Rating Report
Dilosk RMBS No. 6 (STS) DAC

DBRS Morningstar
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Contents

Ronja Dahmen
Vice President
European RMBS & Covered Bonds
+49 172 283 6061
ronja.dahmen@dbrsmorningstar.com

André Soutinho
Senior Analyst
European RMBS & Covered Bonds
+49 172 588 2066
andre.soutinho@dbrsmorningstar.com

Anna Christy
Vice President
European Operational Risk
+44 77 1742 1752
anna.christy@dbrsmorningstar.com

Ketan Thaker
Managing Director
Head of European RMBS & Covered Bonds
+44 79 4307 6019
ketan.thaker@dbrsmorningstar.com

Ratings, Issuer's Assets, and Liabilities

Debt	Amount (EUR)	Size (%)	Initial Credit Enhancement (%)[1]	Coupon[3]	Step-Up Coupon[4]	Rating	Rating Action	Rating Action Date
Class A[2]	471,056,000	88.75	11.76	3-month Euribor + 0.87%	3-month Euribor + 1.31%	AAA (sf)	Provisional Rating – Finalised	20 April 2023
Class B[2]	25,211,000	4.75	7.01	3-month Euribor + 1.75%	3-month Euribor + 2.63%	AA (sf)	Provisional Rating – Finalised	20 April 2023
Class C[2]	14,596,000	2.75	4.26	3-month Euribor + 2.50%	3-month Euribor + 3.50%	A (sf)	Provisional Rating – Finalised	20 April 2023
Class D[2]	7,961,000	1.50	2.76	3-month Euribor + 4.00%	3-month Euribor + 5.00%	BBB (low) (sf)	Provisional Rating – Finalised	20 April 2023
Class E[2]	2,653,000	0.50	2.26	3-month Euribor + 6.00%	3-month Euribor + 7.00%	BB (high) (sf)	Provisional Rating – Finalised	20 April 2023
Class X	3,980,000	0.75	N/A	3-month Euribor + 8.75%	NA	Not Rated	N/A	N/A
Class Z1	9,291,000	1.75	N/A	NA	NA	Not Rated	N/A	N/A
Class Z2[5]	7,431,000	1.40	N/A	NA	NA	Not Rated	N/A	N/A

Notes:
1 Credit enhancement is expressed as a percentage of the total issuance and is provided through subordination and the general reserve fund (GRF).
2 The rating on the Class A notes addresses the timely payment of interest and ultimate payment of principal. The rating on the Class B addresses the timely payment of interest when most senior and the ultimate payment of principal on or before the legal final maturity date. The ratings on the other classes of rated notes address the ultimate payment of interest and principal.
3 The interest rate payable on the floating-rate notes is floored at 0%.
4 The margin on the Class A to E notes steps up on the first optional redemption date (FORD), falling on the interest payment date (IPD) in October 2026.
5 The GRF will be funded at the closing of the transaction with the proceeds of the Class Z2 notes and will be replenished on each IPD up to the GRF target level. Once the Class E notes are redeemed in full, the GRF target level will be reduced to zero.

	Amount (EUR)	Size (% of Collateralised Notes)
Initial Portfolio (as at 31 March 2023)	530,734,282	100.00
General Reserve Fund (Initial Amount)	2,720,440	1.40
Liquidity Reserve Fund (Initial Amount)	4,710,560	1.00

*All statistics related to the mortgage portfolio are as of 31 March 2023 unless otherwise stated. The total amount of the GRF is calculated by subtracting the LRF from the percentage size of the collateralised notes.

DBRS Ratings GmbH (DBRS Morningstar) finalised its provisional ratings on the notes issued by Dilosk RMBS No. 6 (STS) DAC (the Issuer) as listed above.

The Issuer is a bankruptcy-remote special-purpose vehicle incorporated in the Republic of Ireland. The Issuer will use the proceeds of the notes to fund the purchase of prime and performing Irish owner-occupied (OO) mortgage loans secured over properties located in Ireland. The majority of the mortgage loans included in the portfolio were originated by Dilosk DAC (Dilosk; the originator, seller, and servicer) in the past two years; however, a small subset corresponds with more seasoned loans from a portfolio acquired from the Governor and Company of the Bank of Ireland in 2014.

This is the sixth securitisation from Dilosk, following Dilosk RMBS No. 5 (Dilosk 5), which closed in October 2021. The initial mortgage portfolio consists of EUR 531 million of first-lien mortgage loans collateralised by OO residential properties in Ireland. The mortgages were mostly granted in 2021 and 2022, except for the portion corresponding with the previously acquired portfolio.

The mortgage loans will be serviced by BCMGlobal ASI Limited (BCMGlobal), trading as BCMGlobal, in its role as delegated servicer. DBRS Morningstar reviewed both the originator and servicer via an email update in February 2023. Underwriting guidelines are in accordance with market practices observed in Ireland and are subject to the Central Bank of Ireland’s macroprudential mortgage regulations, which specify restrictions on certain lending criteria.

Liquidity in the transaction is provided by the non-amortising general reserve fund (GRF), which the Issuer can use to pay senior costs and interest on the rated notes but also to clear principal deficiency ledger (PDL) balances. Liquidity for the Class A notes will be further supported by a liquidity reserve fund (LRF), fully funded at closing and then amortising in line with the referred class of notes. The notes' terms and conditions allow interest payments, other than on the most senior class of notes then outstanding, to be deferred if the available funds are insufficient.

