

Reference: Explanation of the Monetary Survey

1. Outline of the Monetary Survey

The Bank of Japan (BOJ) issues the *Monetary Survey*, which provides statistics related to Japan's money stock.

The *Money Stock Statistics* (MSS) is the aggregate amount of *money*, such as "currency in circulation" and "deposit money," held by "money holders" such as nonfinancial corporations and individuals.¹ While money is an asset for "money holders," it is also a liability for the financial institutions that are "money issuers." When looking at the balance sheets of these financial institutions, all changes in money stock are inevitably accompanied by corresponding changes in loans, securities investments, and other assets and/or liabilities other than cash and deposits.

The *Monetary Survey* focuses on the above relationship, and is prepared for the purpose of showing the correspondence between changes in M3 in the MSS,² and, among other modifications, changes in the assets and liabilities of financial institutions.

Specifically, the *Monetary Survey* provides consolidated and adjusted balance sheets (showing the amounts outstanding at the end of each month) for the central bank, which issues "currency in circulation," and for depository corporations, which issue "deposit money," "quasi-money," and "CDs." Under the *Monetary Survey*, M3 is listed as liabilities, whereas assets are categorized as "Claims on Nonresidents" and "Domestic Credit" (which are broken down into "Claims on Government," "Claims on Other Financial Corporations," "Claims on Local Governments," and "Claims on Other Sectors") in accordance with the international standards adopted by the International Monetary Fund (IMF). Thus, the *Monetary Survey* shows the correspondence between changes in M3 on the debt side and changes in the relevant assets on the credit side.

The figures of the *Monetary Survey* are compiled primarily based on figures of the *Flow of*

¹ Under the MSS, "money holders" include nonfinancial corporations, individuals and local governments, etc.

² M3 consists of the total of "currency in circulation," "deposit money" (current deposits, ordinary deposits, etc.), "quasi-money" (time deposits, foreign currency deposits, etc.), and "CDs" (certificates of deposit). In most cases, the focus of attention is on the M3's monthly average, but for the *Monetary Survey*, the amounts outstanding at the end of period are used due to the limitations of the relevant data.

Funds Accounts (FFA)³, and the sectors covered are also the same. Nevertheless, items in the FFA are further combined or adjusted to meet the purposes of the *Monetary Survey*. Furthermore, the *Monetary Survey* also uses other basic data to compile the monthly figures since the FFA are quarterly data. This paper explains the *Monetary Survey*, and focuses on the precise definitions of the items used and the compilation methods of the figures.

This paper explains the new base statistics following the revisions made to the *Monetary Survey* in June 2008.⁴

2. Release Schedule and Means of Publication

(1) Release Schedule and Means of Publication

The *Monetary Survey* is released at 8:50 AM on the 9th business day (the 10th business day in April and October) two months after the reference month, as summarized below.

Release Schedule	Means of Publication
The 9 th business day (the 10 th business day in April and October) two months after the reference month	The Bank of Japan website https://www.boj.or.jp/en/index.htm • Statistics > Currency > Monetary Survey • BOJ Time-Series Data Search > Money and Deposits > Monetary Survey[MD03] > Data Selection by list of statistics > Monetary Survey (from April 2003)

³ Since the end of March 2005, the standard for compiling the FFA changed from the 1993 SNA to the 2008 SNA. For main differences between the FFA based on the 2008 SNA and the 1993 SNA, refer to "Guide to Japan's Flow of Funds Accounts."

⁴ In the *Monetary Survey* (former series) prior to the revision, balance sheet data of money issuers of M2 + CDs in the MSS (former series) (Bank of Japan, domestically licensed banks, foreign banks in Japan, *shinkin* banks, Shinkin Central Bank, the Norinchukin Bank and the Shoko Chukin Bank) were used. Due to the revision in June 2008, deposits of M2+CDs and those of the Japan Post Bank and other financial corporations were combined, and a new "M3" category was established which includes deposits of all depository corporations. In line with this, the new monetary survey has also expanded its coverage to all depository corporations. The old monetary survey uses figures of financial corporations on a book value basis, whereas the new survey is based on the FFA. Hence, the new monetary survey shows estimates based on figures of bonds measured at market value (fair value).

Revision

(a) Regular revision

Figures will be revised as follows in line with the revision of basic data.

