

## **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 2023 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 2022).

- 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." At present, the extent to which this revision affects these outstanding amounts is likely to be marginal.
- 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 27 and will be available in the "BOJ Time-Series Data Search."

### **(1) "Other equity"**

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

"Other equity" refers to holdings in corporations other than joint-stock corporations and special corporations, etc. Of these, part of the amount held by the "Central government" and all of the amounts held in "Social security funds" are recorded from the contributed capital (shareholders' equity, etc.) provided in financial statements, *Government investment corporation lists*, and other data. In the planned revision, the net assets of investee corporations will be recorded as "Other equity" for each sector in reference to the same item of the *Annual Report on National Accounts* compiled by the Cabinet Office.

**(b) Effect**

Due to the above revision, the figures for "Other equity" (assets) of "Central government" and "Social security funds" will be revised upward. Accordingly, "Other equity" (liabilities) of "Social security funds," "Public nonfinancial corporations," "Public captive financial institutions," "Nonlife insurance," "Other pensions," and "Government financial institutions," etc. are likely to also be revised upward.

**Change in amount outstanding: "Other equity" (end-March 2022)**

Sector	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Central government	Assets	45.5 tril. yen	67.9 tril. yen	+22.4 tril. yen
Social security funds	Assets	0.8 tril. yen	6.6 tril. yen	+5.8 tril. yen
Social security funds	Liabilities	0.1 tril. yen	4.7 tril. yen	+4.6 tril. yen
Public nonfinancial corporations	Liabilities	41.8 tril. yen	49.4 tril. yen	+7.6 tril. yen
Public captive financial institutions	Liabilities	6.6 tril. yen	14.5 tril. yen	+7.9 tril. yen
Nonlife insurance	Liabilities	0.8 tril. yen	3.8 tril. yen	+3.0 tril. yen
Other pensions	Liabilities	0.02 tril. yen	1.2 tril. yen	+1.2 tril. yen
Government financial institutions	Liabilities	23.8 tril. yen	27.1 tril. yen	+3.3 tril. yen

**(2) Loans to "Securities companies"****(a) Revision**

The total amount of loans to "Securities companies," which is mainly based on the financial statements of securities companies, is allocated to loans by domestic sectors which are recorded as "Loans by private financial institutions" and loans by the overseas sector which are recorded as "Loans by the nonfinancial sector." With the planned revision, the ratio of loans by domestic sectors and the overseas sector will be refined by reflecting newly obtained source data.

**(b) Effect**

Due to the above revision, figures for "Loans by private financial institutions" (liabilities) to "Securities companies" will be revised downward, whereas "Loans by the nonfinancial sector" (liabilities) to "Securities companies" will be revised upward. Accordingly, "Loans by private financial institutions" (liabilities) to "Private nonfinancial corporations" will be revised upward,

whereas "Loans by the nonfinancial sector" (liabilities) to "Private nonfinancial corporations" will be revised downward.

**Change in amount outstanding: "Loans by private financial institutions" and "Loans by the nonfinancial sector" (end-March 2022)**

Sector; Transaction item	Assets/liabilities	Amount outstanding (before revision)	Amount outstanding (after revision)	Change in amount outstanding
Securities companies; Loans by private financial institutions (to companies and governments)	Liabilities	15.5 tril. yen	9.1 tril. yen	-6.5 tril. yen
Securities companies; Loans by the nonfinancial sector	Liabilities	0.1 tril. yen	6.5 tril. yen	+6.5 tril. yen
Private nonfinancial corporations; Loans by private financial institutions (to companies and governments)	Liabilities	354.1 tril. yen	362.8 tril. yen	+8.7 tril. yen
Private nonfinancial corporations; Loans by the nonfinancial sector	Liabilities	47.6 tril. yen	40.9 tril. yen	-6.7 tril. yen

**(3) Other key points of the retroactive revision**

Other than the above revisions, the Bank will reflect newly obtained source data as part of the planned revision. Below are the highlights of such revisions currently planned.

***"Transferable deposits" held by "Private Nonprofit Institutions Serving Households (NPISH)"***

The amount of "Transferable deposits" held by "NPISH" is estimated based on the amount held by "Institutions providing medical, health care, welfare, and educational services, and other organizations" in the *Amounts Outstanding of Deposits by Depositor*, deducting the amount held by the part of each institution that does not fall under the definition of "NPISH." With the planned revision, figures for "Transferable deposits" held by "NPISH" will be refined to reflect the newly obtained source data.

