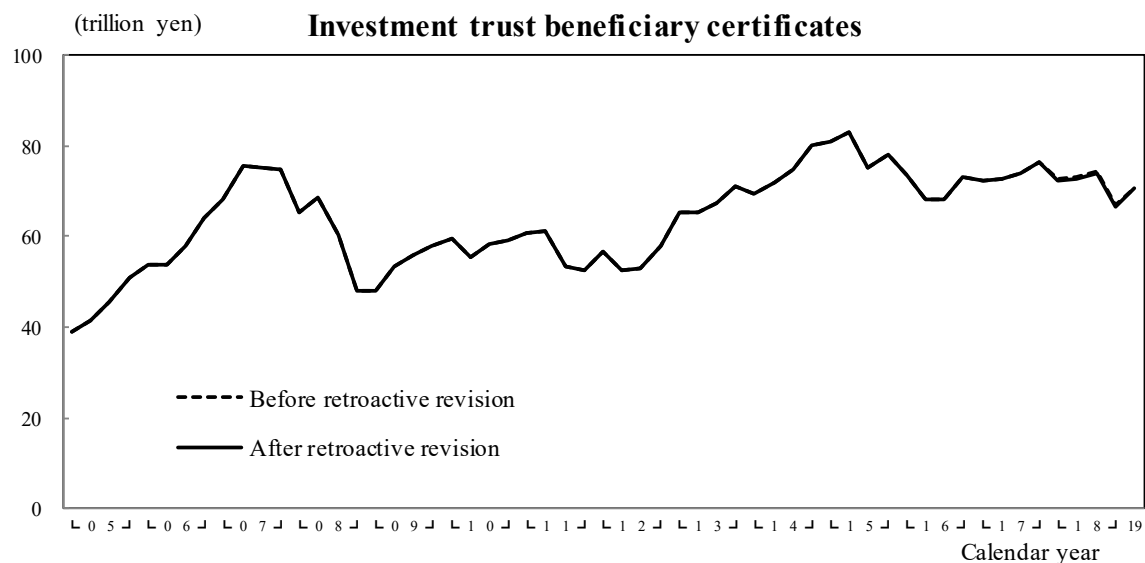
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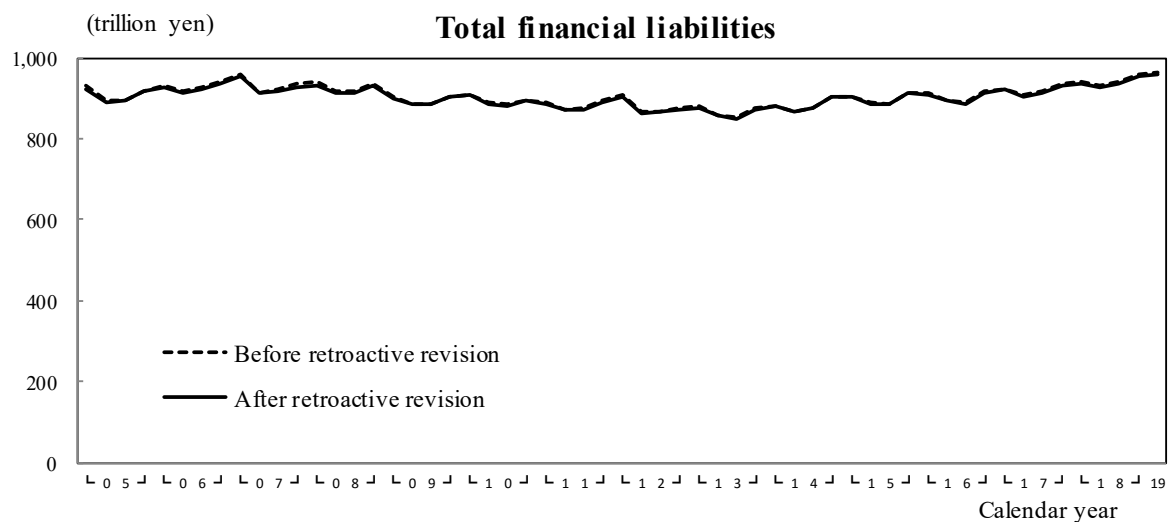
(1) Households (outstanding financial assets)



