

Planned 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 2026 is scheduled to be implemented in June and data from the first quarter of 2005 onward will be updated accordingly. This document outlines the key points of the revision currently planned, as well as their effect on outstanding and other figures in the FFA (tentative figures for end-March 2025).

- Charts at the end of this document present figures before and after the retroactive revision for the following amounts outstanding: financial assets of "households," and financial assets and liabilities of "private nonfinancial corporations." At present, this revision is not expected to significantly change the trends in the amounts outstanding of each sector.
- Figures and charts in this document are tentative, and subject to additional revisions as a result of, for example, newly obtained source data in the period ahead. The revised data are scheduled to be released on June 25 and will be available on the "BOJ Time-Series Data Search."

(1) Securities of "securities companies"

(a) Revision

For securities held by "securities companies," total amount outstanding is obtained from Japan Securities Dealers Association data. However, since these data do not include a breakdown by sub-item, the amount outstanding for each sub-item is calculated by applying a separately estimated distribution ratio to the total amount. In the planned revision, estimates for security-associated items held by "securities companies" will be refined by directly capturing the amount outstanding for each sub-item using additional source data.

(b) Effect

Due to the above revision, the amounts outstanding of "central government securities and FILP bonds" and "outward investments in securities" on the asset side of "securities companies" will be revised downward, whereas, the figures for "time and savings deposits," "treasury discount bills" and "listed shares" will be revised upward. Correspondingly, the figures for "central government securities and FILP bonds" (assets) of "domestically licensed banks" and "outward investments in securities" (assets) of "private nonfinancial corporations" will be revised upward, whereas "treasury discount bills" (assets) of "domestically licensed banks" and "time and savings deposits" (assets) of "private nonfinancial corporations" will be revised downward.

Changes in amounts outstanding: "securities companies"¹ (end-March 2025)

Transaction item	Assets/liabilities	Amounts outstanding before revision	Amounts outstanding after revision	Changes in amounts outstanding
Time and savings deposits	Assets	0.0 tril. yen	7.1 tril. yen	+7.0 tril. yen
Treasury discount bills	Assets	0.3 tril. yen	3.1 tril. yen	+2.8 tril. yen
Central government securities and FILP bonds	Assets	11.1 tril. yen	-5.5 tril. yen	-16.6 tril. yen
Listed shares	Assets	10.8 tril. yen	15.8 tril. yen	+5.0 tril. yen
Outward investments in securities	Assets	3.0 tril. yen	-1.1 tril. yen	-4.1 tril. yen

¹ The amounts outstanding of securities are recorded as net long and short positions.

Changes in amounts outstanding: "domestically licensed banks" and "private nonfinancial corporations" (end-March 2025)

Sector; Transaction item	Assets/liabilities	Amounts outstanding before revision	Amounts outstanding after revision	Changes in amounts outstanding
Domestically licensed banks; treasury discount bills	Assets	27.8 tril. yen	26.6 tril. yen	-1.2 tril. yen
Domestically licensed banks; central government securities and FILP bonds	Assets	45.0 tril. yen	57.4 tril. yen	+12.4 tril. yen
Private nonfinancial corporations; time and savings deposits	Assets	63.9 tril. yen	55.1 tril. yen	-8.8 tril. yen
Private nonfinancial corporations; outward investments in securities	Assets	23.5 tril. yen	26.8 tril. yen	+3.3 tril. yen

(2) "Repurchase agreements and securities lending transactions"

(a) Revision

The amounts outstanding of "repurchase agreements and securities lending transactions" for major financial institutions are obtained from financial statements, etc.; however, for some sectors where detailed financial data are not available, the figures are estimated based on statistics from the Japan Securities Dealers Association. In the planned revision, estimates for the amounts outstanding of "repurchase agreements and securities lending transactions" in "securities investment trusts," "life insurance," "private nonfinancial corporations" and "local governments" will be refined by using additional source data. Additionally, in "repurchase agreements," a sector where a discrepancy arising from the difference between aggregated assets and liabilities across sectors is allocated will be changed from "private nonfinancial corporations," which have relatively small balances, to "securities companies."