Portfolio Summary (31 March 2023)			
Total Current Balance (EUR)	530,734,282	Asset Class	RMBS
Number of Loans	2,706	Governing Jurisdiction	Republic of Ireland
Weighted-Average Coupon (%)	2.5	Sovereign Rating	AA (low)/Stable trend R-1 (middle)/Stable trend
Indexed WACLTV (%)[1]	59.5	Weighted-Average Seasoning (Years)	2.3

1. 50% credit for increase in house price index since the original valuation date.

Transaction Parties

Roles	Counterparty	DBRS Morningstar Rating
Originator, Sellers, Retention Holder	Dilosk DAC	Not Rated
Issuer	Dilosk RMBS No. 6 (STS) DAC	Not Rated
Servicer	Dilosk DAC	Not Rated
Delegate Servicer	BCMGlobal ASI Limited	Not Rated
Principal Paying Agent, Agent Bank, Cash Manager	Deutsche Bank AG, London Branch	Private Rating
Account Bank, Collection Account Bank	BNP Paribas Dublin Branch	Private Rating
Trustee	Deutsche Trustee Company Limited	Not Rated
Corporate Servicers Provider, Backup Servicer Facilitator	CSC Capital Markets (Ireland) Limited	Not Rated
Share Trustee	CSC Share Trustee Services (Ireland) Limited	Not Rated
Swap Provider	Natixis	Private Rating
Joint Arrangers, Joint Lead Managers	Natixis BofA Securities Europe SA	Private Rating Private Rating

Relevant Dates

Term	Description
Portfolio Cut-Off Date	31 March 2023
Issue Date	20 April 2023
First Payment Date	20 July 2023
Payment Dates	January, April, July, October
Payment Frequency	Quarterly
Step-Up Date/Optional Redemption Date	20 October 2026
Final Maturity Date	20 July 2061

Rating Considerations

Notable Features

- **Expansion into Private-Dwelling Home Lending**: Dilosk is the originator, seller, and servicer of this transaction. Dilosk is a non-bank mortgage lender regulated by the Central Bank of Ireland as a retail credit firm. Dilosk entered the Irish mortgage market through its acquisition of ICS Mortgages, including the brand and distribution platform, from Governor and Company of the Bank of Ireland in 2014. Until recently, Dilosk's business strategy had focused on buy-to-let (BTL) mortgages and its target market is both professional and semi-professional landlords and investors in Ireland. In 2019, Dilosk entered the private-dwelling-home (PDH) lending market and has since ramped up originations in this space. The portfolio backing the notes to be issued in this transaction consists of 100% PDH loans.
- **Deferrable Interest**: The interest on the Class C to Class E notes, including the unrated Class X, Class Z1, and Class Z2 notes, is deferrable and shall not be treated as the most senior class of notes at any time. Interest due and payable on Class B notes, when most senior, will not be deferred.
- **Step-Up Coupon**: Following the step-up date in October 2026, the margin above three-month Euribor payable on the rated notes increases.
- **Optional Redemption**: Optional redemption of the notes on any payment date is possible from October 2026.

- **Sequential Payment**: The notes are always paid sequentially, allowing for the build-up of credit enhancement over time as the notes amortise.
- **Interest Rate Swap**: The Issuer has entered into a fixed-to-floating interest rate swap with Natixis to hedge against the possible variance between the interest payable on the fixed-rate loans in the portfolio and the floating-rate associated with the coupon on the notes, calculated with reference to three-month Euribor. The swap notional is based on a predefined schedule based on the balance of the fixed-rate loans. The Issuer shall amend the hedging agreement and increase the notional of the original swap agreement in case of increased exposure to fixed-rate loans resulting from product switches or further advances granted before the step-up date. The transaction documents also state that any swap adjustment charges would be incorporated in the product switch and further advance definitions to ensure a minimum post-swap margin of 2.0%.

Strengths

- **Non-Amortising GRF**: The non-amortising GRF provides credit and liquidity support to the Class A to Class E notes. It is fully funded at closing with the proceeds from the issuance of the Class Z2 notes and will be equal to 1.40% of the Class A to Class Z1 notes' outstanding balance at issuance. The Issuer can apply the GRF to cover shortfalls in senior fees and interest on the Class A to E notes and to clear PDL balances on the Class A to E notes' sub-ledgers.
- **Sequential Amortisation**: The collateralised notes will amortise sequentially in order of seniority, with the most senior notes amortising first.
- **Provisioning Based on Delinquency Status of Loans**: The provisioning mechanism in the transaction is based on losses and is linked to a loan's arrears status. The degree of provisioning increases the longer a loan is in arrears. Provisioning based on arrears status will trap any excess spread much earlier for a loan in the recovery process than would otherwise have been released to the seller as deferred consideration.

Challenges and Mitigating Factors

- **Limited Historical Performance Data**: The weighted-average (WA) seasoning of the pool is about 2.3 years, which means the performance of the securitised origination vintages has still not been observed in the long term. Moreover, Dilosk is a relatively new lender within the OO space and therefore still has a limited performance history. DBRS Morningstar was provided with data on Dilosk's owner-occupied book from September 2019 to December 2022.
  Mitigant: DBRS Morningstar compared Dilosk's underwriting and origination criteria with pre-crisis originations and other lenders' current originations and concluded that Dilosk's criteria is stricter and more robust than those applied when originating loans pre-crisis. Despite the lack of performance history, DBRS Morningstar expects this portfolio's pool performance to be better than that during the crisis.
- **Unhedged Basis Risk**: The rated notes pay an interest linked to three-month Euribor. In comparison, 100% of the loans in the mortgage portfolio either currently pay interest linked to the standard variable rate (SVR) or pay a fixed rate that will switch to SVR later in the life of the loan. This gives rise to basis risk that is not hedged in the transaction.
  Mitigant: To mitigate this risk, the servicer is contractually obliged to maintain the SVR rate on the loans at a minimum of three-month Euribor plus 2%, subject to such variable interest not being less than zero (SVR floor). DBRS Morningstar assessed cash flows in accordance with its *Interest Rate*

Stresses for European Structured Finance Transactions methodology and gave credit to the SVR floor in its cash flow analysis.

