ANNEX II

DESCRIPTIONS

PART 1

Descriptions of instrument categories

1. This table provides a detailed standard description of the instrument categories which national central banks (NCBs) must transpose into their national categories in accordance with this Regulation. Neither the list of individual financial instruments in the table nor their corresponding descriptions are intended to be exhaustive. The descriptions refer to the European system of accounts set up by Regulation (EU) No 549/2013 (hereinafter the 'ESA 2010').

2. For some of the instrument categories, maturity breakdowns are required. These refer to original maturity, i.e. maturity at issue, which is the fixed period of life of a financial instrument before which it cannot be redeemed, e.g. debt securities, or before which it can only be redeemed with a penalty, e.g. some types of deposits.

3. Financial claims can be distinguished by whether they are negotiable or not. A claim is negotiable if its ownership is readily capable of being transferred from one unit to another by delivery or endorsement or of being offset in the case of financial derivatives. While any financial instrument can be traded, negotiable instruments are designed to be traded on an organised exchange or 'over-the-counter', although actual trading is not a necessary condition for negotiability.

TABLE A

Description of instrument categories in the assets and liabilities of pension funds

ASSETS

Instrument category	Description of main features
1. Currency and deposits	Holdings of euro and foreign currency banknotes and coins in circulation that are commonly used to make payments and deposits placed by the pension fund (PF) with monetary financial institutions (MFIs). They may include overnight deposits, deposits with agreed maturity and deposits redeemable at notice, as well as claims under reverse repos or securities borrowing against cash collateral (this applies only if the counterparty is a deposit-taking corporation (ESA 2010, paragraph 5.130)).
1.1 Transferable deposits	Transferable deposits are deposits which are directly transferable on demand to make payments to other economic agents by commonly used means of payment, such as credit transfer and direct debit, possibly also by credit or debit card, e-money transactions, cheques, or similar

ASSETS	
	means, without significant delay, restriction or penalty. Deposits that can only be used for cash withdrawal and/or deposits from which funds can only be withdrawn or transferred through another account of the same owner are not to be included as transferable deposits.
2. Debt securities	Holdings of debt securities, which are negotiable financial instruments serving as evidence of debt, are usually traded on secondary markets. They can also be offset on the market and do not grant the holder any ownership rights over the issuing institution. This category includes: — holdings of securities which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a stated fixed sum at a specific date or dates, or starting from a date fixed at the time of issue, — loans which have become negotiable on an organised market, i.e. traded loans, provided that there is evidence of secondary market trading, including the existence of market makers, and frequent pricing of the financial asset, such as demonstrated by bid-offer spreads. Where these criteria are not fulfilled they should be classified under category 3 'Loans' (see also 'traded loans' in the same category), — subordinated debt in the form of debt securities (see also 'subordinated debt in the form of loans' in category 3 'Loans'). Securities lent out under securities lending operations or sold under a repurchase agreement remain on the original owner's balance sheet (and are not to be recorded in the balance sheet of the temporary acquirer) where there is a firm commitment to reverse the operation, and not simply an option to do so. Where the temporary acquirer sells the securities received, this sale must be recorded as an outright transaction in securities and entered in the balance sheet of

ASSETS	
	the temporary acquirer as a negative position in the securities portfolio.
3. Loans	For the purposes of the reporting scheme, this category consists of funds lent by PFs to borrowers, or loans acquired by PFs, which are either evidenced by non-negotiable documents or not evidenced by documents. It includes the following items: — holdings of non-negotiable securities: holdings of debt securities which are not negotiable and cannot be traded on secondary markets, — traded loans: loans that have *de facto* become negotiable are classified under the category 'Loans' provided that there is no evidence of secondary market trading. Otherwise they are classified as debt securities (category 2), — subordinated debt in the form of loans: subordinated debt instruments provide a subsidiary claim on the issuing institution that can only be exercised after all claims with a higher status have been satisfied, giving them some of the characteristics of equity. For statistical purposes, subordinated debt is classified as either 'loans' or 'debt securities' according to the nature of the instrument. Where a PF's holdings of all forms of subordinated debt are identified as a single figure for statistical purposes, this figure is to be classified under the category 'debt securities', on the grounds that subordinated debt is predominantly constituted in the form of debt securities, rather than as loans, — claims under reverse repos or securities borrowing against cash collateral (this applies only if the counterparty is not a deposit-taking corporation (ESA 2010, paragraph 5.130)): counterpart of cash paid out in exchange for securities purchased by reporting agents at a given price under a firm

