

Bank of England PRA

Annex I: Classifications reporting and item codes

Any references in this Annex to Regulation (EU) 2017/2402 or related technical standards and to specific Articles therein are unchanged. They should be read as referencing the PRA or FCA rules replacing the relevant provision.

| Table 1: System of Accounts Secure Codes | | |
|--|--|----------------|
| Sectors | Sub-sectors | SA Code |
| Non-financial corporations | Public non-financial corporations | S.11001 |
| | National private non-financial corporations | S.11002 |
| | Foreign controlled non-financial corporations | S.11003 |
| Monetary financial institutions (MFIs) | Central bank | S.121 |
| | Public deposit-taking corporations except the central bank | S.12201 |
| | National private deposit-taking corporations except the central bank | S.12202 |
| | Foreign controlled deposit-taking corporations except the central bank | S.12203 |
| | Public money market funds (MMFs) | S.12301 |
| | National private money market funds (MMFs) | S.12302 |
| | Foreign controlled money market funds (MMFs) | S.12303 |
| Financial corporations except MFIs and Insurance corporations and pension funds (ICPFs) | Public non-MMF investment funds | S.12401 |
| | National private non-MMF investment funds | S.12402 |
| | Foreign controlled non-MMF investment funds | S.12403 |
| | Public other financial intermediaries, except insurance corporations and pension funds | S.12501 |
| | National private other financial intermediaries, except insurance corporations and pension funds | S.12502 |
| | Foreign controlled other financial intermediaries, except insurance corporations and pension funds | S.12503 |
| | Public financial auxiliaries | S.12601 |

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|---|---|----------------|
| Sectors | Sub-sectors | SA Code |
| | National private financial auxiliaries | S.12602 |
| | Foreign controlled financial auxiliaries | S.12603 |
| | Public captive financial institutions and money lenders | S.12701 |
| | National private captive financial institutions and money lenders | S.12702 |
| | Foreign controlled captive financial institutions and money lenders | S.12703 |
| ICPFs | Public insurance corporations | S.12801 |
| | National private insurance corporations | S.12802 |
| | Foreign controlled insurance corporations | S.12803 |
| | Public pension funds | S.12901 |
| | National private pension funds | S.12902 |
| | Foreign controlled pension funds | S.12903 |
| Other | General government | S.13 |
| | Central government (excluding social security funds) | S.1311 |
| | State government (excluding social security funds) | S.1312 |
| | Local government (excluding social security funds) | S.1313 |
| | Social security funds | S.1314 |
| | Households | S.14 |
| | Employers and own-account workers | S.141+S.142 |
| | Employees | S.143 |
| | Recipients of property and transfer income | S.144 |
| | Recipients of property income | S.1441 |
| | Recipients of pensions | S.1442 |
| | Recipients of other transfers | S.1443 |

| Table 1: System of Accounts Secure Codes | | |
|---|---|----------------|
| Sectors | Sub-sectors | SA Code |
| | Non-profit institutions serving households | S.15 |
| | Member States of the European Union | S.211 |
| | Institutions and bodies of the European Union | S.212 |
| | Non-member countries and international organisations non-resident in the European Union | S.22 |

Effective from 1 November 2024

| Table 2: Servicer Watchlist Codes | | | |
|--|---|---|---|
| Servicer Watchlist Code | Meaning | Inclusion Threshold | Release Threshold |
| 1A | Delinquent P&I payment | 2 payments behind | Arrears cleared and loan is current. Remain on Watchlist for 2 quarters/periods |
| 1B | Delinquent insurance renewal or forced placed coverage | 30 <i>days</i> overdue | Receipt of proof of satisfactory insurance |
| 1C | Interest Coverage Ratio below dividend trap. | <ul style="list-style-type: none"> • Interest Coverage Ratio < required loan covenant (cash trap or default level); • Interest Coverage Ratio < 1.00 on a loan by loan basis | Interest Coverage Ratio above threshold |
| 1D | Debt Service Coverage Ratio absolute level | <ul style="list-style-type: none"> • Debt Service Coverage Ratio < 1.00; • Debt Service Coverage Ratio < 1.20 for healthcare and lodging; • or on a loan by loan basis | Debt Service Coverage Ratio above threshold |
| 1E | Debt Service Coverage Ratio decreases from 'Securitisation Date' | Debt Service Coverage Ratio < 80% of the 'Securitisation Date' Debt Service Coverage Ratio | Debt Service Coverage Ratio above threshold. Remain on Watchlist for 2 quarters/periods |
| 1F | Defaulted, matured, or discovery of previous undisclosed subordinate lien including mezzanine loan. | When notice received by servicer | Default has been cured or subordinate debt approved by servicer |

