

May 27, 2025

Bank of Japan

Research and Statistics Department

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 2025 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 2024).

- 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 27 and will be available on the "BOJ Time-Series Data Search."

(1) "Other external claims and debts" of "central government"

(a) Revision

"Other external claims and debts" held by "central government" includes the sum of "other equity," monetary gold, and SDRs, etc. in the *International Investment Position of Japan*. This "other equity" includes not only capital subscriptions to international organizations held by "central government," but also some investment in the equity of foreign partnerships, etc. by entities other than "central government." In the planned revision, the estimation method will be refined by estimating the amount of investment by entities other than "central government" included in "other equity" on the basis of data related to the international investment position and data obtained through questionnaire surveys, etc., and then excluding it from the amount outstanding of "other external claims and debts" (assets) of "central government" and recording it to the actual holders. In addition, the figures for "outward investment in securities" in sectors other than "central government" will also be refined by excluding the amounts invested in the

equity of foreign partnerships, etc. from "outward investment in securities" currently included.

(b) Effect

Due to the above revision, the figures for "other external claims and debts" (assets) of "central government" will be revised downward, whereas "other external claims and debts" (assets) of "public pensions," "financial institutions for agriculture, forestry, and fisheries," "life insurance," "defined benefit schemes," and "private nonfinancial corporations," etc. will be revised upward. Accordingly, the figures for "outward investment in securities" (assets) of "public pensions," "financial institutions for agriculture, forestry, and fisheries," "life insurance," and "defined benefit schemes," etc. will be revised downward. On the other hand, the figures for "outward investment in securities" (assets) of "private nonfinancial corporations," which post the residual after subtracting each amount by the investing entity from the total amount of "outward investment in securities," will be revised upward.

Changes in amounts outstanding: "other external claims and debts" (end-March 2024)

Sector	Assets/liabilities	Amounts outstanding before revision	Amounts outstanding after revision	Changes in amounts outstanding
Central government	Assets	44.8 tril. yen	21.2 tril. yen	-23.7 tril. yen
Public pensions	Assets	--	2.2 tril. yen	+2.2 tril. yen
Financial institutions for agriculture, forestry, and fisheries	Assets	0.3 tril. yen	1.1 tril. yen	+0.8 tril. yen
Life insurance	Assets	11.0 tril. yen	31.4 tril. yen	+20.4 tril. yen
Defined benefit schemes	Assets	1.0 tril. yen	5.9 tril. yen	+4.9 tril. yen
Private nonfinancial corporations	Assets	2.1 tril. yen	8.1 tril. yen	+6.0 tril. yen

Changes in amounts outstanding: "outward investment in securities" (end-March 2024)

Sector	Assets/liabilities	Amounts outstanding before revision	Amounts outstanding after revision	Changes in amounts outstanding
Public pensions	Assets	161.4 tril. yen	156.3 tril. yen	-5.1 tril. yen
Financial institutions for agriculture, forestry, and fisheries	Assets	42.9 tril. yen	41.9 tril. yen	-0.9 tril. yen
Life insurance	Assets	91.5 tril. yen	88.1 tril. yen	-3.4 tril. yen
Defined benefit schemes	Assets	38.6 tril. yen	32.3 tril. yen	-6.3 tril. yen
Private nonfinancial corporations	Assets	7.0 tril. yen	21.6 tril. yen	+14.5 tril. yen

(2) "Life insurance reserves" and "annuity entitlements" of "households"**(a) Revision**

"Life insurance reserves" and "annuity entitlements" held by "households" are compiled with the data on insurance companies' policy reserves on savings-type life insurance and personal pension insurance. As policy reserves for reinsurance contracts transferred by domestic insurance companies to overseas insurance companies are currently not recorded, the planned revision will record them in "life insurance reserves" and "annuity entitlements" held by "households," using financial statements and information obtained from interviews, etc. from insurance companies.