ASSETS		
		commitment to resell the same or similar securities at a fixed price on a specified future date, or securities borrowing against cash collateral. This category excludes assets in the form of deposits placed by PFs (which are included in category 1).
4.	Equity	Financial assets that represent ownership rights in corporations or quasi-corporations. Such financial assets generally entitle the holders to a share in the profits of the corporations or quasi-corporations, and to a share in their net assets in the event of liquidation. This category includes listed and unlisted shares and other equity. Equity securities lent out under securities lending operations or sold under repurchase agreements are treated in accordance with category 2 ‘Debt securities’.
4.1	Listed shares	Equity securities listed on an exchange. The exchange may be a recognised stock exchange or any other form of secondary market. Listed shares are also referred to as quoted shares.
4.2	Unlisted shares	Unlisted shares are equity securities not listed on an exchange.
4.3	Other equity	Other equity comprises all forms of equity other than listed shares and unlisted shares.
5.	Investment fund shares/units	This category includes holdings of shares or units issued by money market funds (MMFs) and non-MMF investment funds (i.e. investment funds other than MMFs).
5.1	MMF shares/units	Holdings of shares or units issued by MMFs as defined in Article 2 of Regulation (EU) No 1071/2013 (ECB/2013/33).
5.2	Non-MMF shares/units	Holdings of shares or units issued by investment funds (IFs) other than MMFs as defined in Article 1 of Regulation (EU) No 1073/2013 (ECB/2013/38).
6.	Pension fund reserves	This category includes: — PFs' claims on pension managers as defined in ESA 2010, paragraphs 5.186 and 17.78, — financial claims of PFs against reinsurance corporations connected

ASSETS		
		with pension reserves (reinsurance recoverables).
7.	Financial derivatives	Financial derivatives are financial instruments linked to a specified financial instrument, indicator, or commodity, through which specific financial risks can be traded in financial markets in their own right. This category includes: — options, — warrants, — futures, — forwards, — swaps, — credit derivatives. Financial derivatives are recorded at market value on the balance sheet on a gross basis. Individual derivative contracts with positive market values are recorded on the asset side of the balance sheet and contracts with negative market values on the liability side of the balance sheet. Gross future commitments arising from derivative contracts should not be entered as on-balance-sheet items. Financial derivatives may be recorded on a net basis according to different valuation methods. In the event that only net positions are available, or positions are recorded other than at market value, these positions are reported instead. This category does not include financial derivatives that are not subject to on-balance-sheet recording according to national rules.
8.	Other accounts receivable/payable	This is the residual item on the asset side of the balance sheet, defined as 'assets not included elsewhere'. NCBs may require the reporting of specific sub-positions included in this category, such as: — dividends receivable, — accrued interest receivable on deposits, — accrued interest receivable on loans, — accrued interest receivable on debt securities, — accrued rent receivable, — amounts receivable which do not relate to the PF's main business.
9.	Non-financial assets	Tangible and intangible assets, other than financial assets.

ASSETS	
	This category includes dwellings, other buildings and structures, machinery and equipment, valuables, and intellectual property products such as computer software and databases.

LIABILITIES

Instrument category	Description of main features
10. Loans received	Amounts owed to creditors by the PF, other than those arising from the issue of negotiable securities. This category consists of: — loans: loans granted to the PFs which are either evidenced by non-negotiable documents or not evidenced by documents, — repos and repo-type operations against cash collateral: counterpart of cash received in exchange for securities sold by the PF at a given price under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. Amounts received by the PF in exchange for securities transferred to a third party (the 'temporary acquirer') are to be classified here where there is a firm commitment to reverse the operation and not merely an option to do so. This implies that the PF retains all risks and rewards of the underlying securities during the operation, — cash collateral received in exchange for securities lending: amounts received in exchange for securities temporarily transferred to a third party in the form of securities lending operations against cash collateral, — cash collateral received in operations involving the temporary transfer of gold against collateral.
11 Debt securities issued	Securities issued by the PF, other than equity, that are usually negotiable instruments and traded on secondary markets, or that can be offset on the market, and do not grant the holder any ownership rights in respect of the issuing institution.