Origination and Servicing

DBRS Morningstar conducted an operational review update of Dilosk in February 2023 via email. DBRS Morningstar views the origination and servicing practices of Dilosk to be consistent with the overall Irish mortgage market. Dilosk's management and oversight activities of its sub-servicer, BCMGlobal, trading as Link Asset Services are strengths.

The company was established in August 2013 and has been regulated by the Central Bank of Ireland as a retail credit firm since August 2014. In September 2014, Dilosk acquired the ICS Mortgages brand, distribution platform, and performing mortgage portfolio from the Bank of Ireland. ICS Mortgages had a history of operations in the Irish market dating back to 1864. Following the acquisition, Dilosk started operations as a master servicer overseeing BCMGlobal.

Dilosk commenced lending operations in 2017 with the relaunch of ICS Mortgages as a specialist BTL lender. In September 2019, Dilosk re-entered the residential mortgage market using the ICS Mortgages brand and, in January 2020, it launched a product designed for public-sector employees. As at 31 December 2022, Dilosk had around EUR 1.7 billion in assets under management and an approximately 5.5% share of the Irish residential mortgage market. Dilosk is led by a senior management team with an average of around 25 years' industry experience, which compares well with similar lenders, and the team has been stable for the last few years.

All servicing of the mortgage assets is outsourced to BCMGlobal. BCMGlobal has a dedicated team of credit management staff located in its Maynooth office in Ireland, focused on the Dilosk portfolio as well as the support of shared functions such as reporting and compliance. A master servicing contract is in place between Dilosk and BCMGlobal.

Origination and Underwriting

Dilosk sources mortgages both through brokers and directly, largely through repeat business from existing customers. Around 90% of applications are received from brokers while the remainder are through the direct route. Dilosk will only work with brokers who hold up-to-date regulatory approvals from the Central Bank of Ireland and the quality of applications is monitored with regular feedback provided.

Dilosk offers residential mortgages for the purposes of property purchase or refinancing an existing loan (switchers). For individual borrowers, the minimum age to apply is 18 years while the maximum age on maturity is 70 years; the minimum annual income is EUR 25,000; and applications can be sole or joint. The maximum LTV is 80% for second or subsequent house purchasers or 90% for first-time buyers and switchers. The minimum loan amount is EUR 80,000 and the minimum property value is EUR 100,000 while the maximum loan amount is EUR 1.25 million if the property is in an urban area and the LTV is less than 75%. There is no maximum property value. The minimum term for any loan is five years while the maximum term is 35 years.

Applicants' credit histories are reviewed and if there are defaults or arrears on any loans in the last 24 months, the application will be declined. Defaults at any point in the past are reviewed thoroughly and may result in an application being declined depending on the applicant's conduct. Individual applicants must own a residential property in Ireland for their BTL application to be considered.

Dilosk undertakes an affordability assessment to ensure the property is a viable economic proposition on a stand-alone basis using a debt service coverage ratio and applying stress tests using interest rates at 2% over the prevailing rate. Dilosk also reviews the applicant's overall financial position and, for individuals, requires minimum net disposable income levels.

Applications are submitted online by brokers while those made direct start with a telephone discussion. If the initial proposal is acceptable, a full application with supporting documents is required before the underwriting process begins. Applications are validated by BCMGlobal, which will request additional information from the broker or applicant if required.

When applications are complete, they are subject to know-your-customer checks to ensure that the customer's identity is adequately verified. After validation and identification checks, the Credit Team undertakes the credit assessment and formal underwriting. If the application is acceptable and the value of the property is in line with the applicant's estimate based on a desktop assessment, then the appropriate mandate holder will give the approval in principle. Dilosk has a delegated credit authority policy that allows the approval of lending facilities within individual discretion limits. Mandates range from EUR 150,000 for junior underwriters to EUR 300,000 for the Head of Credit. Loans exceeding EUR 300,000 require approval from Credit Committee, which is made up of the Chief Executive Officer, Chief Operating Officer, Head of Finance, and Head of Credit, and requires the consensus of a majority. Exceptions are rare and require approval from the Credit Committee and Dilosk's funders.

If the applicant accepts the terms of the approval in principle, the applicant instructs Valuation Management Systems (VMS) to arrange the valuation. VMS provides Dilosk with panel management services and arranges for an independent local valuer to undertake a full valuation in all cases. All valuations are reviewed by the respective underwriter using general market knowledge, comparable sales data, and publicly available information on house prices. If the valuation is acceptable and all conditions of the approval in principle are met, an offer will be issued. Offers remain valid for six months to allow time for completion of a purchase or conveyancing work to be undertaken. Valuations are valid for four months, so if the loan does not complete within that period, the case is referred back to the valuer to confirm the up-to-date value. Lending decisions are reviewed by senior members of the Credit Team and the Quality Control function, and Dilosk uses an external consultant to review samples of cases and conduct re-underwriting.

