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Bank of Japan
Financial System and Bank Examination Department

Statistical Treatment of Source Data for Average Contract Interest Rates on Loans and Discounts

The source data for Average Contract Interest Rates on Loans and Discounts include interest rate data that reflect the conduct of government loan programs. As one example, there are data for effectively interest-free and unsecured loans under the local governments' loan programs, which started in May 2020, as part of the national government's Emergency Economic Measures for Response to COVID-19.

Reported interest rate data relevant to government loan programs comprise the data reflecting interest subsidies that financial institutions obtain from local governments and the data that do not reflect such interest subsidies, as these data are reported depending on each financial institution's accounting treatment.

Users of the statistics on Average Contract Interest Rates on Loans and Discounts are advised to consider these caveats.

The Bank of Japan and the Financial Services Agency are working with the financial industry associations and financial institutions concerned so that the reported interest rate data to be used as the source data for Average Contract Interest Rates on Loans and Discounts will reflect interest subsidies obtained from local governments. Accordingly, data in principle for May 2020 onward will be retroactively revised.

The Bank will announce when the data are retroactively revised and when the format of the source data obtained from financial institutions is standardized.

Inquiries:

Banking Statistics Group, Financial Data Division, Financial System and Bank Examination Department

E-mail: post.bsd6@boj.or.jp