(b) Effect

Due to the above revision, the figures for "life insurance reserves" and "annuity entitlements" of the asset side of "households" and the liability side of "life insurance" will be revised upward.

Changes in amounts outstanding: "life insurance reserves" and "annuity entitlements" (end-March 2024)

Sector; Transaction item	Assets/liabilities	Amounts outstanding before revision	Amounts outstanding after revision	Changes in amounts outstanding
Households; life insurance reserves	Assets	230.8 tril. yen	252.5 tril. yen	+21.7 tril. yen
Households; annuity entitlements	Assets	100.6 tril. yen	106.8 tril. yen	+6.2 tril. yen
Life insurance; life insurance reserves	Liabilities	230.8 tril. yen	252.5 tril. yen	+21.7 tril. yen
Life insurance; annuity entitlements	Liabilities	89.0 tril. yen	95.1 tril. yen	+6.2 tril. yen

(3) "External securities issued by residents"

(a) Revision

The amount outstanding of "external securities issued by residents" held by each sector is estimated from financial statements, etc. The residual with no specific holding entity is posted as the portion held by "banks." In the planned revision, holding amounts of "banks" will be refined by using data related to the international investment position.

(b) Effect

Due to the above revision, the figures for "external securities issued by residents" (assets) of "banks" will be revised downward, whereas "external securities issued by residents" (assets) of "overseas" will be revised upward. Accordingly, the figures for "central government securities and FILP bonds" (assets) of "overseas" will be revised downward, whereas "central government securities and FILP bonds" (assets) of "banks" will be revised upward.

Changes in amounts outstanding: "external securities issued by residents" and "central government securities and FILP bonds" (end-March 2024)

Sector; Transaction item	Assets/liabilities	Amounts outstanding before revision	Amounts outstanding after revision	Changes in amounts outstanding
Banks; external securities issued by residents	Assets	14.8 tril. yen	4.2 tril. yen	-10.6 tril. yen
Overseas; external securities issued by residents	Assets	53.5 tril. yen	62.7 tril. yen	+9.2 tril. yen
Banks; central government securities and FILP bonds	Assets	95.7 tril. yen	104.0 tril. yen	+8.3 tril. yen
Overseas; central government securities and FILP bonds	Assets	70.4 tril. yen	61.4 tril. yen	-8.9 tril. yen

(4) 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.

"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.