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

In estimating the amount 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 to reflect the newly obtained source data.

***Reflecting the retroactive revision of the Balance of Payments related statistics***

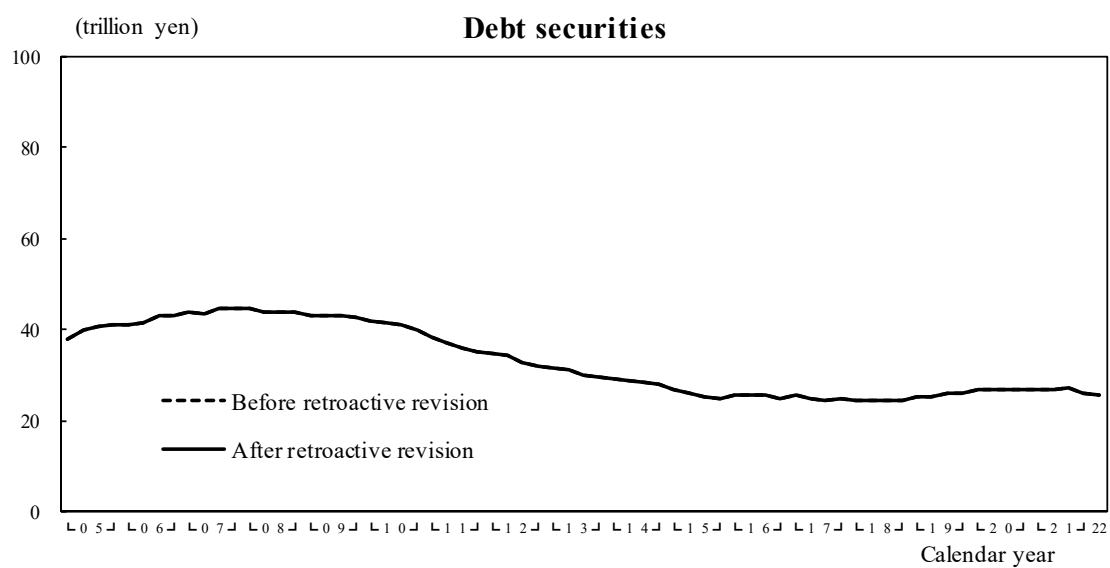