LIABILITIES	
12. Equity	See category 4.
13. Technical reserves	The amount of capital that the PF holds in order to meet the future pension claims of its policyholders.
13.1 o/w pension entitlements	The amount of capital that the PF holds in order to meet the future claims of its pension schemes.
Pension entitlements, o/w defined contribution schemes	The amount of capital that the PF holds in order to meet the future pension claims of its defined contribution scheme policyholders. In a defined contribution scheme the benefits paid are dependent on the performance of the assets acquired by the pension scheme. The liability of a defined contribution scheme is the current market value of the fund's assets.
Pension entitlements, o/w defined benefit schemes	The amount of capital that the PF holds in order to meet the future pension claims of its defined benefit scheme policyholders. In a defined benefit pension scheme the level of pension benefits promised to participating employees is determined by a formula agreed in advance. The liability of a defined benefit pension scheme is equal to the present value of the promised benefits. Notional defined contribution schemes and hybrid schemes are grouped as defined benefit schemes (ESA 2010, paragraph 17.59). A notional defined contribution scheme is similar to a defined contribution scheme but with a guaranteed minimum amount payable. Hybrid schemes are those schemes which have both a defined benefit and a defined contribution element. A scheme is classified as ‘hybrid’ either because both defined benefit and defined contribution provisions are present or because it embodies a notional defined contribution scheme and, at the same time, a defined benefit or defined contribution provision.
13.2 Claims of pension funds on pension managers	See category 6.
13.3 Entitlements to non-pension benefits	This is the excess of net contributions over benefits, which represents an increase in the liability of the insurance scheme towards

LIABILITIES	
	the beneficiaries (defined in ESA 2010, paragraph 5.187).
14. Financial derivatives	See category 7.
15. Other accounts receivable/payable	This is the residual item on the liabilities side of the balance sheet, defined as 'liabilities not included elsewhere'. NCBs may require the reporting of specific sub-positions included in this category, such as: — amounts payable not related to the PF's main business, i.e. amounts due to suppliers, tax, wages, social contributions, etc., — provisions representing liabilities against third parties, i.e. pensions, dividends, etc., — net positions arising from securities lending without cash collateral, — net amounts payable in respect of future settlements of transactions in securities, — accrued interest payable on loans.
16. Net worth	This is the balancing item of a balance sheet (B.90) (ESA 2010, paragraph 7.02). The stock of the assets and liabilities recorded in the balance sheet are valued at the appropriate prices, which are usually the market prices prevailing on the date to which the balance sheet relates. In a defined benefit pension scheme, however, the level of pension benefits promised to participating employees is determined by a formula agreed in advance. The liability of a defined benefit pension scheme is equal to the present value of the promised benefits, and therefore in a defined benefit pension scheme net worth can be different from zero. In a defined contribution scheme the benefits paid are dependent on the performance of the assets acquired by the pension scheme. The liability of a defined contribution scheme is the current market value of the fund's assets. The fund's net worth is always zero.

PART 2

Descriptions of security-by-security attributes

TABLE B

Descriptions of security-by-security attributes

Field	Description
Security identifier code	A code that uniquely identifies a security, subject to the NCB's instructions (e.g. NCB identification number, CUSIP, SEDOL). This code must be kept consistent over time.
Number of units or aggregated nominal amount	Number of units of a security, or aggregated nominal amount if the security is traded in amounts rather than in units, excluding accrued interest.
Price	Market price per unit of a security, or percentage of the aggregated nominal amount if the security is traded in amounts rather than in units. NCBs may also require accrued interest to be reported under this position.
Quotation basis	Indicates whether the security is quoted as a percentage or in units.
Total amount	Total market value of a security. In the case of securities that are traded in units, this amount equals the number of securities multiplied by the price per unit. Where securities are traded in amounts rather than in units, this amount equals the aggregated nominal amount multiplied by the price expressed as a percentage of the nominal amount. NCBs must in principle require accrued interest to be reported either under this position or separately. However, NCBs may at their discretion require data excluding accrued interest.
Financial transactions	The sum of purchases minus sales (securities on the asset side) or issues minus redemptions (securities on the liability side) of a security recorded at transaction value in euro.
Securities purchased (assets) or issued (liabilities)	The sum of purchases (securities on the asset side) or issues (securities on the liability side) of a security recorded at transaction value.
Securities sold (assets) or redeemed (liabilities)	The sum of sales (securities on the asset side) or redemptions (securities on the liability