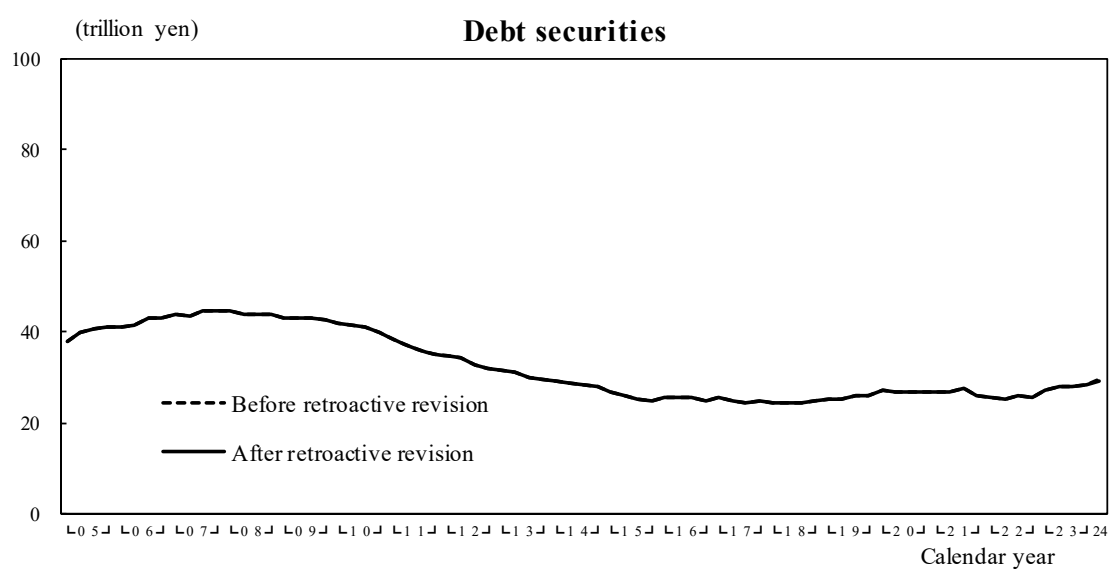
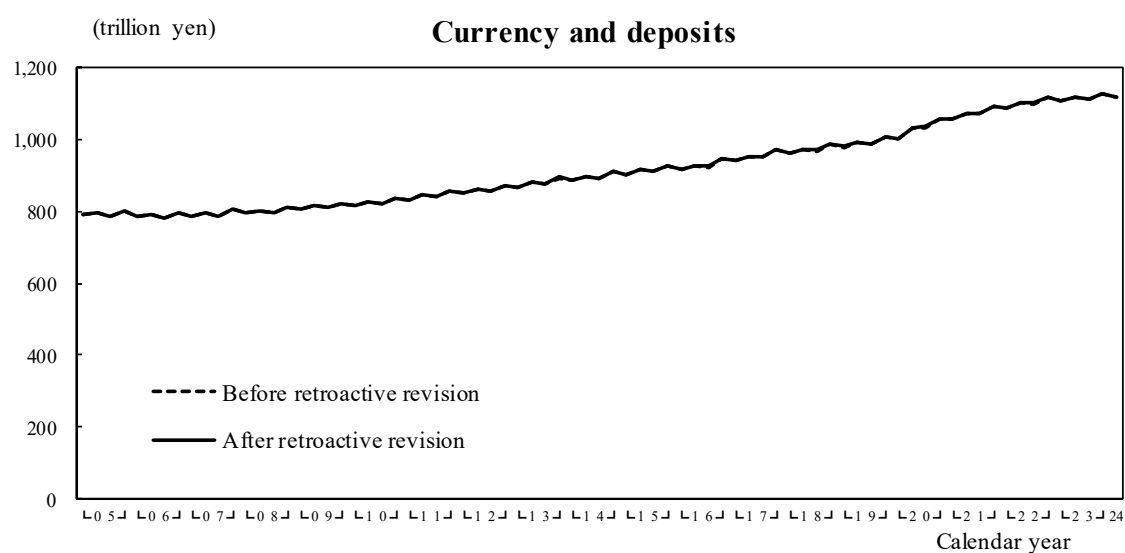
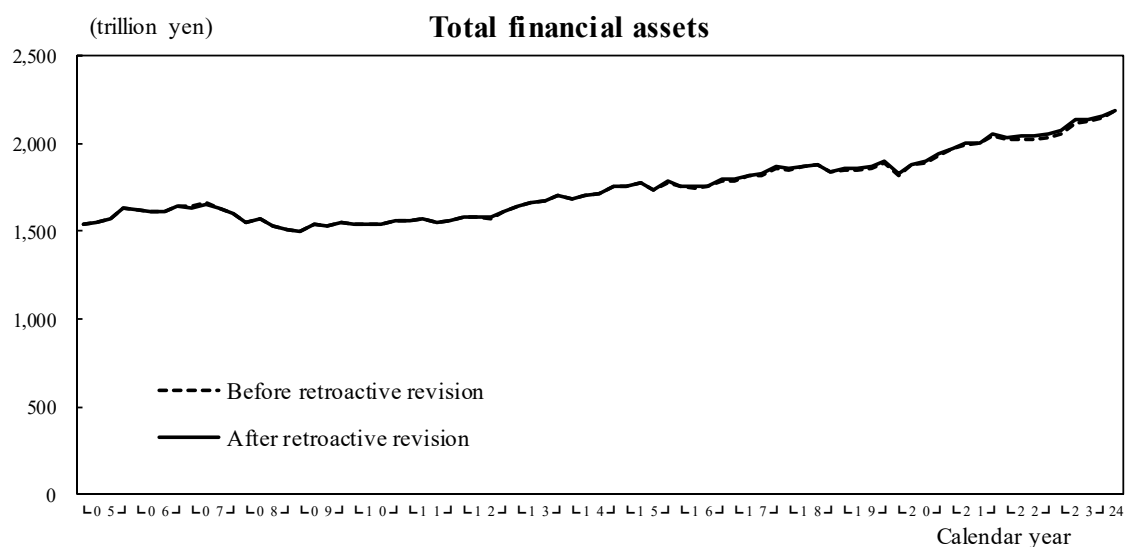
Reflecting the retroactive revision of the Balance of Payments related statistics