Data released every month	Data from the previous four months may be revised.
Data released in January, April, July, and October	Data from the previous eight months may be revised. For one of those months, the data from January 2005 may be revised using the retroactively revised figures of the FFA.

(b) Other revisions

Figures are revised immediately when an error is found in the data reported by financial institutions. In principle, the data for the MSS are retroactively revised approximately for the previous three years and are announced on the closest release date from when the error was reported. However, in cases where the scale of revision is below 0.1% of amounts outstanding of M3, the data for the MSS are revised in either March or September.

(2) Data Commencement

The data for the *Monetary Survey* date back to April 2003 under the current basis⁵. As regards the former series of the *Monetary Survey* (based on the former series of the MSS), the data date back to April 1998 (through March 2008) for data including "Foreign banks in Japan" and back to January 1970 (through March 1999) for those excluding "Foreign banks in Japan."

3. Compilation Method of the Monetary Survey

(1) Accounts of Central Bank

⁵ Due to revision of the FFA based on 2008 SNA, etc., there is a discontinuity in the data in March 2005.

"Accounts of Central Bank" refers to the accounts held by the Bank of Japan, which is the issuer of the monetary base.

The definitions and explanations of individual items in "Accounts of Central Bank" are as follows.

(a) Assets: "Claims on Nonresidents"

[Definition]

This item shows the foreign assets held by the central bank.

[Explanation]

The "Claims on Nonresidents" figures are the total of "Foreign currency deposits," "Outward investment in securities," and "Other external claims and debts" on the assets side of the central bank in the FFA.

Figures other than those on a quarterly basis are calculated using figures of "Foreign currency assets," etc. in the *Bank of Japan Accounts*.

(b) Assets: "Claims on Government"

[Definition]

This item shows the credits provided by the central bank to the government.⁶

[Explanation]

The "Claims on Government" figures are the total of "Treasury discount bills (T-Bills)" and "Central government securities and FILP bonds"⁷ on the assets side of the central bank, plus the total amount of "Coins in Circulation" in the *Currency in Circulation*.^{8,9}

⁶ "Government" corresponds to the "Central government" and "Social security funds" in the FFA.

⁷ However, some "Central government securities and FILP (fiscal investment and loan program) bonds" are deducted for the Fiscal Loan Fund (categorized as "Other financial intermediaries" in the FFA).

⁸ In Japan, banknotes (Bank of Japan notes) are issued by the Bank of Japan, but coins are issued by the central government. Thus, strictly speaking, coins in circulation may be considered as a central government liability, but here they are added together with Bank of Japan notes and classified as central bank liabilities (currency issued; coins are also classified as part of cash liabilities—Bank of Japan notes + coins—of the central bank). Accordingly, an amount equivalent to the amount of coins in circulation must be added to the

Figures of "T-Bills" and "Central government securities and FILP bonds" other than those on a quarterly basis are calculated using figures of "Japanese Government Securities" in the *Bank of Japan Accounts*.

(c) Assets: "Claims on Depository Corporations"

[Definition]

This item shows the credits provided by the central bank to depository corporations.

[Explanation]

The "Claims on Depository Corporations" figures are the total of "Bank of Japan loans" and "Call loans and bills"¹⁰ on the liabilities side of depository corporations, and "Deposits money," and "Repurchase agreements and securities lending transactions" on the assets side of the central bank in the FFA.

Figures other than those on a quarterly basis are calculated using "Bank of Japan borrowings" and "Bills sold" on the liabilities side of *Assets and Liabilities of Domestically Licensed Banks*, and "Deposits with agents" in the *Bank of Japan Accounts*, etc.

(d) Assets: "Claims on Other Financial Corporations"

[Definition]

This item shows the credits provided by the central bank to other financial corporations.

[Explanation]

The "Claims on Other Financial Corporations" figures are the total of (a) and (b) in the FFA:

(a) "Bank of Japan loans" on the liabilities side of "Other financial intermediaries" and

statistics as "Claims on Government" by the central bank.

⁹ Some data in 2004 include the transactions of foreign securities purchased from the Foreign Exchange Fund Special Account with a resale clause.

¹⁰ However, the amount of call loans calculated using the balance sheet data of financial institutions is excluded.

