

Release of "Loans, Debt Securities, and Deposits by Maturity" and "From-whom-to-whom of Loans"

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From December 2013, the Bank of Japan (BOJ) has started releasing new data series on "Loans, Debt Securities, and Deposits by Maturity" on a biannual basis and "From-whom-to-whom of Loans" on a quarterly basis as supplementary data of the Japan's Flow of Funds Accounts Statistics (J-FFA). This paper elaborates on the context in which the new data series have been developed and then provides an overview and the compilation methods of the new data series.

1. Introduction

The BOJ compiles the J-FFA which is a comprehensive record of Japan's financial activities in major economic sectors. The BOJ has been improving the quality of the J-FFA by reflecting new data sources and developments of recent financial transactions. In recent years, the BOJ has reviewed the J-FFA and expanded its supplementary figures on three fronts, in line with the recent proposals by international bodies for statistics with the aim to capture an accurate financial and economical picture by filling the "data gap," which has been further recognized since the financial crisis in 2008.

First is to **enrich statistics to better capture shadow banking activities**. The compilation of new statistics as well as improvement of statistical accuracy for the shadow banking sector such as pension funds and investment trusts are gaining more importance amid the aging society and the expected transition from savings to investment. In addition, as for transaction items, there is a growing need for data on securitized products which have been widely used as a means of transferring risks. The BOJ started to release "Amounts Outstanding of Securitized Products" in December 2011 in order to meet users' need to capture a picture of securitization in the market issued by SPCs. Furthermore, in October 2013, the BOJ released the draft of J-FFA's revision plan based on the 2008 SNA, which is the new statistical standard adopted by the United Nations Statistical Commission in 2009. This draft includes a revision plan for the further enhancement of statistics related to the shadow banking sector such as pension funds and investment trusts.

Second is to **enhance the maturity information of assets and liabilities data**. Data on the holdings of main financial assets by maturity and by economic sector will be useful in capturing the changes in risk-taking positions on the macro-level as well as the

location of availability risks and interest rate risks. In the global arena, the G20 (meeting of Finance ministers and Central Bank Governors) recommended the dissemination of maturity data for major assets and liabilities since the mismatch in the composition of assets and liabilities by maturity was recognized as one of the causes of the financial crisis in 2008.

Third is to **develop from-whom-to-whom data**. While the J-FFA provides a comprehensive view of financial activities in Japan by recording each economic sector's assets and liabilities in the form of sector by transaction matrices, from-whom-to-whom data reveals a more detailed creditor-debtor relationship to capture financial flows and risk transfers among economic sectors. The BOJ started to release from-whom-to-whom data for domestic securities in September 2011. Looking at international developments, the International Monetary Fund has recommended the compilation of from-whom-to-whom data for securities after the financial crisis. In Europe, the ECB started to release from-whom-to-whom data for deposits and for short- and long-term loans in 2010.

The newly released data series, "Loans, Debt Securities, and Deposits by Maturity" aims to enhance the BOJ's financial statistics on the first front "shadow banking" as well as on the second front "maturity information." Another new data series, "From-whom-to-whom of Loans" is expected to improve on the third front "from-whom-to-whom data" and to capture the trend of financial flows and risk transfers among sectors in more detail.

The following are explanations of the framework of each new data series.

2. Loans, Debt Securities, and Deposits by Maturity

(Overview)

This data series are estimated figures of loans, debt securities, and deposits by original/remaining maturity and by economic sector in accordance with the international recommendation on statistical development. The BOJ expects practical usage of this data series to capture changes in risk-taking positions on a macro-level and changes in the location of availability risks and interest rate risks since the series are expected to capture information on maturity mismatches that occur in economic sectors.

(Classification of Transaction Items)

The BOJ has compiled maturity data of loans by interest rate and of deposits on its own initiative. This is because these data offer useful information on maturity mismatches on cash availability and interest rate risks rather than just providing loans and debt

securities by maturity as recommended by the G20.

(Sectoral Classification)

The G20 recommends the compilation of maturity data of loans and debt securities for all sectors. However, some sectors have difficulty in compiling data for loans and debt securities due to data limitations. The maturity data of deposits are compiled for “depository corporations” and some of its sub-sectors.

(Compilation Method)

The stock of loans, debt securities, and deposits by remaining maturity are estimated by multiplying the stock figures of each transaction item (e.g. loans, debt securities, and deposits) in the J-FFA by the composition ratio between long-term and short-term transaction items. The composition ratio is calculated based on the data obtained from the survey of loans, debt securities and deposits by remaining maturity. Since the J-FFA does not record foreign securities as an individual transaction item, the data of foreign securities by remaining maturity for some sectors such as domestically licensed banks and insurance sectors are compiled directly from the survey of loans, debt securities and deposits by remaining maturity.

(Frequency)

Figures are compiled and released biannually. They are posted on the ["Flow of Funds" section](#) of the BOJ website along with the J-FFA.

Both the March data on "Loans, Debt Securities, and Deposits by Maturity" and the September data on the J-FFA will be released in December of the same year. Both the September data on "Loans, Debt Securities, and Deposits by Maturity" and the March data of the J-FFA will be released in June of the following year. In short, the "Loans, Debt Securities, and Deposits by Maturity" data and the J-FFA are released nine months and three months later, respectively.

3. From-whom-to-whom of Loans

(Overview)

The main objective of this data series is to clarify the creditor-debtor relationship for loans. The data series captures and provides the trend of financial flows and of risk transfers among economic sectors in more detail.

(Sectoral Classification)

The lender sector is broadly divided into "financial institutions" and "nonfinancial sector" and each sector is composed of sub-sectors. The borrower sector is composed of

the following six sectors: “financial institutions,” “nonfinancial corporations,” “general government,” “households,” “private nonprofit institutions serving households” and “overseas” whose classifications are the same as the J-FFA.

(Compilation Method)

Data are compiled by rearranging the data for loans by private/public financial institution which are released in “Detailed Data of Flow of Funds Accounts.” Other detailed data not subject to release but estimated in the J-FFA’s regular compilation process are also used.

The compilation method differs by sector because data availability is not the same in all sectors. For instance, data on some loans borrowed by financial institutions and public non-financial corporations are compiled based on available information such as "Loans and Bills Discounted by Sector" and financial statements, while some loans borrowed by private non-financial corporations are compiled based on estimations due to the lack of data source.

(Frequency)

Figures are compiled and released on a quarterly basis. They are available in the “Basic Figures of the Flow of Funds” posted on the ["Flow of Funds" section](#) of the BOJ website.