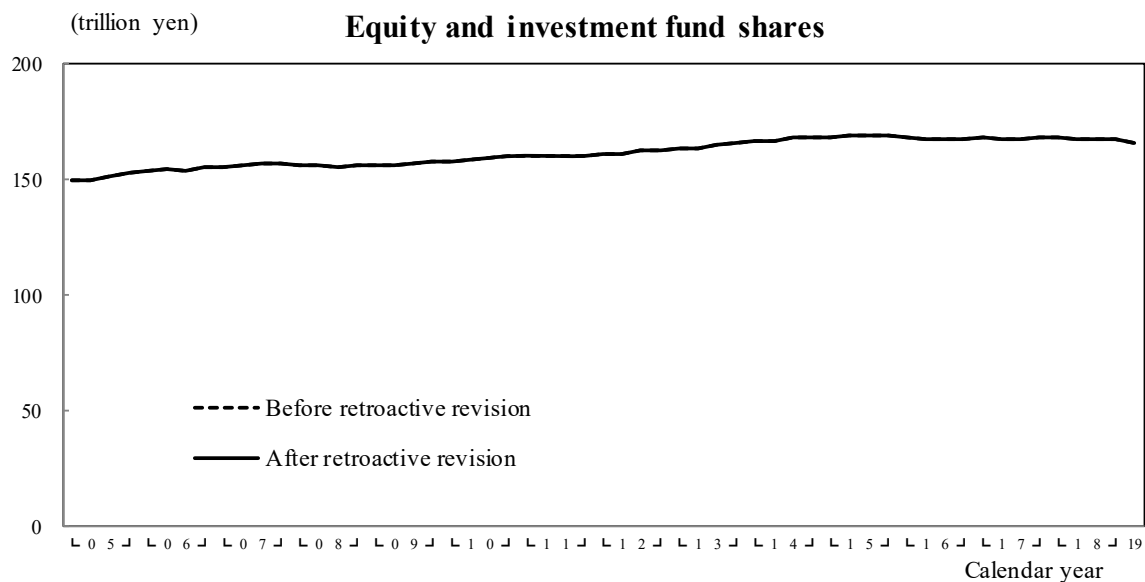
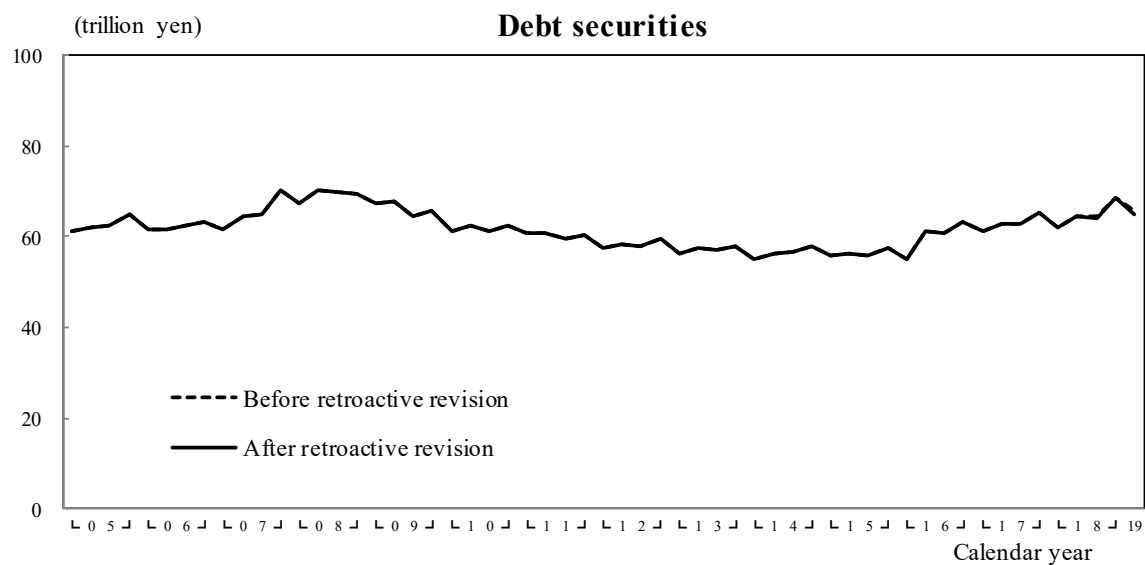
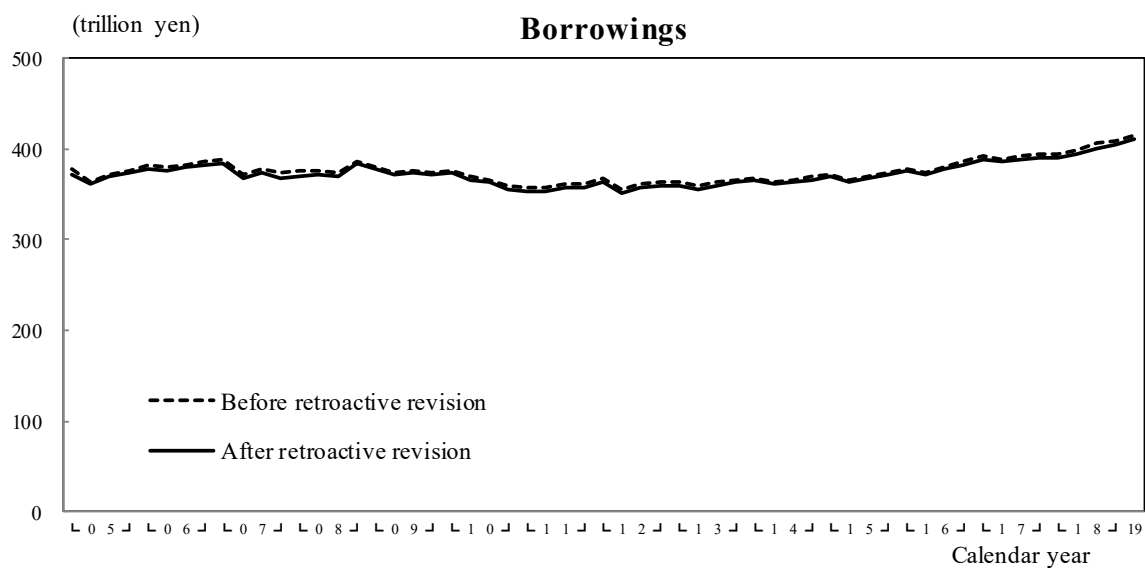