"Financial auxiliaries" (financial institutions other than intermediaries);

(b) Part of "Call loans and bills," "Repurchase agreements and securities lending transactions," "Industrial securities," "Commercial paper," "Structured-financing instruments," "Unlisted shares," "Other equity," and "Investment trust beneficiary certificates" on the assets side of the central bank in the FFA.¹¹

Figures other than those on a quarterly basis are calculated using such figures as "Loans and discounts," "Bills purchased,"¹² and "Receivables under resale agreements," "Corporate bonds," "Commercial papers," and "Pecuniary trusts" in the *Bank of Japan Accounts*, etc.

(e) Assets: "Claims on Other Sectors"

[Definition]

This item shows credits provided by the central bank to other sectors (nonfinancial corporations, households, and private nonprofit institutions serving households).

[Explanation]

This item shows part of "Industrial securities," "Commercial paper," "Listed shares," and "Investment trust beneficiary certificates" on the assets side of the central bank in the FFA.

Figures other than those on a quarterly basis are calculated using figures of "Pecuniary trusts" in the *Bank of Japan Accounts*, etc.

(f) Liabilities: "Monetary Base"

[Definition]

This item includes the currency issued by the central bank and current account balances.

[Explanation]

¹¹ Some "Central government securities and FILP bonds" are also listed (see note 7).

¹² This item had only been used until July 2006.

This item shows the total of "Banknotes in Circulation," "Coins in Circulation," and "Current Account Balances."

Its component "Currency Issued" shows the total of "Banknotes in Circulation" and "Coins in Circulation," and "Current Account Balances" shows the amount of "Current Account Balances."

Here, the figures for "Banknotes in Circulation," "Coins in Circulation," and "Current Account Balances" coincide with those in the FFA, *Currency in Circulation*, and the *Monetary Base and the Bank of Japan's transactions (stock table)*.

(g) Liabilities: "Liabilities to Nonresidents"

[Definition]

This item shows the liabilities to nonresidents of the central bank.

[Explanation]

This item is calculated by using figures of "Other external claims and debts" on the liabilities side of the central bank in the FFA, "Other Deposits" in the *Bank of Japan Accounts*, and "Sales of Treasury Discount Bills to Foreign Central Banks and Others under Repurchase Agreements"¹³ in the *Monetary Base and the Bank of Japan's Transactions (stock table)*.

(h) Liabilities: "Liabilities to Government"

[Definition]

This item shows the credits received by the central bank from the central government.

[Explanation]

This item shows the total of "Government deposits" on the liabilities side of the central bank and "Repurchase agreements and securities lending transactions" on the assets side of the central government in the FFA.

Figures other than those on a quarterly basis are calculated using "Deposits of the Government" in the *Bank of Japan Accounts*, and the amount outstanding of "Sales of

¹³ This item had only been used until May 2017.

JGBs to the National Debt Consolidation Fund under repurchase agreements" in *the Bank of Japan's Transactions with the Government*.

(i) Liabilities: "Other Items (Net)"

[Definition]

The balance of the central bank account liabilities and capital accounts other than items (f)-(h) above and the central bank account assets other than items (a)-(e).

(2) Accounts of Depository Corporations

Depository corporations are based on the classification of the FFA.¹⁴ They consist of domestically licensed banks, foreign banks in Japan, financial institutions for agriculture, forestry, and fisheries and financial institutions for small businesses, and collectively managed trusts.¹⁵ The "Accounts of Depository Corporations" is prepared by consolidating and adjusting the accounts of these financial institutions.

The definitions and explanations of the items of "Accounts of Depository Corporations" are as follows.

(a) Assets: "Claims on Nonresidents"

[Definition]

This item includes the claims on nonresidents held by depository corporations.

[Explanation]

This item shows part of "Deposits money," "Outward direct investment," "Outward investment in securities," "Other external claims and debts," and "Loans to overseas" (reference) on the assets side of depository corporations, and "Currency and deposits," "Repurchase agreements and securities lending transactions," and "Financial

¹⁴ Apart from money issuers of M3 (excluding the Bank of Japan) under the MSS, "Collectively managed trusts" is also included following the classification of the FFA.