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 2022 onward.

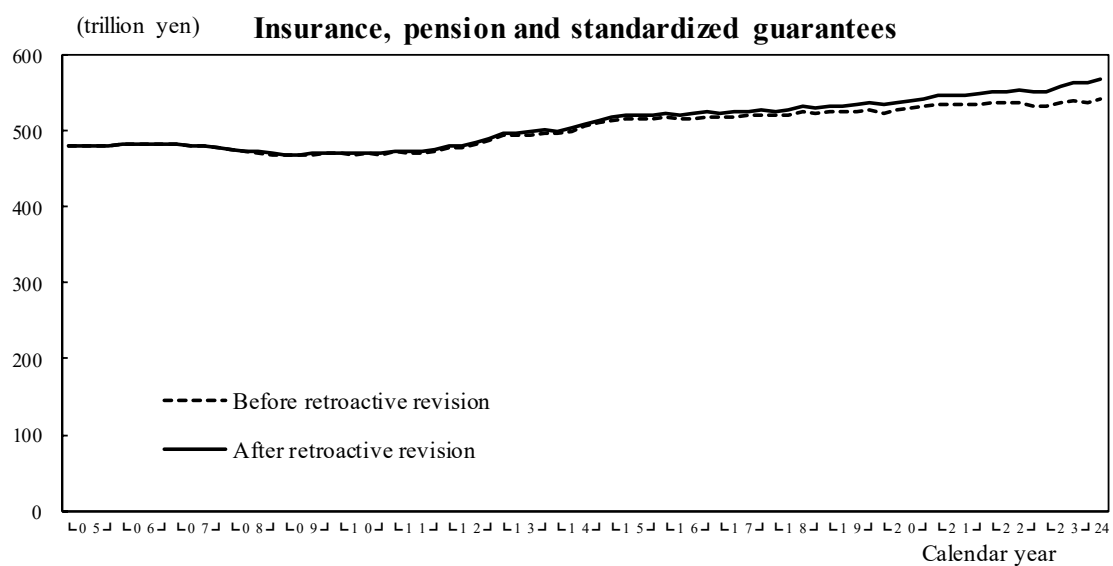
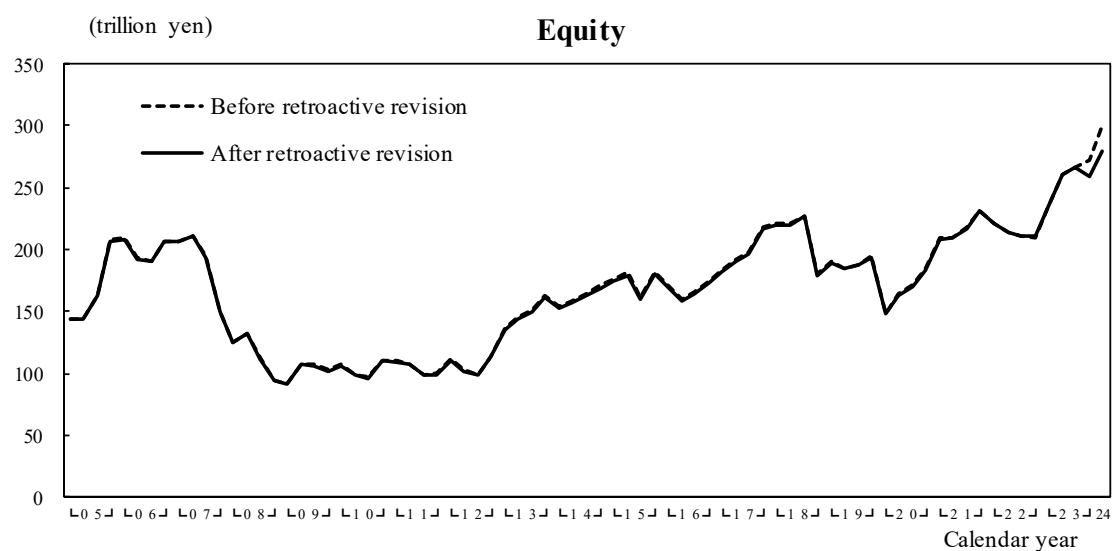
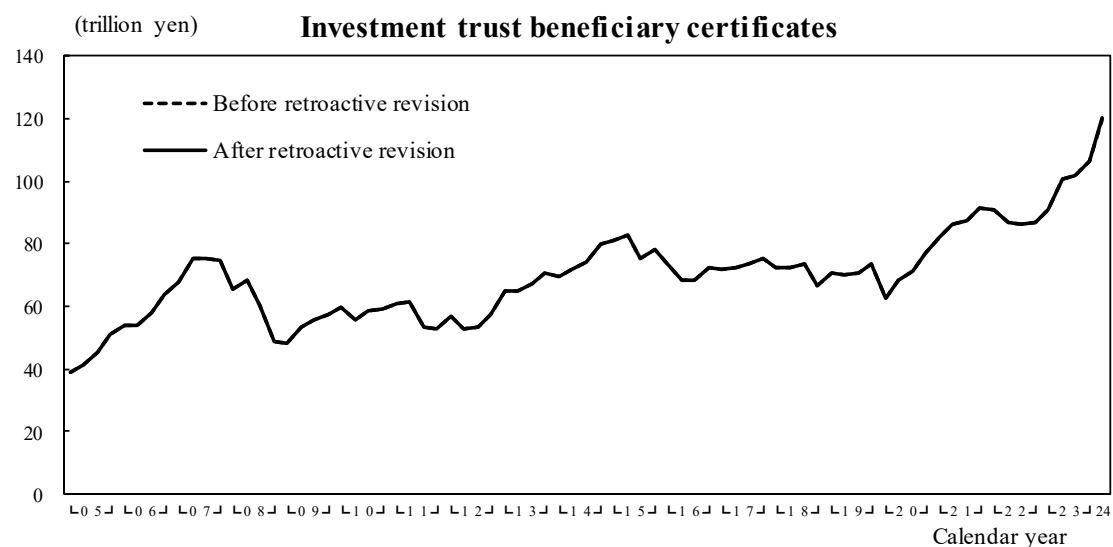
Inquiries:

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

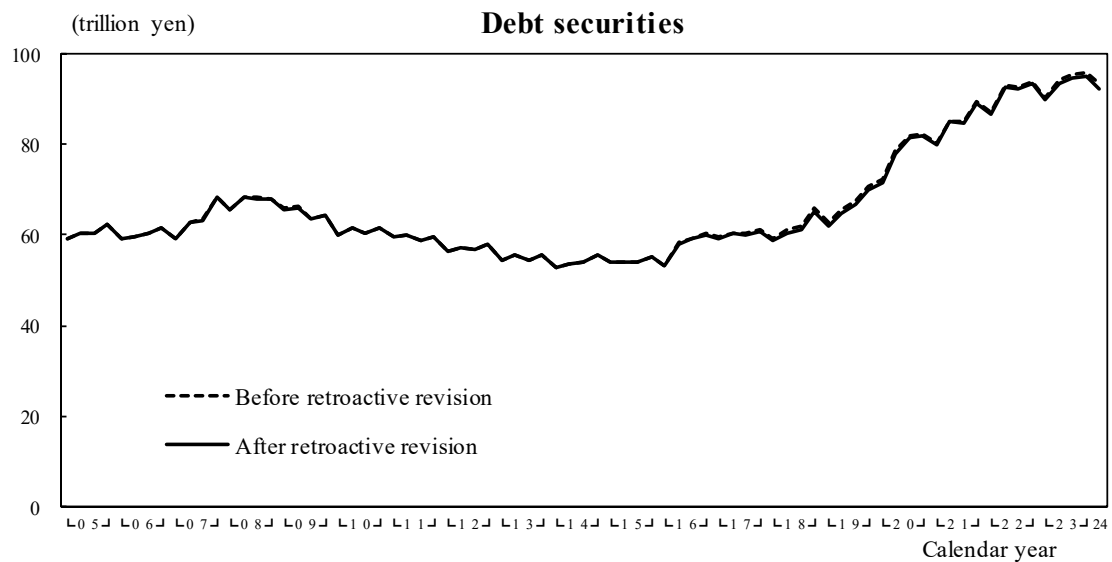
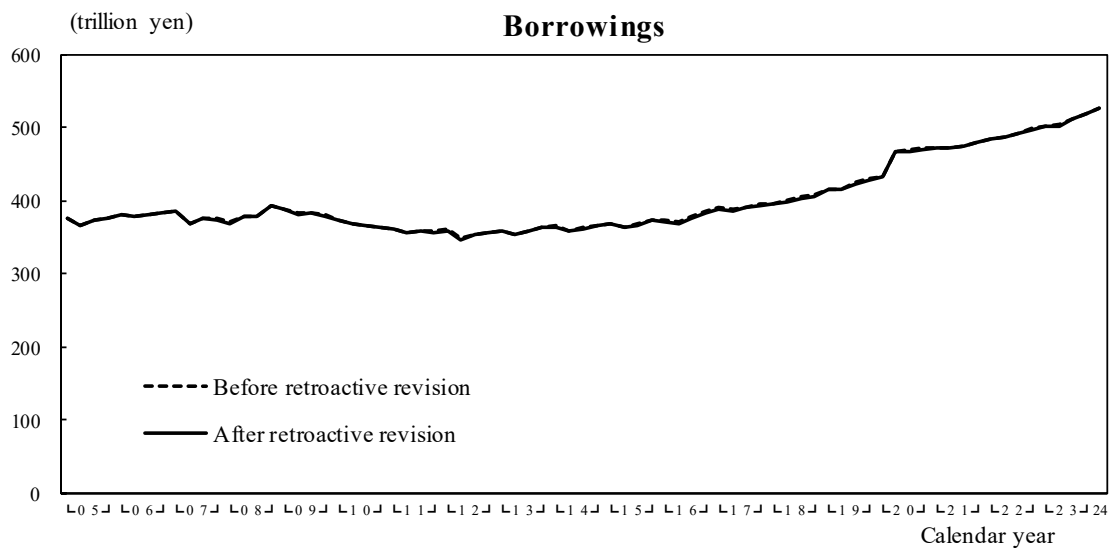
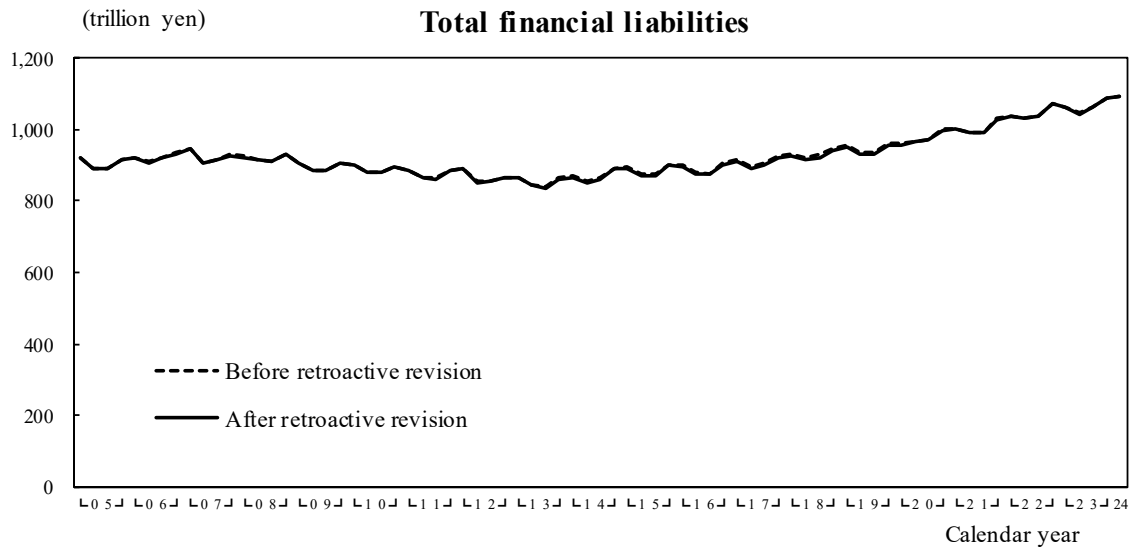
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(1) Households (outstanding financial assets)