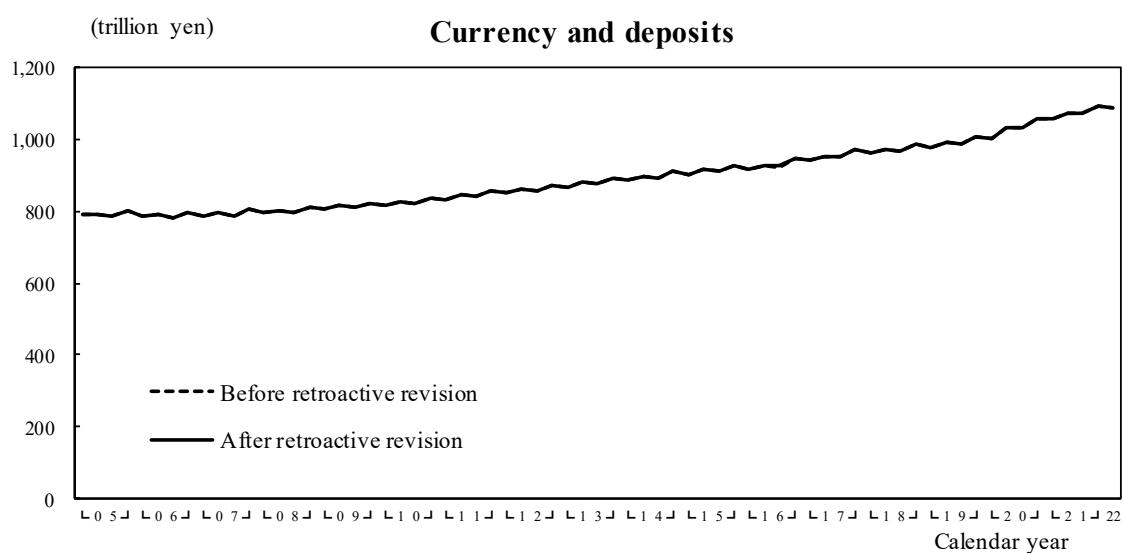
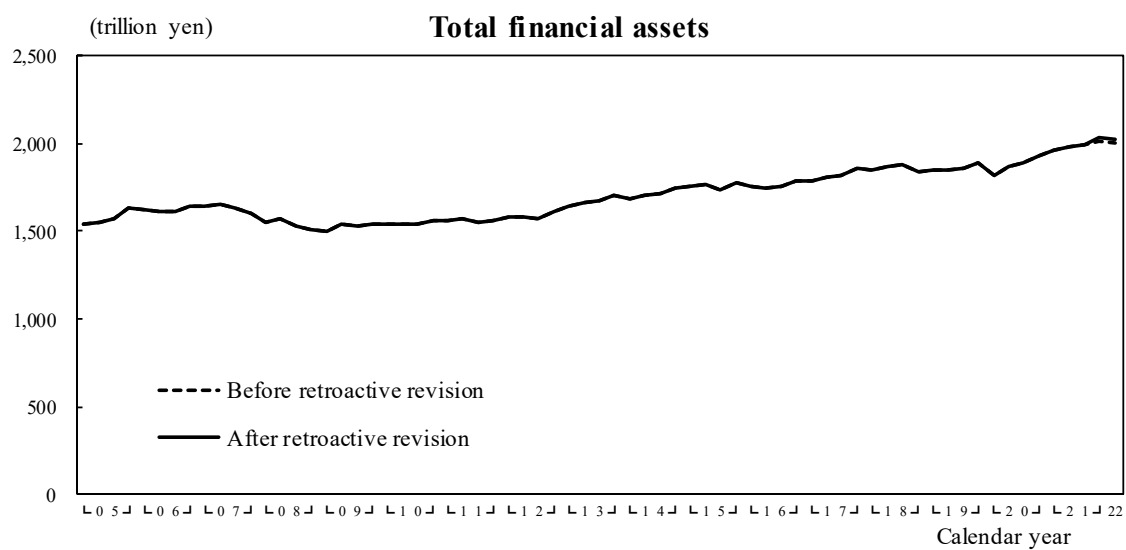
As a result of incorporating the retroactively revised data from the Balance of Payments related statistics, figures for some transaction items of the sector "Overseas" will be revised from 2020 onward.