a Guideline ECB/2011/23 of the European Central Bank of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (OJ L 65, 3.3.2012, p. 1).

	side) of a security recorded at transaction value.
Currency of recording of the security	ISO code or equivalent of the currency used to express the price and/or the outstanding amount of the security.
Other changes in volume at nominal value	Other changes in the volume of the security held, at nominal value in nominal currency/unit or euro.
Other changes in volume at market value	Other changes in the volume of the security held, at market value in euro.
Portfolio investment or direct investment	The function of the investment according to its classification in balance of payments statistics[a].
Issuer country	The residence of the issuer. In the case of investment fund shares/units, the issuer country refers to the place where the investment fund is resident and not the residence of the fund manager.

a Guideline ECB/2011/23 of the European Central Bank of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (OJ L 65, 3.3.2012, p. 1).

PART 3

Descriptions of number of members of pension schemes

TABLE C

Descriptions of number of members of pension schemes

Category		Description
1.	Number of members of pension schemes (total)	The total number of members of pension schemes. This amount equals the sum of active members, deferred members and retired members. See categories 2, 3 and 4.
2.	o/w active members	Number of active members of the pension scheme. An active member is a pension scheme member who is making contributions (and/or on behalf of whom contributions are being made) and is accumulating assets or has accrued assets in the past and is not yet retired.
3.	o/w deferred members	Number of deferred members of the pension scheme. A deferred member is a pension scheme member who no longer contributes to or accrues benefits from the scheme but has not

	yet begun to receive retirement benefits from that scheme.
4. o/w retired members	Number of retired members of the pension scheme A retired member is a pension scheme member who no longer contributes to or accrues benefits from the scheme and has begun to receive retirement benefits from that scheme.

PART 4

Descriptions by sector

The ESA 2010 provides the standard for sector classification. Table D provides a detailed description of those sectors which NCBs must transpose into their national classifications in accordance with this Regulation. Counterparties resident in euro area Member States are identified according to their sector in accordance with the lists maintained by the European Central Bank (ECB) for statistical purposes and the guidance for the statistical classification of counterparties provided in the ECB's 'Monetary financial institutions and markets statistics sector manual: Guidance for the statistical classification of customers'.

TABLE D

Descriptions by sector

Sector	Description
1. MFIs	MFIs as defined in Article 1 of Regulation (EU) No 1071/2013 (ECB/2013/33). This sector consists of NCBs (S.121), credit institutions as defined in Union law, MMFs, other financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs and, for their own account, at least in economic terms, to grant loans and/or make investments in securities, and electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money (S.122).
2. General government	The general government sector (S.13) consists of institutional units that are non-market producers whose output is intended for individual and collective consumption and that are financed by compulsory payments made by units belonging to other sectors, and institutional units principally engaged in the redistribution of national income and wealth (ESA 2010, paragraphs 2.111 to 2.113).