Summary Strengths

- Origination criteria comparable with those of other mortgage lenders in Ireland.
- Good oversight of underwriting quality using internal audits and third-party re-underwriting.

- Centralised underwriting with average experience across the team exceeding 10 years across the Credit Team.
- Good balance of broker originations and directly sourced business for a non-bank lender.

Servicing

BCMGlobal handles all primary and special servicing activities BCMGlobal under a master servicer agreement with Dilosk.

BCMGlobal was originally established in 1998 as the commercial mortgage servicer of GMAC Europe. In March 2006, its ultimate parent, GMAC Commercial Holding Corp., was sold to a group of investors and its name was subsequently changed to Capmark. In 2009, the business was sold to Capita plc and became Capita Asset Services (Ireland) Ltd., which grew into one of Ireland's leading loan servicers before being sold to the Link Group in 2017. The Link Group is an Australian listed global leader in financial administration with 7,000 employees in 17 countries. The Asset Services division, of which BCMGlobal is a part, has over 1,000 employees and manages more than 130,000 loans with a value of EUR 95 billion.

Servicing commences during the application process when BCMGlobal undertakes application verification for Dilosk before full underwriting is completed. When Dilosk has underwritten a case and decided to proceed, BCMGlobal issues the required offer documentation to the applicant. Offers must be signed by all parties to the mortgage and returned prior to completion. BCMGlobal deals with the completion process and ensures that the offer has been signed, a direct debit mandate is in place, and evidence of property insurance has been provided before the funds are issued.

After completion, BCMGlobal undertakes all required primary and special servicing activity for Dilosk, where the same teams deal with BTL and residential mortgages. The majority of primary servicing is automated but, where action is required, a workflow management system is used to manage tasks. Work items are created through a range of means including manual diary entries, incoming correspondence, and system-configured workflow tasks for items such as overdue payments or redemptions.

If an account falls into arrears, it becomes the responsibility of BCMGlobal's Arrears Support Unit (ASU), and technology supports workflow and loan maintenance systems to allow for a proactive approach to the resolution of arrears. Initial notice of the arrears is issued in writing and attempts are made to contact the customer to establish the circumstances and consider appropriate options for the repayment of the arrears.

The residential collections process in Ireland is heavily regulated and Dilosk fully complies with all regulatory requirements. The early arrears process is dealt with by BCMGlobal's Arrears Support Unit (ASU), which will proactively attempt to contact customers to establish the reason for arrears and their personal circumstances. Where possible, forbearance measures such as alternative repayment arrangements will be considered. If the mortgage is deemed unsustainable, Dilosk offers a range of longer-term resolution strategies including voluntary surrender of the property or mortgage-to-rent schemes. Only if the customer does not engage with the lender or the mortgage is deemed unsustainable and a resolution strategy cannot be agreed will legal proceedings be considered. Legal proceedings may start three months from the date when a letter is issued confirming the mortgage is deemed unsustainable or eight months from the date the arrears arose, whichever is later.

While none of Dilosk’s originations have been through the enforcement process, BCMGlobal has considerable experience in managing both the receivership and residential enforcement processes.

Summary Strengths

- Many years of experience managing and servicing mortgages in the Irish residential mortgage and commercial mortgage market.
- Ability to leverage support from the wider Link Group, particularly with functions such as risk and internal audit.
- Dilosk's strong working relationship with BCMGlobal, governed by a robust master servicer agreement and control framework.
- The ability to use the receivership process for enforcement, reducing the timeline for the realisation of sale proceeds in the event of default.

Transaction Structure

Transaction Summary

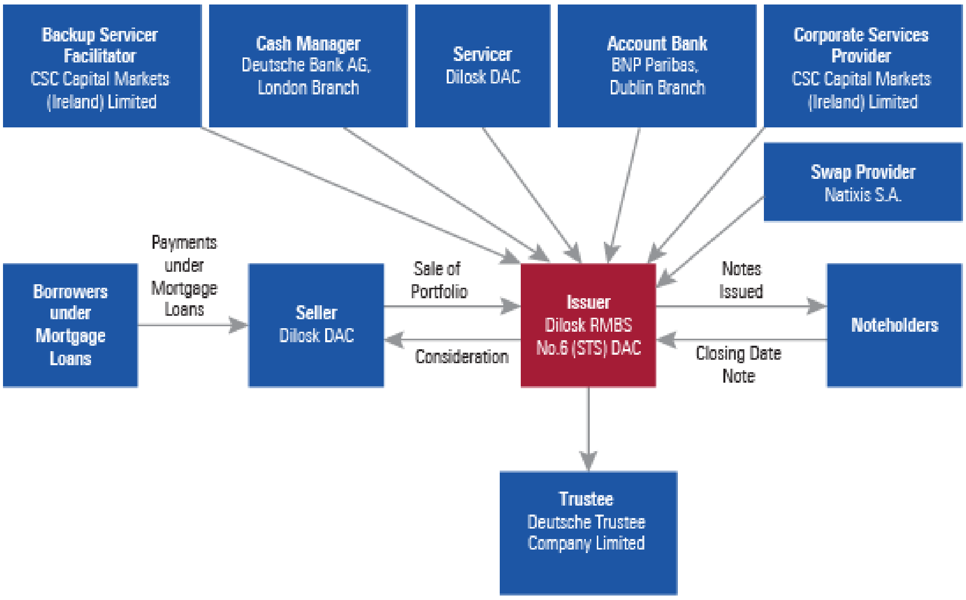
Currencies	Issuer's assets and liabilities are denominated in euros.	
Relevant Jurisdictions	English and Irish law	
Basis Risk Hedging	Not hedged	
Interest Rate Hedging	Hedged	
General Reserve Fund	Provides credit and liquidity support to the rated notes (Class A to Class E notes).	
	Initial Amount:	1.40% of the collateralised notes at closing minus LRF initial amount
	Target Amount:	1.40% of the collateralised notes at closing minus LRF target amount
	Amortisation:	N.A.
	Notes:	(1) The amounts standing to the credit of the GRF are part of available revenue receipts on and from the first payment date and can be used to cure any revenue shortfall. (2) If sufficient to redeem the rated notes in full (together with the available principal receipts of that period), amounts still standing to the credit of the GRF will be applied as available principal receipts (see principal priority of payments).
Liquidity Reserve Fund	Available to provide liquidity support to the senior fee payments and interest on the Class A notes.	
	Initial Amount:	1.00% of Class A notes' outstanding balance at closing
	Target Amount:	1.00% of Class A notes' outstanding balance
	Amortisation:	Amortises at 1.00% of Class A notes' outstanding balance
	Notes:	On the payment date when the Class A notes are redeemed in full, the target balance will be zero. In this case, any balance standing in the LRF should be used to cover any revenue shortfall, and any remaining balance after that should be used as available revenue receipts.