Inquiries:

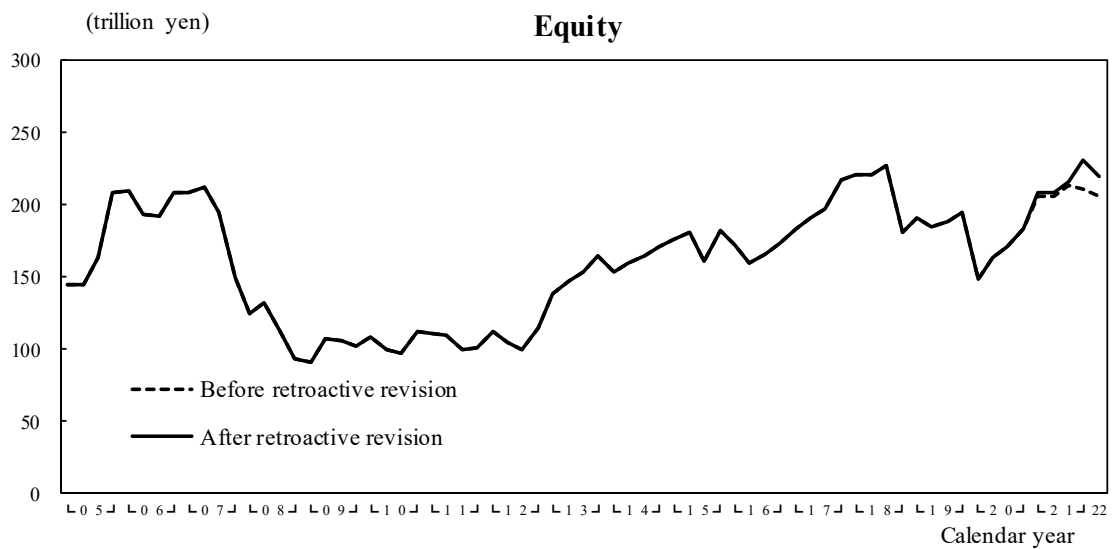
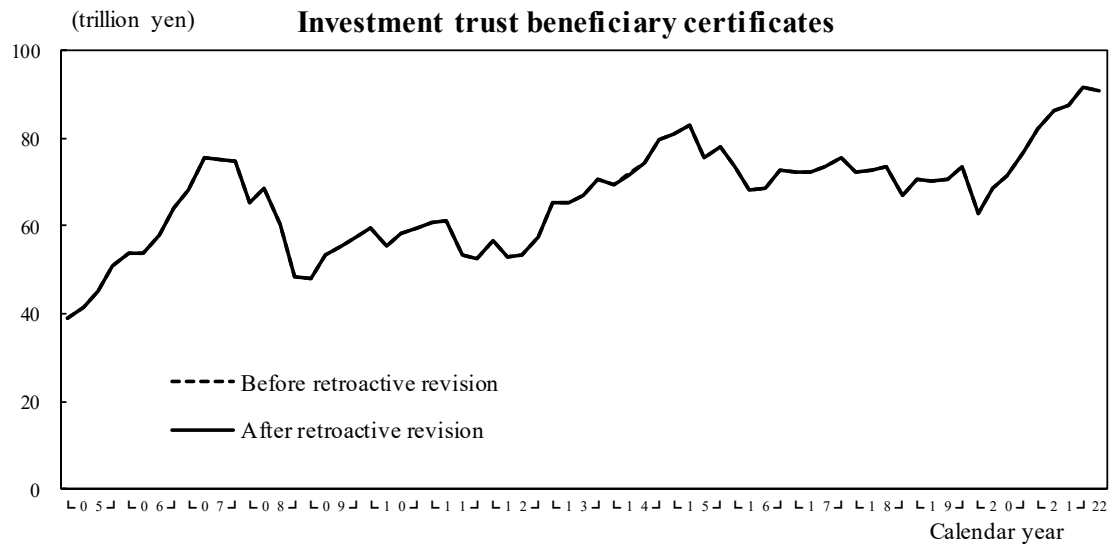
Financial Statistics Group, Economic Statistics Division, Research and Statistics Department

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

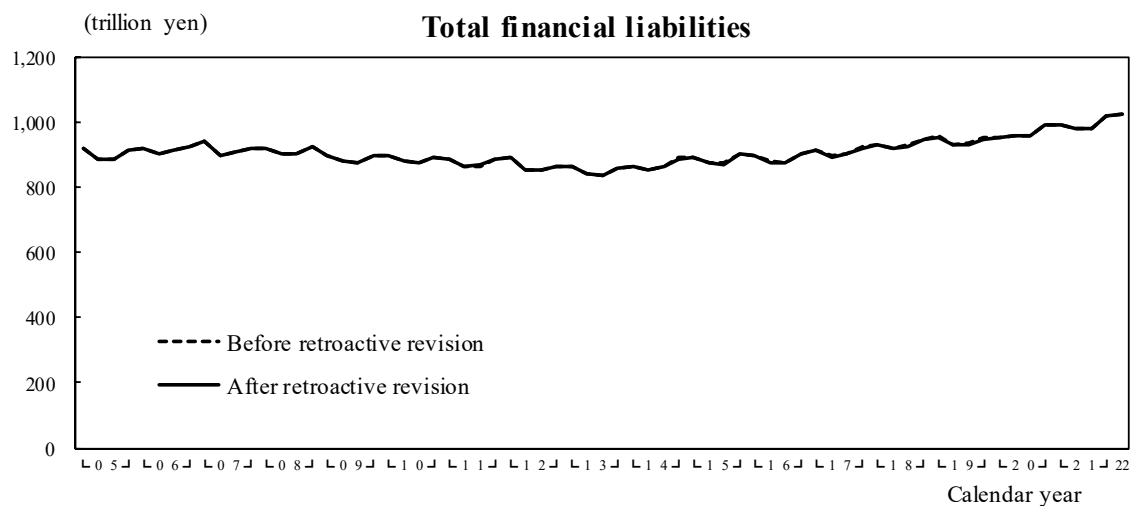
### (1) Households (outstanding financial assets)