(b) Effect

Due to the above revision, for "repurchase agreements and securities lending transactions," the asset side of "bond investment trusts" and the liability side of "securities companies" will be revised upward. Whereas, the asset side of "stock investment trusts," as well as both the asset and liability sides of "private nonfinancial corporations" and the liability side of "local governments" will be revised downward. In addition, the estimation accuracy of the liability side of "life insurance" will improve for figures other than those as of the end of March.

Changes in amounts outstanding: "repurchase agreements and securities lending transactions" (end-March 2025)

Sector	Assets/liabilities	Amounts outstanding before revision	Amounts outstanding after revision	Changes in amounts outstanding
Bond investment trusts	Assets	0.0 tril. yen	1.9 tril. yen	+1.9 tril. yen
Stock investment trusts	Assets	1.7 tril. yen	0.0 tril. yen	-1.7 tril. yen
Life insurance (end-December 2024 ²)	Liabilities	24.8 tril. yen	21.1 tril. yen	-3.7 tril. yen
Securities companies	Liabilities	132.6 tril. yen	138.2 tril. yen	+5.6 tril. yen
Private nonfinancial corporations	Assets	2.2 tril. yen	0.0 tril. yen	-2.2 tril. yen
	Liabilities	3.6 tril. yen	0.0 tril. yen	-3.6 tril. yen
Local governments	Liabilities	2.9 tril. yen	0.0 tril. yen	-2.9 tril. yen

(3) "Non-life insurance technical reserves" and "life insurance reserves" of "mutual aid insurance"
(a) Revision

For savings-type insurance provided by "mutual aid insurance," policy reserves for annuity insurance are recorded on the liability side of "annuity entitlements," while policy reserves other than those are all recorded in "non-life insurance technical reserves." In the planned revision, policy reserves related to savings-type life insurance will be newly identified and recorded in "life insurance reserves" on the liability side of "mutual aid insurance," using additional source data.

² As this revision of "life insurance" (liabilities) does not affect the amounts outstanding as of the end of March, the table shows the figures for the revision as of end-December 2024, as an example.

(b) Effect

Due to the above revision, the figures for "non-life insurance technical reserves" on the liability side of "mutual aid insurance" and on the asset side of "households" will be revised downward, whereas the figures for "life insurance reserves" in these accounts will be revised upward.

Changes in amounts outstanding: "non-life insurance technical reserves" and "life insurance reserves" (end-March 2025)

Sector; Transaction item	Assets/liabilities	Amounts outstanding before revision	Amounts outstanding after revision	Changes in amounts outstanding
Mutual aid insurance; non-life insurance technical reserves	Liabilities	39.0 tril. yen	9.2 tril. yen	-29.8 tril. yen
Mutual aid insurance; life insurance reserves	Liabilities	--	27.9 tril. yen	+27.9 tril. yen
Households; non-life insurance technical reserves	Assets	48.2 tril. yen	18.3 tril. yen	-29.8 tril. yen
Households; life insurance reserves	Assets	254.2 tril. yen	284.2 tril. yen	+30.0 tril. yen

(4) Other key points of the retroactive revision

Other than the above revisions, the Bank will make the necessary changes, including reflecting newly obtained source data as part of the planned revision. Below are the highlights of such revisions currently planned.

Reflecting JSNA³ changes in the classification of government organizations

Sectoral classifications in the FFA are determined using the same criteria as that of the JSNA. Following changes in the classification of government organizations in the JSNA, some organizations are reclassified from the sector of "public nonfinancial corporations" to "private nonfinancial corporations" in the FFA. As a result, figures for certain transaction items related to "private nonfinancial corporations" and "public nonfinancial corporations" will be revised from 2024 onward.

³ JSNA stands for the Japanese System of National Accounts.

"Unlisted shares" issued by "private nonfinancial corporations"

In estimating the amounts outstanding of "unlisted shares" issued by "private nonfinancial corporations," the Bank makes use of data such as those on market value from the *Annual Report on National Accounts*. With the planned revision, historical figures will be retroactively revised by incorporating the results of the 2020 Benchmark Year Revision in the JSNA.