Principal receipts from loans can be used to support liquidity for the Class A notes and, after the Class A notes have been redeemed in full, to support the liquidity for the most senior class of notes outstanding (but only after shortfalls are first met from the GRF and the LRF for Class A interest). Principal draws to pay interest are recorded in the PDLs in reverse-sequential order, from the Class Z1 PDL to the Class A PDL.

The LRF will provide the liquidity support for senior fees in the revenue waterfall and interest payments on the Class A notes. The GRF will provide support for the Class A to Class E notes' interest payments and Class A to Class E notes' PDL.

The transaction structure is summarised below:

Exhibit 1 Transaction Diagram



Source: DBRS Morningstar.

Counterparty Assessment

Servicer and Backup Servicer

From the closing date, the servicer will appoint BCMGlobal as its delegate servicer. DBRS Morningstar considers the servicing practices of BCMGlobal to be consistent with the overall Irish market. CSC Capital Markets (Ireland) Limited has been engaged to act as the backup servicer facilitator to ensure continuity in the mortgage portfolio servicing.

Collection Account Bank and Commingling Risk

The borrowers will make payments directly by via direct debit, standing order or cheque, unless otherwise agreed, into a collection account held at the BNP Paribas Dublin Branch (BNP Paribas Dublin), privately rated by DBRS Morningstar. Starting from the closing date, the amounts in the collections account will be transferred to the Issuer account at least twice every week. In the event that BNP Paribas Dublin becomes insolvent, Dilosk will attempt to appoint a replacement collection account bank with the appropriate rating.

If a collection account provider is downgraded below BBB (low), the collection account bank will be replaced by an appropriately rated bank within 30 business days.

To mitigate commingling risk, Dilosk will provide a declaration of trust to hold all amounts standing to the credit of the collection account on trust for the Issuer.

Issuer Account Bank

BNP Paribas Dublin also acts as the account bank in the transaction. The transaction documents stipulate that, in the event of a breach of the DBRS Morningstar rating of "A", the account bank will be replaced with an appropriately rated institution within 30 calendar days. Based on DBRS Morningstar's private rating on BNP Paribas Dublin, the downgrade provisions outlined in the transaction documents, and other mitigating factors inherent in the transaction structure, DBRS Morningstar considers the risk arising from the exposure to the account bank to be consistent with the minimum institution rating as described in DBRS Morningstar's *Legal Criteria for European Structured Finance Transactions* methodology. Amounts deposited into this account can be invested in authorised investments, which are consistent with DBRS Morningstar's criteria.

Hedging Provider

Natixis will be the Issuer's swap counterparty. Based on DBRS Morningstar's private rating on Natixis, the downgrade provisions outlined in the transaction documents, and other mitigating factors inherent in the transaction structure, DBRS Morningstar considers the risk arising from the exposure to Natixis to be consistent with the ratings assigned to the rated notes, as described in DBRS Morningstar's *Derivative Criteria for European Structured Finance Transactions* methodology.

Available Funds

The available revenue funds to be applied in accordance with the pre-enforcement revenue waterfall are as follows:

- Interest collections, including recoveries of interest from defaulting borrowers;
- Interest on the Issuer's bank accounts;
- Amounts received under the swap agreement;
- Principal receipts applied as principal deficiency excess revenue amounts;
- Amounts available under the GRF to remedy a revenue shortfall;
- Amounts available under the LRF to remedy a Class A shortfall;
- LRF excess amount (exceeding the LRF required amount);
- Principal receipts to pay interest, which are required to meet any further interest shortfall; and
- Other net income of the Issuer.

The available principal funds to be applied in accordance with the pre-enforcement principal waterfall are as follows:

- Principal collections, including recoveries of principal from defaulting borrowers;
- Amounts released from the GRF when redeeming the rated notes in full;
- Outstanding LRF amounts on the redemption date of the Class A notes;
- Revenue funds allocated to crediting a PDL;

less

- Principal receipts applied as principal deficiency excess revenue amounts.

Priority of Payments

The Issuer applies the available funds in accordance with two separate priorities of payments for interest and principal.