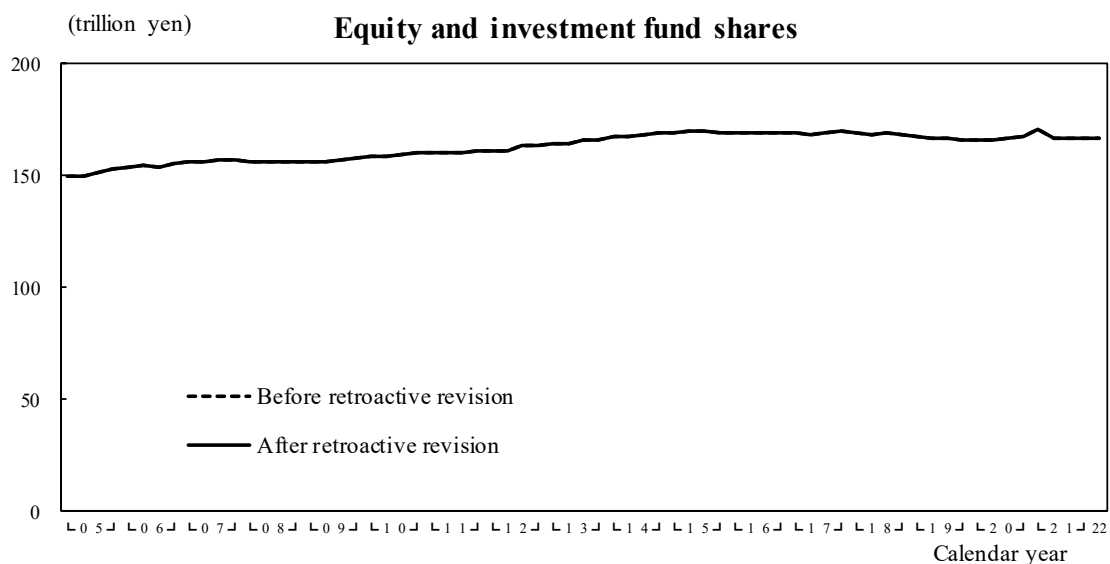
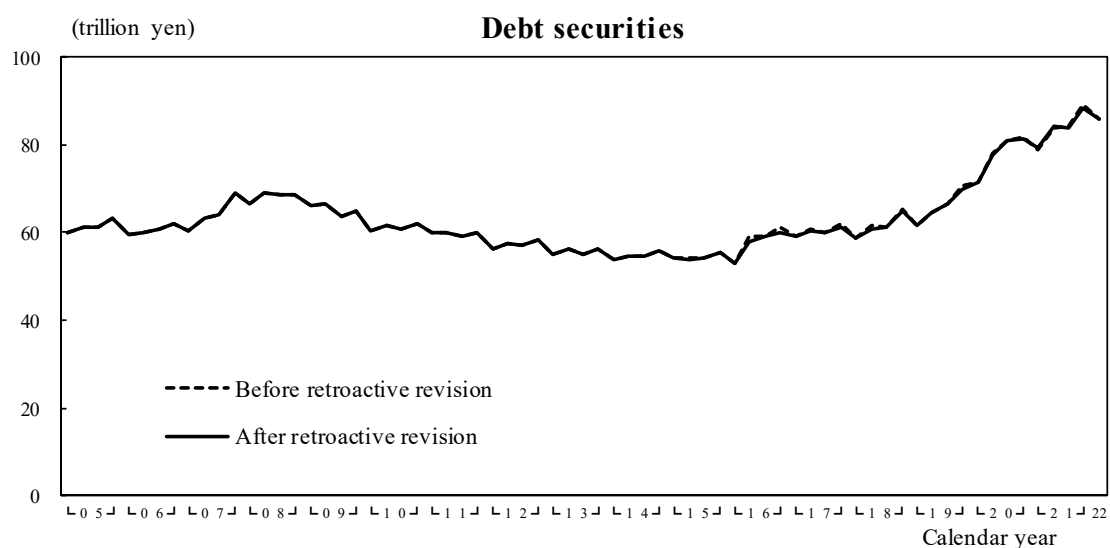
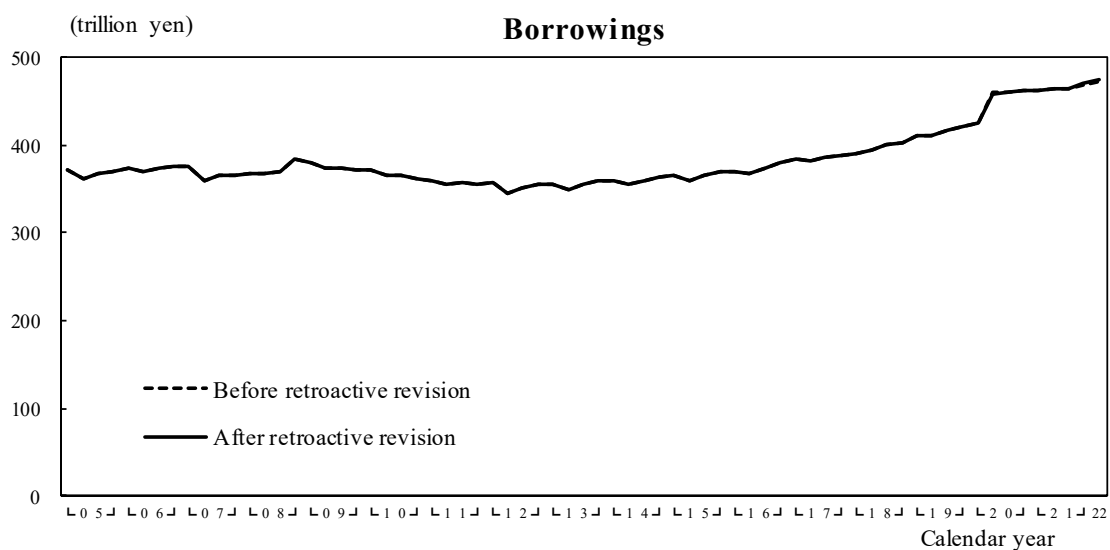
**(1) Households (outstanding financial assets) (continued)**