Reflecting the retroactive revision of the Balance of Payments related statistics

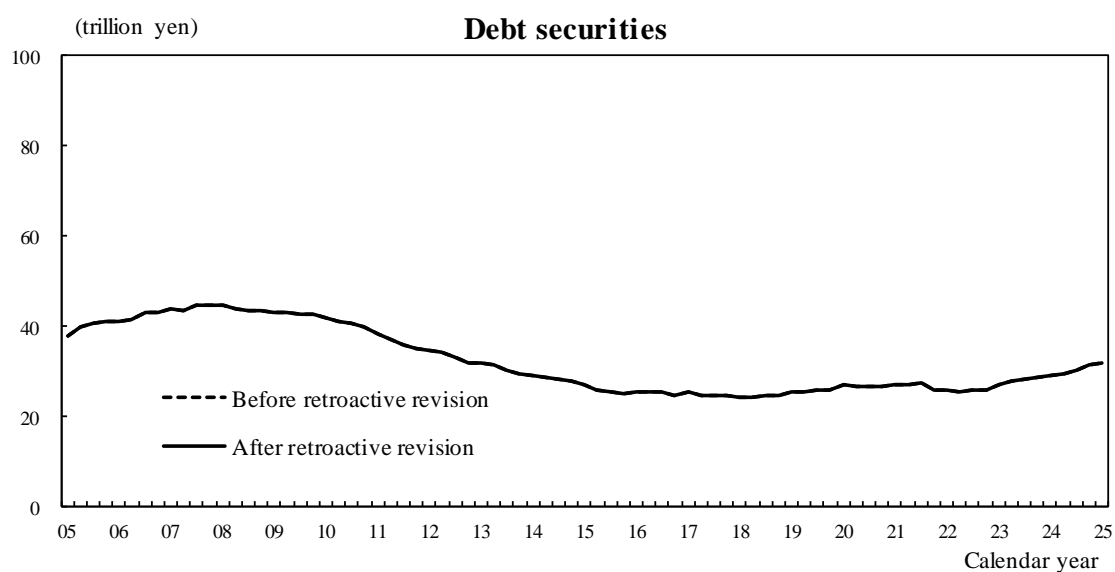
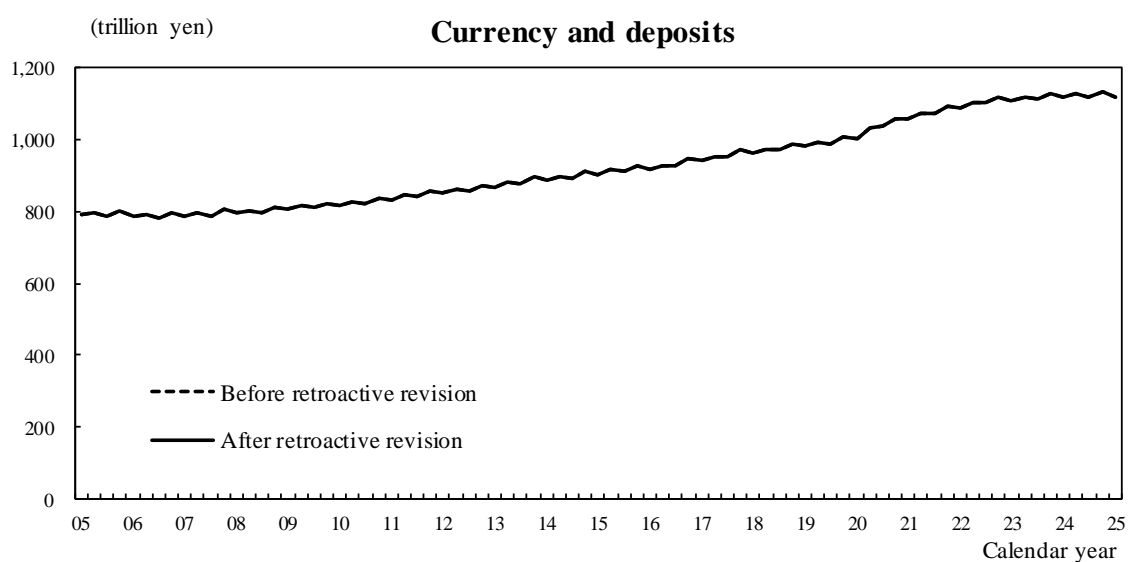
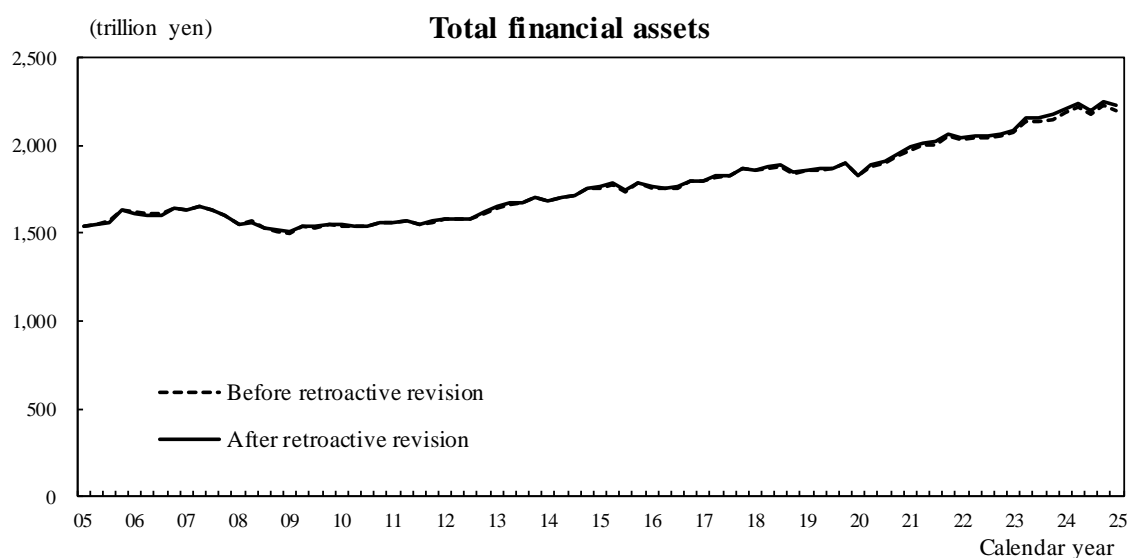
As a result of incorporating the retroactively revised data from the *Balance of Payments* related statistics, figures for some transaction items of the sector "overseas" will be revised from 2023 onward.