¹⁵ The Japan Post Bank is classified under "Financial institution for small businesses" in the FFA since the end of Dec. 2007 (until then, figures of the "Postal savings" sector are used).

derivatives" on the liabilities side of overseas in the FFA.

Figures other than those on a quarterly basis are calculated using figures of *External Assets and Liabilities of Banks, etc.*

(b) Assets: "Claims on Central Bank"

[Definition]

This item shows the credits provided by depository corporations to the central bank.

[Explanation]

This item shows the total of "Currency," "Deposits with the Bank of Japan," and "Call loans and bills"¹⁶ on the assets side of depository corporations, and "Deposits money," and "Repurchase agreements and securities lending transactions" on the liabilities side of the central bank in the FFA.

As for figures other than those on a quarterly basis, "Banknotes and coins" in the *Deposits, Vault Cash and Loans and Bills Discounted*, etc., "Reserve balances" of *Monetary Base and the Bank of Japan's Transactions (stock table)*, and "Bills purchased" of *Assets and Liabilities of Domestically Licensed Banks* are used.

(c) Assets: "Claims on Government"

[Definition]

This item shows the credits provided by depository corporations to the central government.

[Explanation]

This item shows part of "T-Bills," "Central government securities and FILP bonds,"¹⁷ and "Public corporation securities," and part of "Loans to general government" on the assets side of depository corporations in the FFA.

¹⁶ However, the amount of call loans calculated using the balance sheet data of financial institutions is excluded.

¹⁷ However, some "Central government securities and FILP (fiscal investment and loan program) bonds" are deducted (see note 7).

As for figures other than those on a quarterly basis, the amount of government bonds held in the domestically licensed banks' balance sheet data, and the "Loans to central government" in the *Deposits, Vault Cash and Loans and Bills Discounted* are used.

(d) Assets: "Claims on Other Financial Corporations"

[Definition]

This item shows the credits provided by depository corporations to other financial corporations.

[Explanation]

This item shows part of "Deposits with the Fiscal Loan Fund," "Call loans and bills," "Repurchase agreements and securities lending transactions," "Public corporation securities," "Structural-financing instruments," "Listed shares," "Investment trust beneficiary certificates," and "Insurance, pension and standardized guarantees" on the assets side of depository corporations, plus part of "Industrial securities" and "Commercial paper" on the liabilities side of other financial corporations in the FFA.¹⁸

Figures other than those on a quarterly basis are calculated using figures of "Deposits (Japan Post Bank deposits)" and "Long-term Bonds" in the *Monthly Report of the Fiscal Loan Fund*, and those of "Receivables under Resale Agreements," "Receivables under Securities Borrowing Transactions," "Public Corporation Bonds" in the domestically licensed banks' balance sheet data (assets).

(e) Assets: "Claims on Local Governments"

[Definition]

This item shows the credits provided by depository corporations to local governments.

[Explanation]

This item shows "Local government securities" and part of "Loans to general government", etc. on the assets side of depository corporations in the FFA.

As for figures other than those on a quarterly basis, the amount of local government

¹⁸ Some "Central government securities and FILP bonds" (see note 7) and loans to other financial corporations (calculated using basic data of the FFA) are also listed.

securities held in the domestically licensed banks' balance sheet data, and loans to local governments in the *Deposits, Vault Cash and Loans and Bills Discounted*, etc. are used.

(f) Assets: "Claims on Other Sectors"

[Definition]

This item shows the credits provided by depository corporations to other sectors (nonfinancial corporations, households, and private nonprofit institutions serving households).

[Explanation]

This item shows part of "Public corporation securities," "Industrial securities," "External securities issued by residents," "Commercial paper," "Listed shares," "Loans to other sectors" (nonfinancial corporations, households, and private nonprofit institutions serving households; reference), and "Investment trust beneficiary certificates" on the assets side of the FFA.

Figures other than those on a quarterly basis are calculated using figures of CP and amount outstanding of loans, which is calculated by deducting "Financial and Insurance industry," "Local Governments," and "Overseas yen loans/Domestic loans transferred overseas" from the total amount loan in the *Deposits, Vault Cash, and Loans and Bills Discounted*.

The item "(of which: shares)" shows part of the amount of "Listed shares" on the assets side of depository corporations in the FFA. Figures other than those on a quarterly basis are calculated using the rate of change in the Tokyo Stock Exchange Stock Price Index (TOPIX).