(1) Households (outstanding financial assets) (continued)



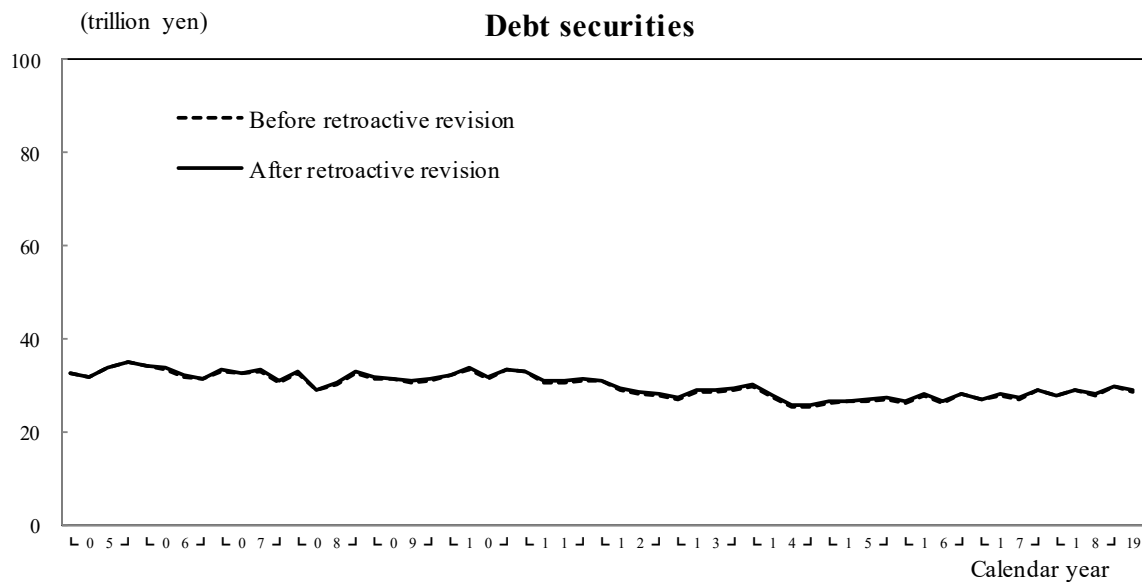
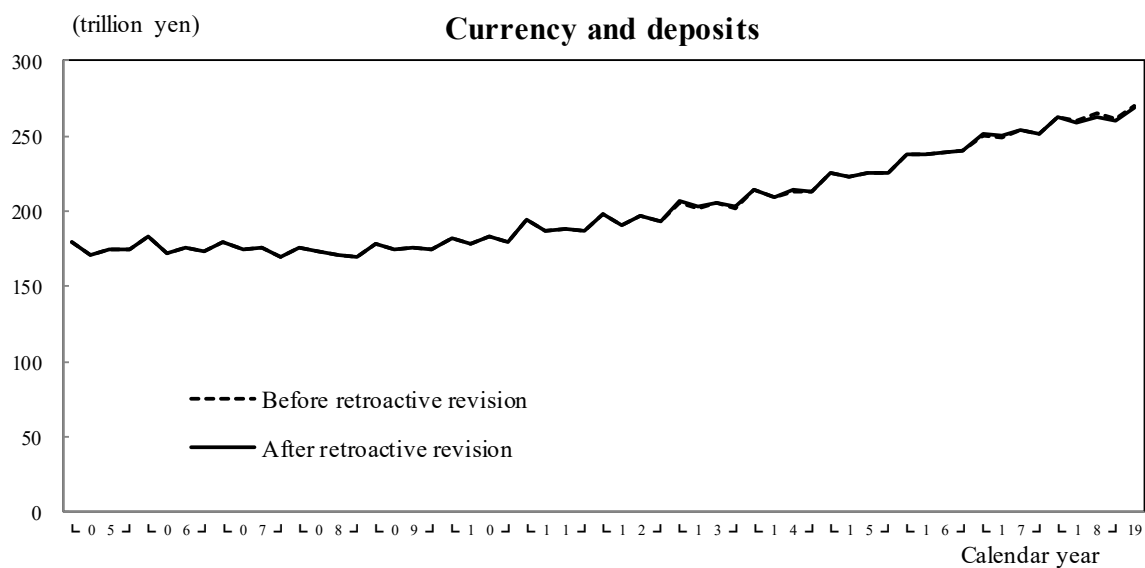
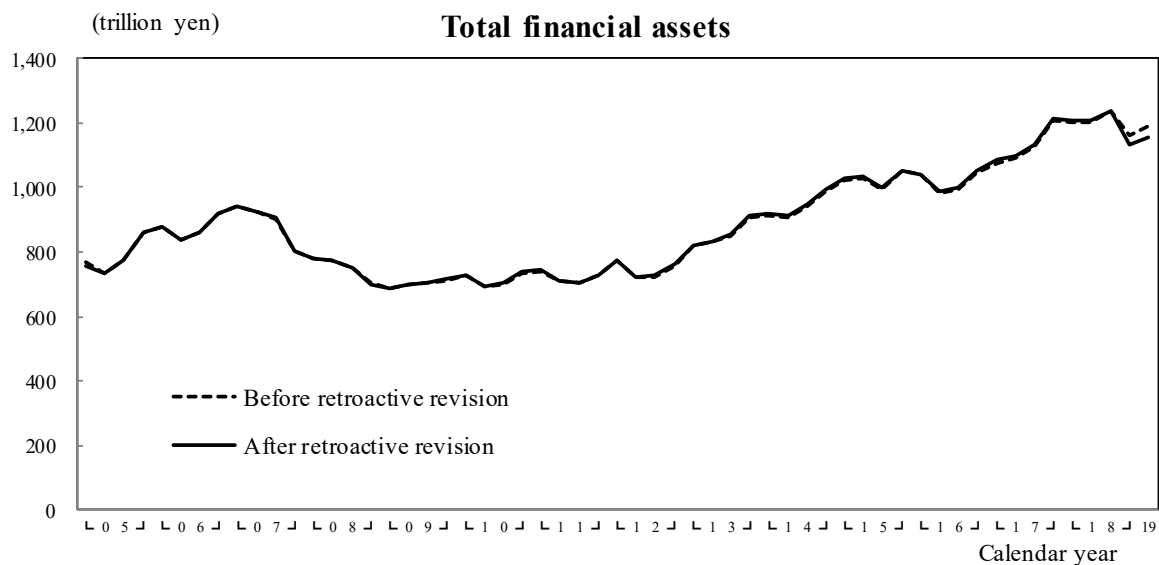
(2) Private nonfinancial corporations (outstanding financial liabilities, book value/face value basis)



(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)