Inquiries:

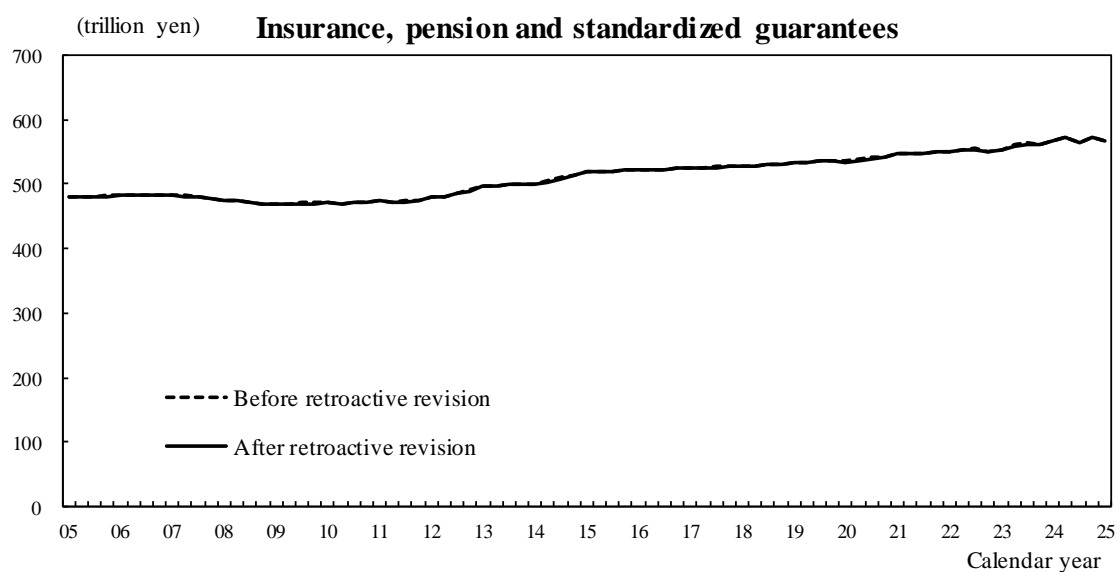
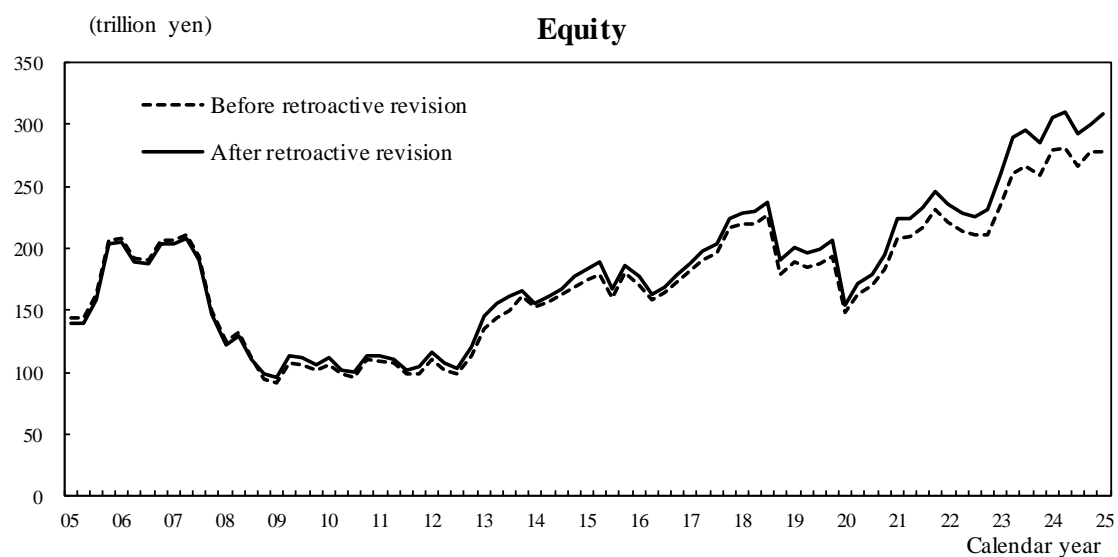
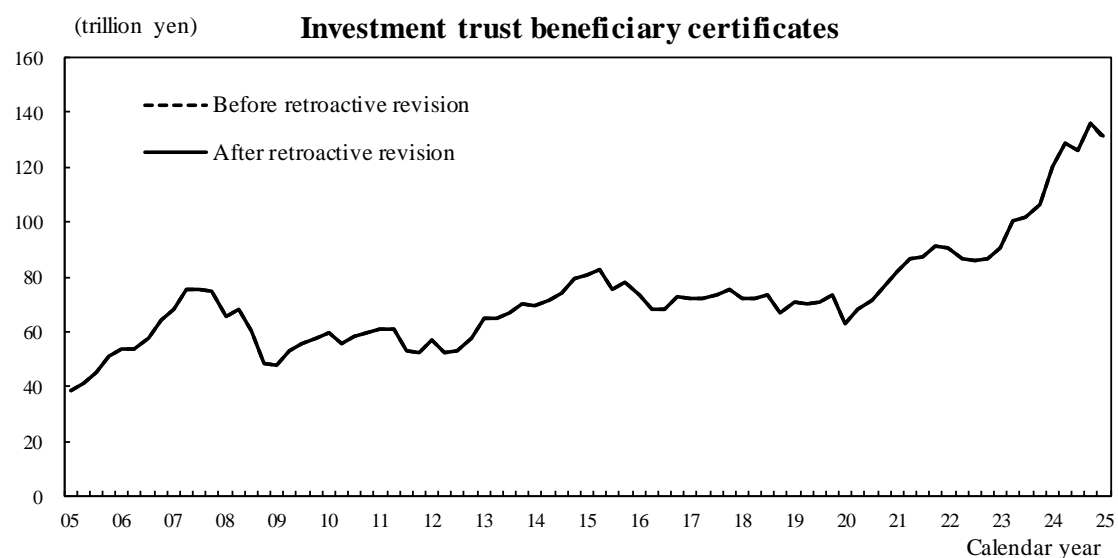