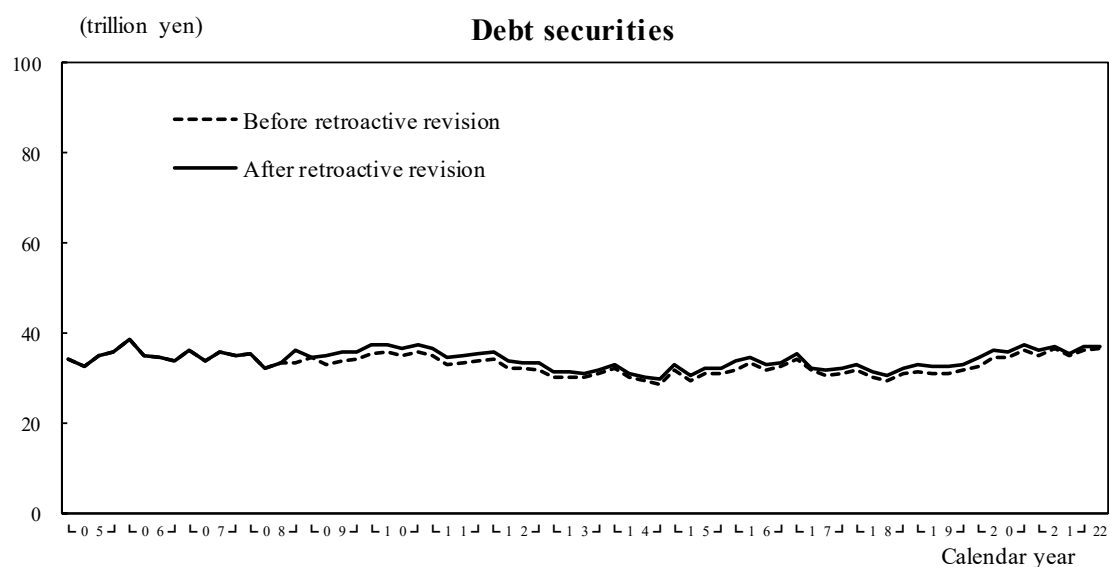
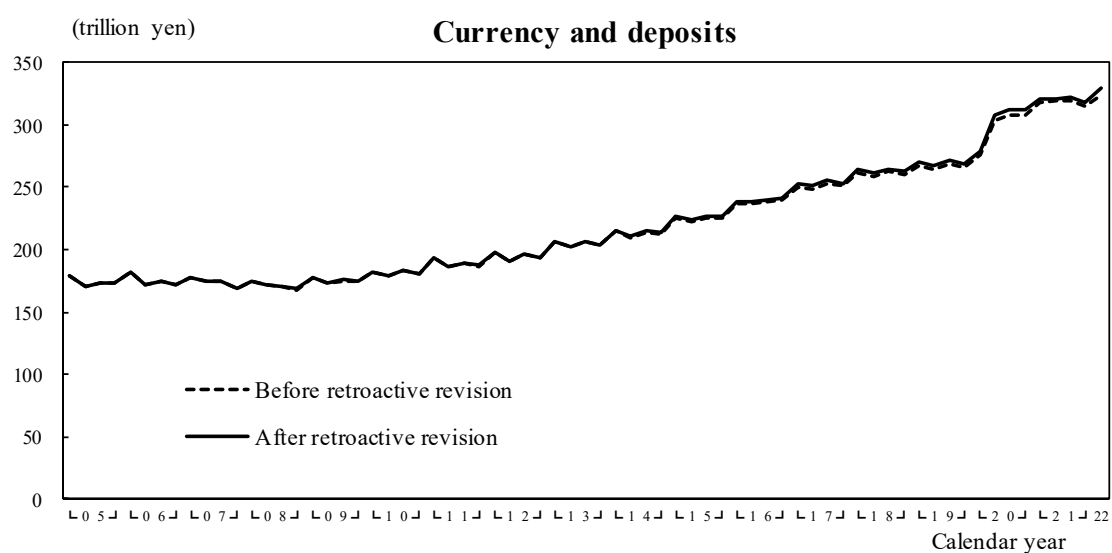
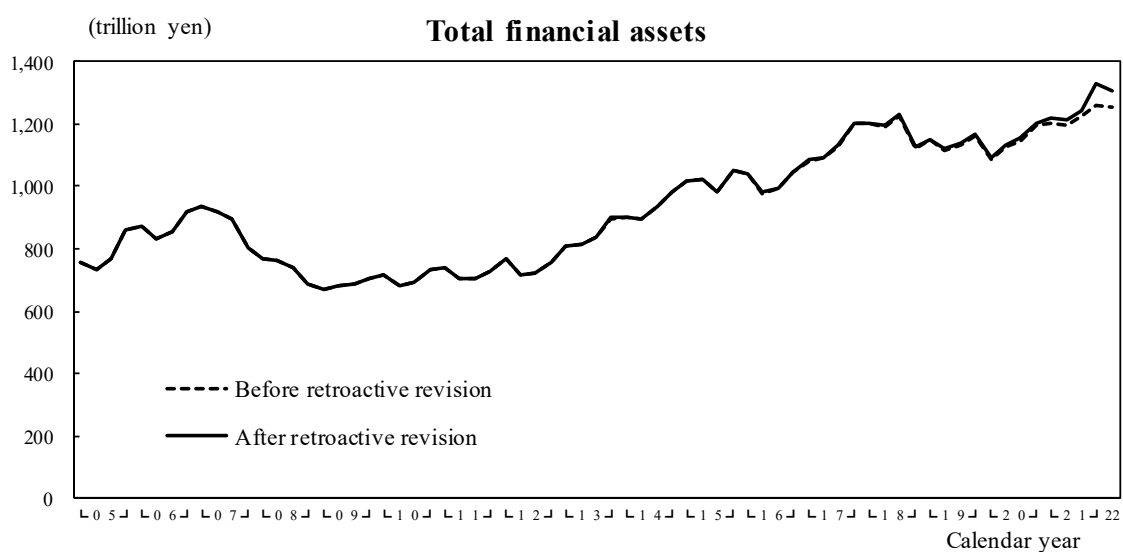
**(2) Private nonfinancial corporations (outstanding financial liabilities, book value/face value basis)**



**(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)