Revenue Priority of Payments:

1. Senior fees, including servicing fees;
2. Swap payments;
3. Interest due on the Class A notes;
4. Replenish the liquidity reserve fund to the target amount as long as the Class A notes are outstanding;
5. Class A PDL credit if applicable;
6. Interest due on the Class B notes (including accrued interest if any);
7. Class B PDL credit if applicable;
8. Interest due on the Class C notes (including accrued interest if any);
9. Class C PDL credit if applicable;
10. Interest due on the Class D notes (including accrued interest if any);
11. Class D PDL credit if applicable;
12. Interest due on the Class E notes (including accrued interest if any);
13. Class E PDL credit if applicable;
14. Replenishment of the GRF to the target amount as long as the rated notes are outstanding;
15. Class Z1 PDL credit if applicable;
16. Any subordinated swap payments;
17. Before the first optional redemption date (FORD), junior servicing fees;
18. Interest due on the Class X notes;
19. Principal due on the Class X notes;
20. From and including the IPD immediately following the FORD, junior servicing fees;
21. From and including the IPD immediately following the FORD, any excess spread used for available principal receipts to pay down the principal priority of payments;
22. Interest due on the Class Z1 notes;
23. Interest due on the Class Z2 notes; and
24. Residual payments.

Principal Priority of Payments:

1. Revenue shortfall;
2. Principal due on the Class A notes until paid in full;
3. Principal due on the Class B notes until paid in full;
4. Principal due on the Class C notes until paid in full;
5. Principal due on the Class D notes until paid in full;
6. Principal due on the Class E notes until paid in full;
7. Principal due on the Class Z1 notes until paid in full;
8. Principal due on the Class Z2 notes until paid in full; and
9. Excess to be allocated as revenue.

Principal Deficiency Ledger

The PDL is recorded as a debit ledger of the following items (without double counting):

- Losses on the underlying mortgages.
- In the case of loans greater than 180 days in arrears, an amount equal to the current balance of the loan in arrears times the applicable arrears percentage (50% after six months, 75% after nine months, and 100% after 12 months).
- Principal receipts to meet any remaining revenue shortfall on the senior fees interest and the most senior note outstanding.
- Principal deficiency excess revenue amount.

Step-Up Coupon

The interest payable on the Class A to E notes will step up on the payment date falling in October 2026. DBRS Morningstar considered the increased interest payable in its cash flow analysis.

Legal Analysis

On the issue date, the Issuer will acquire the beneficial title to the collateral while Dilosk remains the legal title holder. As security for the payments of all monies payable with respect to the notes, the Issuer will enter a deed of charge, creating security in favour of the trustee consisting of a first-ranking fixed charge over the Issuer's rights, title, benefit, and interest in and to the underlying collateral. The transaction structure is designed to ensure that any originator insolvency will not interrupt the timely payments of principal and interest to investors. The Issuer will charge its rights, title, and interest in and to the mortgages to the trustee. The Issuer will have no recourse to the originator except in limited circumstances.

Representations and Warranties

The mortgage sale agreement contains representations and warranties from Dilosk (as the relevant seller) and the servicing agreement in relation to the mortgage portfolio on the closing date, the additional mortgage loans sold to the Issuer during the prefunding period, and the further advances. A breach of any of the representations and warranties require the relevant seller to either (1) repurchase the relevant mortgage loan and its related security or (2) indemnify the Issuer against all crystallised liabilities relating to the breach of the representation and warranty.

The relevant seller may have limited resources available at its disposal to fund indemnification. DBRS Morningstar expects any future breach of warranty to be limited.

Set-Off Risk

Dilosk is not a deposit-taking institution and, as such, set-off risk is not expected to arise for the loans in the portfolio.

Further Advances and Product Switches

Further Advances

Further advances to the borrower are allowed only until the call date in October 2026 and only if:

- There is no impact on the ratings outstanding;
- The aggregate principal balance of all further advances does not exceed 5% of the portfolio's current balance at closing;
- No event of default has occurred;
- There is no uncleared PDL;
- No perfection trigger event has occurred;
- There is compliance with representation;
- The loan is not in one or more months in arrears and has not been at any time during past year;
- The GRF is at its target amount;
- After further advance, the current LTV ratio of the loan is equal to or lower than 80%;
- The advance is subject to variable- and fixed-rate floors (including swap adjustment charges, in the latter case; and
- Following a further advance, the increase in the aggregate fixed-rate principal results in a swap shortfall amount of EUR 5 million or less; otherwise, the swap notional shall be adjusted to reflect the additional exposure.

Such further advances will be subject to the underwriting process and Dilosk's lending criteria, which will be substantially the same as the criteria used to advance the original loan. Such further advances will form part of this transaction's portfolio and will be purchased by the Issuer (subject to the further advance conditions) on the date the further advance is made. The Issuer will fund the payment of the further advance purchase price to Dilosk using principal receipts. If the principal receipts are insufficient to fund a further advance to be granted in respect of a mortgage loan, Dilosk must repurchase the relevant mortgage loan(s) and its related security from the Issuer.

Product Switches

The servicer may agree to a borrower request for a product switches but with the following limitations:

- No switches are allowed on or after the step-up date of October 2026;
- No insolvency event, event of default, or perfection trigger event has occurred;
- There is no uncleared PDL;
- The GRF is at its target amount;
- The mortgage loan subject to the switch is not one or more months in arrears;
- There are no more than five and a half years of paying a fixed-rate mortgage loan after switching;
- A switch to interest-only (IO) repayment is not allowed;
- The switch is subject to variable- and fixed-rate floors (including swap adjustment charges, in the latter case; and
- Following a product switch, if the increase in the aggregate fixed-rate principal results in a swap shortfall amount of EUR 5 million or less; otherwise, the swap notional shall be adjusted to reflect the additional exposure.