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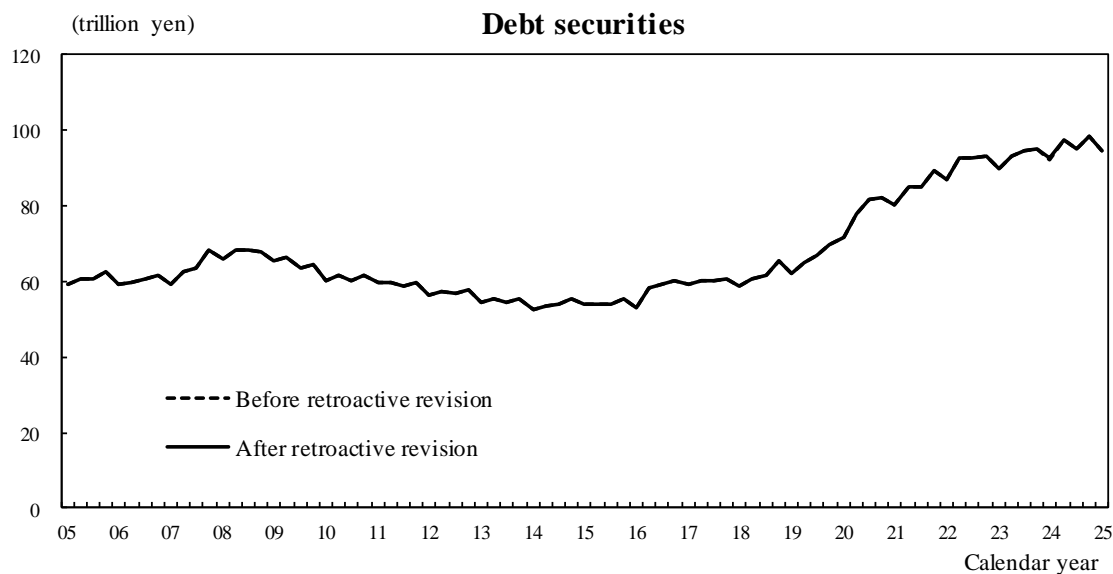