(g) Liabilities: "Deposit Money"

[Definition]

This item shows the total of demand deposits (current deposits, ordinary deposits, savings deposits, deposits at notice, special deposits, deposits for tax payments, etc.) issued by depository corporations and held by money holders.

[Explanation]

The "Deposit Money" figures coincide with the end of period "deposit money" in the

MSS.

(h) Liabilities: "Quasi-money + CDs"

[Definition]

This item shows the total of time and savings deposits (time deposits, fixed savings, installment savings, etc.), foreign currency deposits, and CDs issued by depository corporations and held by money holders.

[Explanation]

The "Quasi-money + CDs" figures coincide with the total of the end of period "quasi-money" and "CDs" figures in the MSS.

(i) Liabilities: "Liabilities to Nonresidents"

[Definition]

This item shows the liabilities to nonresidents held by depository corporations.

[Explanation]

This item shows part of "Currency and deposits" (excluding currency), "Repurchase agreements and securities lending transactions," and "Bank debentures" on the assets side of overseas, and "Loans by the nonfinancial sector," "Industrial securities," "External securities issued by residents," "Financial derivatives," "Deposits money," and "Other external claims and debts" on the liabilities side of depository corporations in the FFA.

Figures other than those on a quarterly basis are calculated also using figures of *External Assets and Liabilities of Banks, etc.*

(j) Liabilities: "Liabilities to Central Bank"

[Definition]

This item shows the credits provided by the central bank to depository corporations.

[Explanation]

This item is compiled using the same method as that of (c) Assets: "Claims on

Depository Corporations" in the central bank accounts and also shows the same amount.

(k) Liabilities: "Liabilities to Government"

[Definition]

This item shows the credits provided by the central government to depository corporations.

[Explanation]

This item shows part of "Currency and deposits" (excluding currency, foreign currency deposits to overseas), "Call loans and bills," "Loans by the nonfinancial sector," "Bank debentures," "Industrial securities," "Commercial paper," and "Trust beneficiary rights" on the assets side of the Central government and Social security funds in the FFA.

Figures other than those on a quarterly basis are calculated using figures of "Government deposits" in the *Deposits, Vault Cash, and Loans and Bills Discounted*.

(l) Liabilities: "Other Items (Net)"

[Definition]

Among accounts of depository corporations, this item shows the balance of liabilities and capital accounts other than those given in (g)-(k) above and assets other than those given in (a)-(f) .

(3) Summary Table

The *Summary Table* is made by consolidating and adjusting the accounts of the central bank and depository corporations. Each item is calculated by summing up the corresponding figures of the accounts of the central bank and the depository corporations. Because the items "Claims on Depository Corporations" of the central bank, and "Claims on Central Bank" and "Liabilities to Central Bank" of depository corporations are intra-sectoral transactions, they do not appear in the *Summary Table*.

The definitions and explanations of each of the items in the *Summary Table* are as follows.

(a) Assets: "Foreign Assets (Net)"

[Definition]

This item shows the net foreign assets held by the central bank and depository corporations.

[Explanation]

This item shows the total of "Claims on Nonresidents" minus "Liabilities to Nonresidents" of the central Bank and "Claims on Nonresidents" minus "Liabilities to Nonresidents" of depository corporations.

(b) Assets: "Domestic Credit"

[Definition]

This item shows the credits provided by the central bank and depository corporations to domestic economic entities (government, other financial corporations, local governments, and other sectors).

[Explanation]

This item is the total of "Claims on Government (Net)," "Claims on Other Financial Corporations," "Claims on Local Governments," and "Claims on Other Sectors (nonfinancial corporations, households, and private nonprofit institutions serving households)."

"Claims on Government (Net)" is the total of "Claims on Government" (assets) minus "Liabilities to Government" (liabilities) of the central bank and "Claims on Government" (assets) minus "Liabilities to Government" (liabilities) of depository corporations.

The amount of "Claims on Other Financial Corporations" is equal to the total of corresponding items of central bank and depository corporations.

The "Claims on Local Governments" figures are equal to those of corresponding items of depository corporations.

The figures of "Claims on Other Sectors" are equal to the total of "Claims on Other Sectors" of the central bank and depository corporations.