3.	Other financial intermediaries, except insurance corporations and pension funds + financial auxiliaries + captive financial institutions and money lenders	The other financial intermediaries, except insurance corporations and pension funds subsector (S.125) consists of all financial corporations and quasi-corporations which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits (or close substitutes for deposits), IF shares/units, or in relation to insurance, pension and standardised guarantee schemes from institutional units. Financial vehicle corporations as defined in Regulation (EU) No 1075/2013 (ECB/2013/40) are included in this subsector (ESA 2010, paragraphs 2.86 to 2.94). The financial auxiliaries subsector (S.126) consists of all financial corporations and quasi-corporations which are principally engaged in activities closely related to financial intermediation but which are not financial intermediaries themselves. This subsector also includes head offices whose subsidiaries are all or mostly financial corporations (ESA 2010, paragraphs 2.95 to 2.97). The captive financial institutions and money lenders subsector (S.127) consists of all financial corporations and quasi-corporations which are neither engaged in financial intermediation nor in providing financial auxiliary services, and where most of either their assets or their liabilities are not transacted on open markets. This subsector includes holding companies that hold controlling levels of equity in a group of subsidiary corporations and whose principal activity is owning the group without providing any other service to the businesses in which the equity is held, that is, they do not administer or manage other units (ESA 2010, paragraphs 2.98 and 2.99).
4.	Non-MMF IFs	IFs as defined in Article 1 of Regulation (EU) No 1073/2013 (ECB/2013/38). This subsector consists of all collective investment undertakings, except MMFs, that invest in financial and/or non-financial assets, to the extent that the objective is investing capital raised from the public (S.124).
5.	Insurance corporations	Insurance corporations (ICs, S.128) as defined in Article 1 of Regulation (EU) No 1374/2014 (ECB/2014/50).

6.	Pension funds	PFs as defined in Article 1 of this Regulation (S.129).
6.1	Pension managers	Pension manager as defined in Article 1 of this Regulation.
7.	Non-financial corporations	The non-financial corporations sector (S.11) consists of institutional units that are independent legal entities and market producers, and whose principal activity is the production of goods and non-financial services. This sector also includes non-financial quasi-corporations (ESA 2010, paragraphs 2.45 to 2.50).
8.	Households + non-profit institutions serving households	The households sector (S.14) consists of individuals or groups of individuals, as consumers and as entrepreneurs, producing market goods and providing non-financial and financial services (market producers), provided that the production of goods and services is not carried out by separate entities treated as quasi-corporations. It also includes individuals or groups of individuals that produce goods and non-financial services for exclusively own final use. The households sector includes sole proprietorships and partnerships that are not independent legal entities, other than those treated as quasi-corporations, and that are market producers (ESA 2010, paragraphs 2.118 to 2.128). The non-profit institutions serving households (NPISHs) sector (S.15) consists of non-profit institutions that are separate legal entities, serve households and are private non-market producers. Their principal resources are voluntary contributions in cash or in kind from households in their capacity as consumers, from payments made by general government and from property income (ESA 2010, paragraphs 2.129 and 2.130).

PART 5

Descriptions of financial transactions and revaluation adjustments

1. ‘Financial transactions’ refers to those transactions that arise out of the creation, liquidation or change in ownership of financial assets or liabilities. These transactions are measured in terms of the difference between stock positions at end-period reporting dates, from which the effects of changes resulting from the influence of ‘revaluation adjustments’ (as a consequence of price and exchange rate changes) and ‘reclassifications and other adjustments’ are removed. The ECB requires statistical

information for the purpose of compiling data on financial transactions in the form of adjustments that involve 'reclassifications and other adjustments' as well as 'price and exchange rate revaluations'.

2. 'Revaluation adjustments' refers to changes to the valuation of assets and liabilities that arise from changes in the price of assets and liabilities and/or the effect of exchange rates on the values, expressed in euro, of assets and liabilities denominated in a foreign currency. The adjustment in respect of price revaluations of assets/liabilities refers to changes to the valuation of assets/liabilities that arise because of a change in the price at which assets/liabilities are recorded or traded. The price revaluations include the changes that occur over time in the value of end-period stocks because of changes in the reference value at which they are recorded, i.e. holding gains/losses. Movements in exchange rates against the euro that occur between end-period reporting dates give rise to changes in the value of foreign currency assets/liabilities when expressed in euro. As these changes represent holding gains/losses and are not due to financial transactions, these effects need to be removed from the transactions data. In principle, revaluation adjustments also contain valuation changes that result from transactions in assets/liabilities, i.e. realised gains/losses; however, there are different national practices in this respect.

3. 'Write-offs/write-downs' refers to the reduction in the value of a loan recorded on the balance sheet where the loan is considered to be a worthless asset (write-off) or where it is deemed that the loan will not be fully recovered (write-down). Write-offs/write-downs recognised at the time a loan is sold or transferred to a third party are also included, where identifiable.