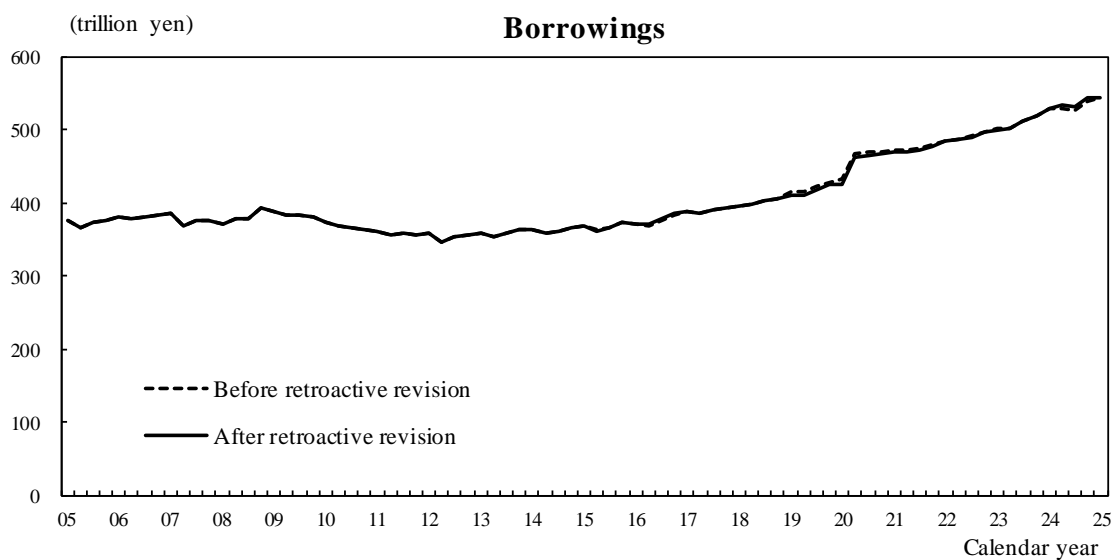
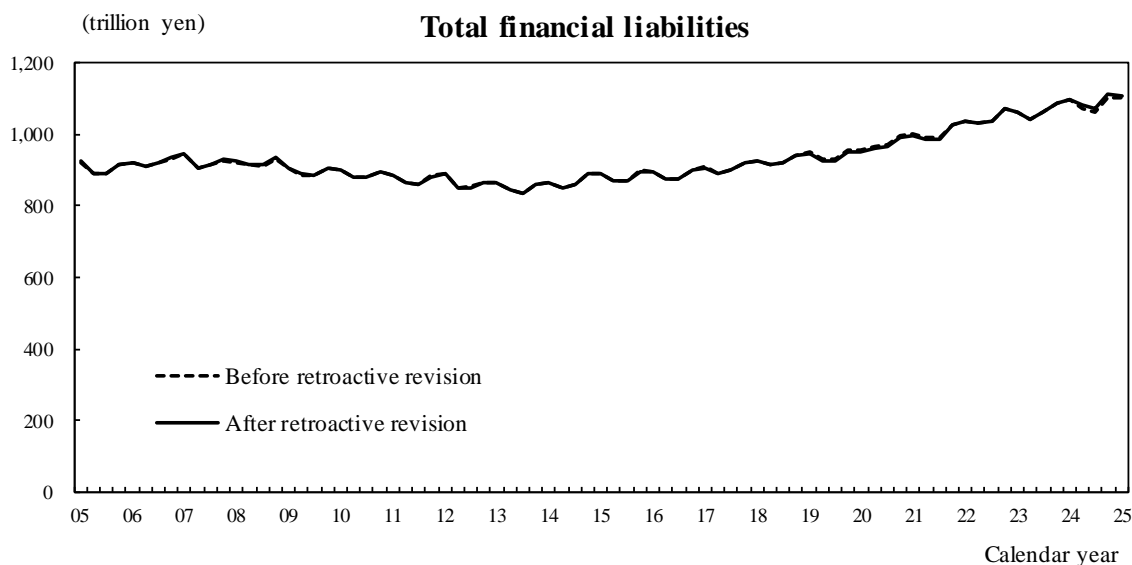
(1) Households (outstanding financial assets)