(c) Liabilities: "Money (M1)"

[Definition]

This item shows the amount of cash and demand deposits (current deposits, ordinary deposits, savings deposits, deposits at notice, special deposits, deposits for tax payments, etc.) issued by the central bank and depository corporations and held by "money holders."

[Explanation]

This item shows the total of "Currency in Circulation" and "Deposit Money."

"Currency in Circulation" is calculated by subtracting the cash held by depository corporations from "Currency Issued" of the central bank.

Here, the amount of "Currency in Circulation" coincides with the end of period "Currency in circulation" in the MSS.

The amount of "Deposit Money" is equal to "Deposit Money" of depository corporations.

(d) Liabilities: "Quasi-money + CDs"

[Definition]

This item shows the amount of time and savings deposits (time deposits, fixed savings, installment savings, etc.), foreign currency deposits, and CDs issued by depository corporations and held by "money holders."

[Explanation]

The amount of "Quasi-money + CDs" coincides with the "Quasi-money + CDs" of depository corporations.

(e) Liabilities: "Other Items (Net)"

[Definition]

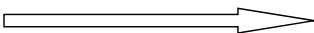
This item shows the balance of "capital accounts plus all liabilities other than the above items (c) and (d)" and "all assets other than items (a) and (b)" in the consolidated balance sheets of the central bank and the depository corporations.

Changes of the releasing items

(Attached Paper)

1. Monetary Survey

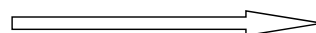
(1) Summary Table

< Before >  < After >

Summary Table	Assets	Foreign Assets (Net)
		Domestic Credit
		Claims on Government (Net)
		of which: Government Bonds
		Claims on Local Governments
		of which: Local Government Bonds
		Claims on Public Non-financial Corporations
		Claims on Private Sector
		Lendings
		Industrial Bonds and Stocks
	Liabilities	Money
		Cash Currency in Circulation
		Deposit Money
		Quasi-money +CDs
		Others (Net)

Summary Table	Assets	Foreign Assets (Net)
		Domestic Credit
		Claims on Government (Net)
		Claims on Other Financial Corporations
		Claims on Local Governments
		Claims on Other Sectors
	Liabilities	Money (M1)
		Cash Currency in Circulation
		Deposit Money
		Quasi-money +CDs
		Other Items (Net)

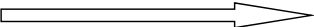
(2) Accounts of Central Bank

< Before >  < After >

Accounts of Central Bank	Assets	Foreign Assets
		Claims on Government
		of which: Government Bonds
		Claims on Deposit Money Banks
		of which: Lendings
		Claims on Private Sector
		Unclassified Assets
	Liabilities	Monetary Base
		Cash Currency Issued
		Current Account Balances
		Foreign Liabilities
		Credits from Governments
		of which: Government Deposits
		Unclassified Liabilities

Accounts of Central Bank	Assets	Claims on Nonresidents
		Claims on Government
		Claims on Depository Corporations
		Claims on Other Financial Corporations
		Claims on Other Sectors
	Liabilities	Monetary Base
		Cash Currency Issued
		Current Account Balances
		Liabilities to Nonresidents
		Liabilities to Government
		Other Items (Net)

(3) Accounts of Depository Corporations (Before: Accounts of Deposit Money Banks)

< Before >  < After >

Accounts of Deposit Money Banks	Assets	Cash and Deposits with the Bank of Japan
		Foreign Assets
		Claims on Government
		of which: Government Bonds
		Claims on Local Governments
		of which: Local Government Bonds
		Claims on Public Non-financial Corporations
		Claims on Private Sector
		Lendings
		Industrial Bonds and Stocks
		Unclassified Assets
	Liabilities	Deposit Money
		Quasi-money + CDs
		Foreign Liabilities
		Credits from Central Bank
		Bank Debenture
		Unclassified Liabilities

Accounts of Depository Corporations	Assets	Claims on Nonresidents
		Claims on Central Bank
		Claims on Government
		Claims on Other Financial Corporations
		Claims on Local Governments
		Claims on Other Sectors
		of which: Shares
	Liabilities	Deposit Money
		Quasi-money + CDs
		Liabilities to Nonresidents
		Liabilities to Central Bank
		Liabilities to Government
		Other Items (Net)