Events of Default

Events of default will occur under the following scenarios:

- Non-payment of principal on any of the notes within seven days of such amount being due;
- Non-payment of interest on any of the notes within 14 days of such amount being due, subject to the interest accrual condition;
- The Issuer's failure to perform or observe any of its other obligations, which continues for a period of 30 days (or as the note trustee may permit) following the service by the note trustee on the Issuer;
- An insolvency event in respect of the Issuer; and
- Illegality for the Issuer to perform or comply with its obligations.

Deferral of Interest

As long as the Class C, Class D, and Class E notes are not the most senior class of notes outstanding, interest on the Class C, Class D, and Class E notes can be deferred if there is a shortfall in available funds to pay such liabilities. Such deferral of interest will not be an event of default. Any amounts of deferred interest in respect of a relevant class of notes shall accrue interest. Once the notes become senior, no deferral of interest is allowed.

Collateral Summary

Data Quality

DBRS Morningstar received a loan-by-loan data tape as of 31 March 2023.

DBRS Morningstar also received the following historical data sets:

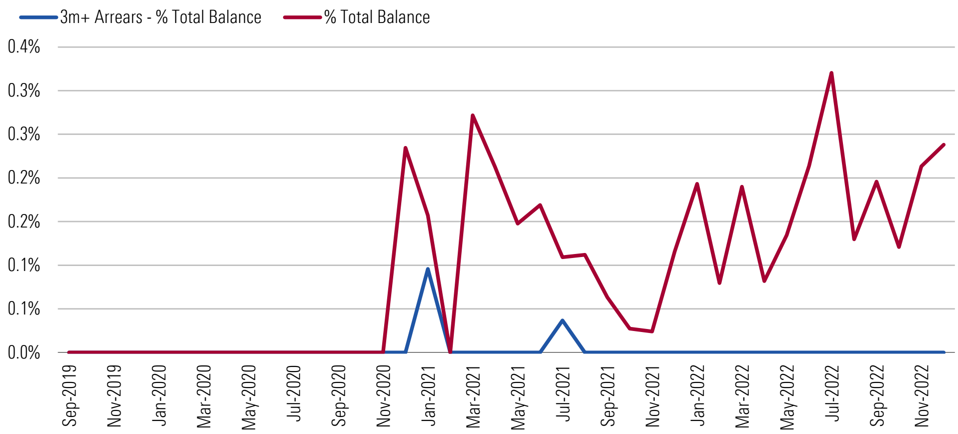
- Aggregated monthly dynamic arrears from September 2019 to December 2022; and
- Aggregated monthly prepayment rates from September 2019 to December 2022.

The main source of information used for these ratings is Dilosk. DBRS Morningstar considers the information available to it for the purposes of providing these ratings to be of satisfactory quality.

Historical Performance Data

Because Dilosk began OO originations only recently, the historical data provided covers a limited time frame from Q3 2019 to Q4 2022. The performance data provided include dynamic arrears and conditional prepayment rates (CPRs).

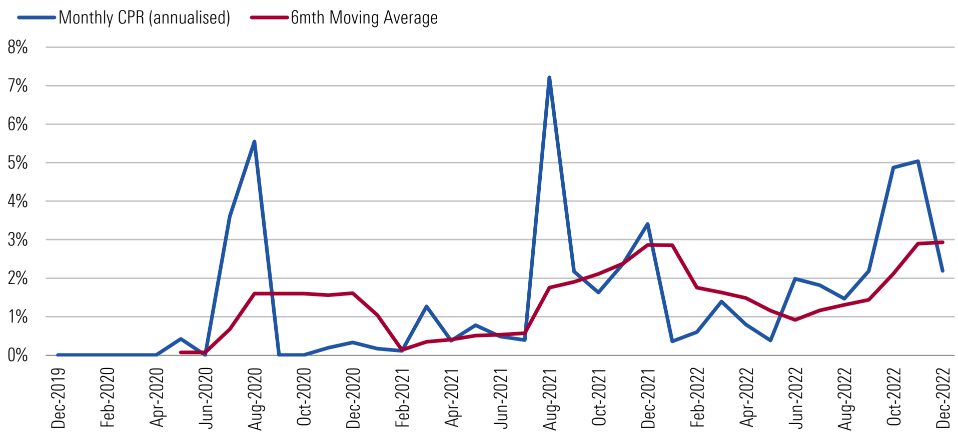
Exhibit 2 Dynamic Arrears (%)



Source: Dilosk.

Loans in arrears peaked at 0.30% around mid-2022. The graph points to an upward trend, albeit from low levels.

Exhibit 3 Prepayments – CPR (%)



Source: Dilosk.

The one-month CPR is relatively volatile but seems to show an upward trend, confirmed by the six-month moving average. The last six-month data point equals 3%.