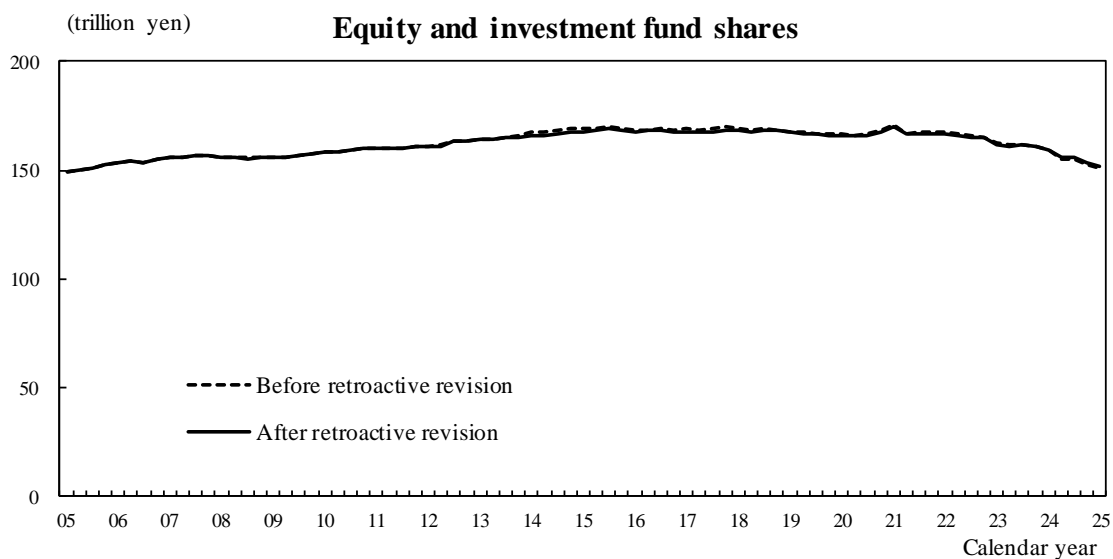
(1) Households (outstanding financial assets) (continued)