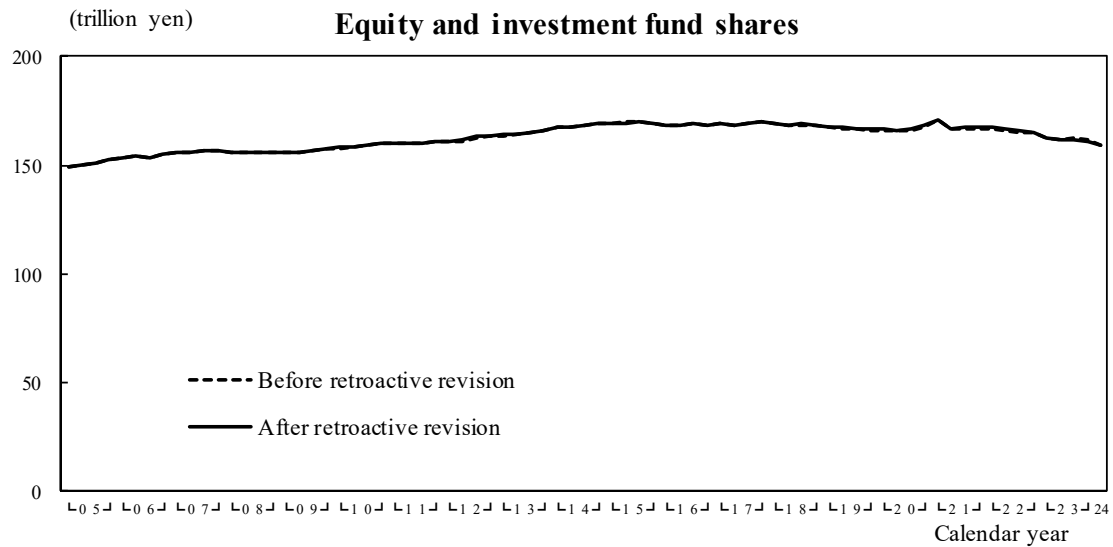
(1) Households (outstanding financial assets) (continued)