| Table 2: Servicer Watchlist Codes | | | |
|--|--|---|--|
| Servicer Watchlist Code | Meaning | Inclusion Threshold | Release Threshold |
| 1G | Any unplanned draw on a letter of credit, debt service reserve, or working capital to pay debt service | Any occurrence on a loan by loan basis. | After funds or Letter of Credit replaced if required by the documents otherwise after two Interest Payment Dates with no further draws |
| 2A | Absolute required repairs reserved for at closing, or otherwise disclosed to servicer, but not completed by due date | If required repair is not completed with 60 <i>days</i> following the due date (including extensions approved by the Servicer) and it is the lesser of 10 % of the unpaid principal balance or €250,000 | Satisfactory verification that repairs have been completed |
| 2B | Any required spending plan deficiencies (i.e.: capex, FF&E) | Any knowledge of deficiency that adversely affects the performance or value of property; on a loan by loan basis/material (> 5 % of loan outstanding balance) | When plan deficiencies are cured |
| 2C | Occurrence of any trigger event in the mortgage loan documents. (e.g. required loan pay down, posting of additional reserves, minimum thresholds breached, etc.) | Any occurrence | Cure of the event that required action under the mortgage documents |
| 2D | Verification of financial performance. Unsatisfactory or non-delivery of tenancy schedules or operating statements, etc. | Any occurrence for 6 months or greater | Cure of the event that required action under the mortgage documents |
| 2E | Operating licence or franchise agreement | When notice received by servicer | New franchise or licence in place, or default |

| Table 2: Servicer Watchlist Codes | | | |
|--|--|--|--|
| Servicer Watchlist Code | Meaning | Inclusion Threshold | Release Threshold |
| | default | | under franchise or licence has been cured – Relationship agreement |
| 2F | Borrower/owner/sponsor bankruptcy or similar event (e.g. insolvency arrangement/proceedings, bankruptcy, receivership, liquidation, company voluntary arrangement (CVA)/individual voluntary arrangement (IVA)), becomes the subject of winding up order bankruptcy petition or other. | When notice received by servicer | Retain on Watchlist until Interest Payment Date following cure. |
| 3A(i) | Inspection reveals poor condition | Any occurrence on a loan by loan basis/material 5 % > of net rental income (NRI) | In Servicer’s discretion that property deficiencies cured or access allowed and inspection completed |
| 3A(ii) | Inspection reveals poor accessibility | Any occurrence on a loan by loan basis/material 5 % > of net rental income (NRI) | In Servicer’s discretion that property deficiencies cured or access allowed and inspection completed |
| 3B | Inspection reveals harmful environmental issue | Any occurrence | In Servicer’s discretion that property deficiencies cured |
| 3C | Properties affected by major casualty or compulsory purchase proceeding affecting future cash flows, value/blight/caution. | When servicer becomes aware of issue and it affects > 10 % of value or €500,000 | In Servicer’s discretion that all necessary repairs have been completed satisfactorily or that condemnation proceedings have been completed and the asset can perform satisfactorily |

| Table 2: Servicer Watchlist Codes | | | |
|--|---|---|--|
| Servicer Watchlist Code | Meaning | Inclusion Threshold | Release Threshold |
| 4A | Overall property portfolio occupancy decrease | 20 % less than 'Securitisation Date' level; on a loan by loan basis | When condition no longer exists |
| 4B | Any 1 tenant or combination of TOP 3 TENANTS (based on gross rental) with leases > 30 % expiring within the next 12 months. | Only applies to office, industrial and retail. | When condition no longer exists or Servicer's discretion. |
| 4C | Major tenant lease or leases that are in default, terminated or are dark (Not occupied, but rent being paid) | > 30 % Net Rental Income | When condition no longer exists, or Servicer's discretion. |
| 5A | Pending loan maturity | < 180 <i>days</i> until maturity | Loan is paid off. |

Effective from 1 November 2024

| Table 3: Item types and codes | | |
|--|--|------------------|
| Item type | Article(s) of Regulation (EU) 2017/2402 | Item code |
| Underlying exposures or underlying receivables or credit claims | 7(1)(a) | 1 |
| Investor report | 7(1)(e) | 2 |
| Final offering document; prospectus; closing transaction documents, excluding legal opinions | 7(1)(b)(i) | 3 |
| Asset sale agreement; assignment; novation or transfer agreement; any relevant declaration of trust | 7(1)(b)(ii) | 4 |
| Derivatives and guarantees agreements; any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator | 7(1)(b)(iii) | 5 |
| Servicing; back-up servicing; administration and cash management agreements | 7(1)(b)(iv) | 6 |
| Trust deed; security deed; agency agreement; account bank agreement; guaranteed investment contract; incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value | 7(1)(b)(v) | 7 |
| Inter-creditor agreements; derivatives documentation; subordinated loan agreements; start-up loan agreements and liquidity facility agreements | 7(1)(b)(vi) | 8 |
| Any other underlying documentation that is essential for the understanding of the transaction | 7(1)(b) | 9 |
| Simple, transparent and standardised notification pursuant to Article 27 of Regulation (EU) 2017/2402 | 7(1)(d) | 10 |
| Inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council | 7(1)(f) | 11 |
| A significant event, such as: (i) a material breach of the obligations provided for in the documents made available in accordance with Article 7(1)(b) of Regulation (EU) 2017/2402, including any remedy, waiver or consent subsequently provided in relation to such a breach; (ii) a change in the structural features that can materially impact | 7(1)(g) | 12 |

| Table 3: Item types and codes | | |
|---|--|------------------|
| Item type | Article(s) of Regulation (EU) 2017/2402 | Item code |
| the performance of the securitisation; (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation; (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where the competent authority has taken remedial or administrative actions; (v) any material amendment to transaction documents. | | |

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