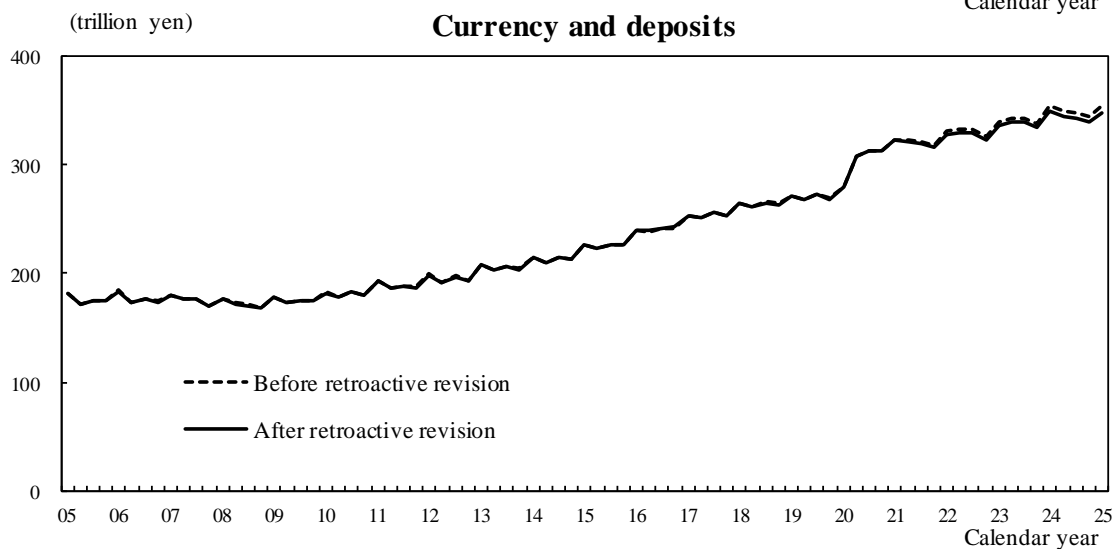
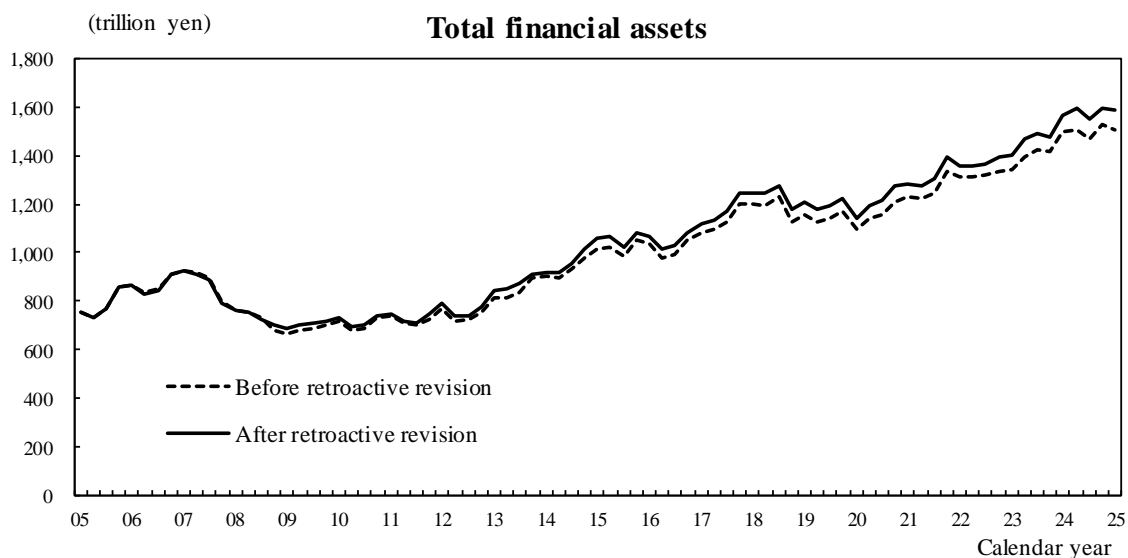
(2) Private nonfinancial corporations (outstanding financial liabilities, book value/face value basis)



(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)