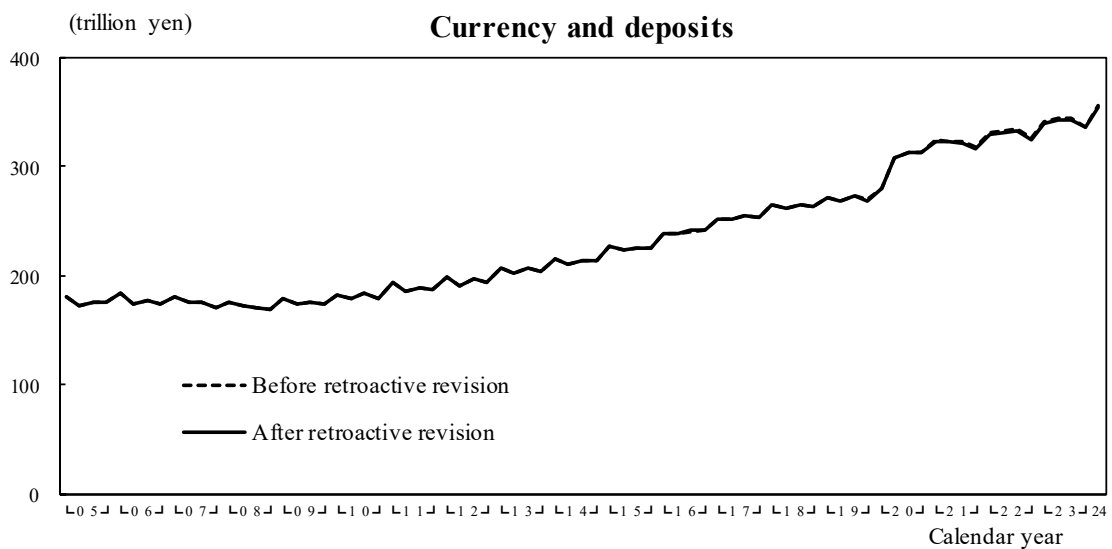
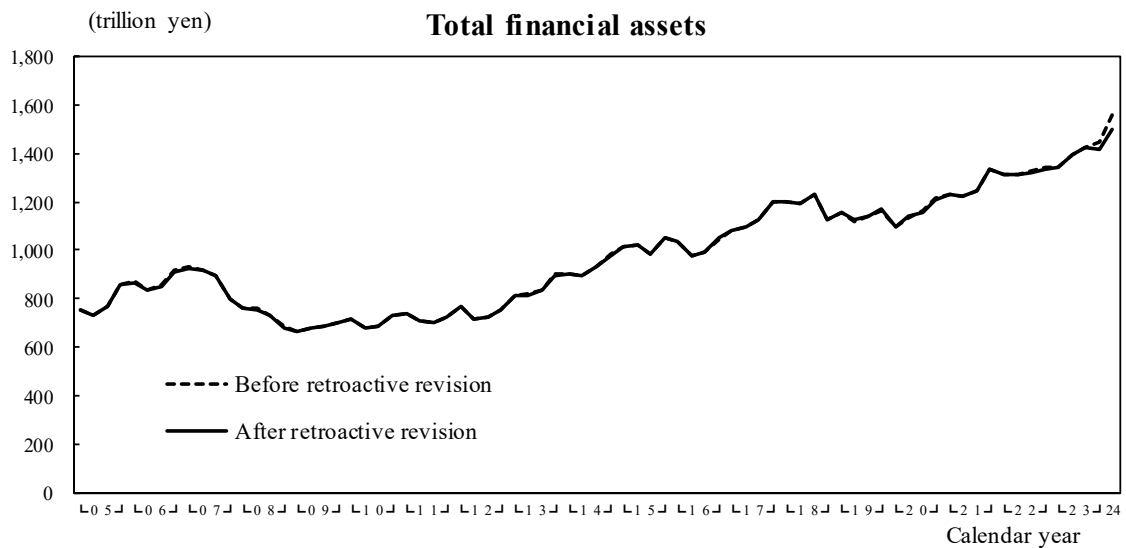
(2) Private nonfinancial corporations (outstanding financial liabilities, book value/face value basis)



(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)