Summary Statistics (DBRS Morningstar Calculations)	
Number of Mortgage Loans	2,706
Number of Borrowers	2,640
Total Original Balance (EUR)	602,512,862
Total Current Balance (EUR)	530,734,282
Average Original Balance per Loan (EUR)	222,658
Average Current Balance per Loan (EUR)	196,132
Maximum Current Balance (EUR)	1,454,840
Weighted-Average Original LTV (%)	67.9
Weighted-Average Current LTV Indexed (%)[1]	59.5
Proportion of Loans with CLTV (ind.)>100%[1]	0.0
Weighted-Average Seasoning (Years)	2.3
Weighted-Average Residual Term (Years)	23.8
Weighted-Average Interest Rate (%)	2.5
Self-Employed (%)	6.6
Purchase Loans (%)	67.9
Re-mortgage Loans (%)	17.4
Re-mortgage with Equity Release (%)	14.1
Properties in Dublin (%)	46.0
Properties Outside Dublin (%)	54.0
>=0 and <1 Month in Arrears (%)	99.6
>=1 and <3 Months in Arrears (%)	0.4
>=3 and <12 Months in Arrears (%)	0.0
>=3 Months in Arrears (%)	0.0

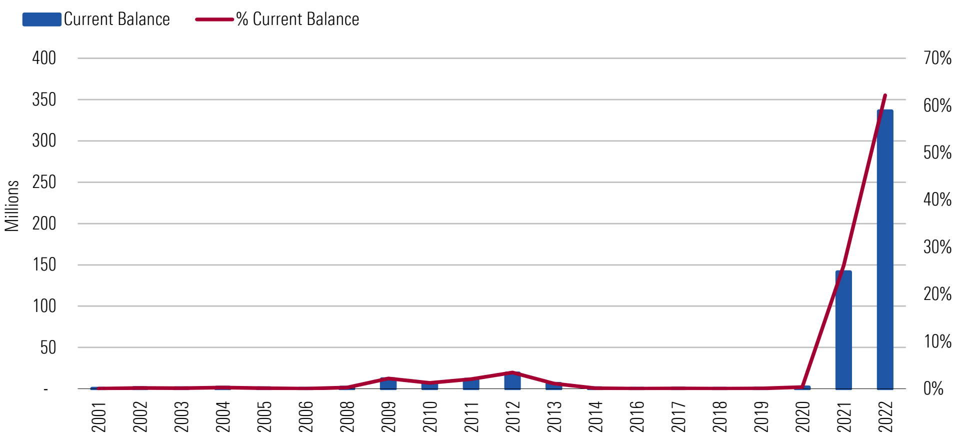
1. DBRS Morningstar Calculation: the WA Indexed LTV was calculated giving 50% credit to increase in house prices.

All statistics related to the mortgage portfolio are as of 31 March 2023 unless otherwise stated.

Origination Vintages

As of the cut-off date, the securitised portfolio's seasoning was about two years. The portfolio mainly consists of recent originations up to Q2 2022 (see Exhibit 4), with the 2021 and 2022 vintages representing 88% of the portfolio. However, it also includes a small subset of loans from a more seasoned pool, with a concentration in the vintages between 2009 and 2013.

Exhibit 4 Origination Vintages (%)



Source: Dilosk.

Interest Rates

Of the portfolio, 10% comprises floating-rate loans, linked to a SVR set by Dilosk, depending on the borrower's LTV band. The remaining 90% comprise fixed-rate loans (i.e., loans that must revert to a floating-rate SVR in the future).

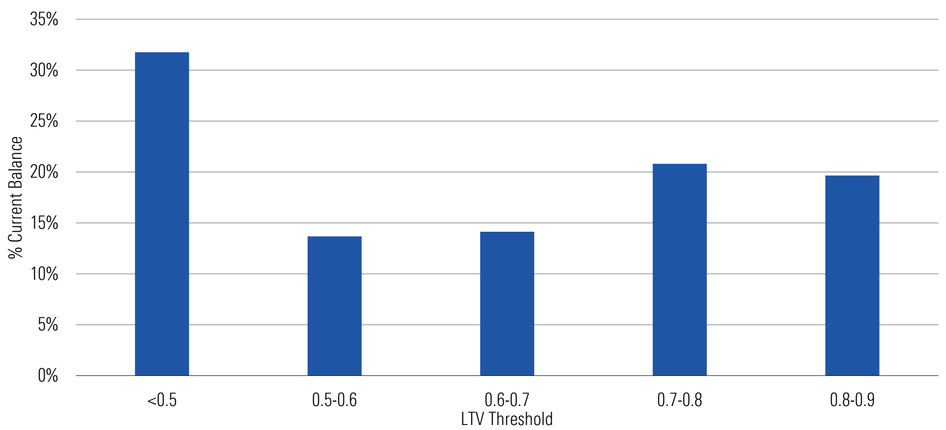
The main revision dates for fixed- to floating-rate loans are 2025 and 2027, consistent with the three-and five-year short-term fixes.

The WA coupon (WAC) of this portfolio is 2.5%. The WAC for the fixed-rate loans is 2.2% while the WAC for the floating-rate loans is 5.2%.

LTV Distribution

The portfolio presents a WA current indexed LTV of 59.5% (versus a WA original LTV of 67.9%), with the portion in negative equity totalling 0% of the portfolio's current balance.

Exhibit 5 Current Indexed LTV Distribution



Source: Dilosk.

Borrower Features

About 61% of the portfolio's borrowers are employed and 32% are civil servants (protected lifetime employment). Civil servants are the branch of public service that works directly for the government, in government departments, or in certain state agencies that carry out functions on behalf of the state but that are independent of the government (such as teachers, doctors, nurses, police, etc.).

Self-employed borrowers account for 6.6% of the portfolio and pensioners for 0.01%. For self-employed borrowers, DBRS Morningstar applied a standard probability of default (PD) adjustment of 1.15 times (x), in line with its *Master European Residential Mortgage-Backed Securities Rating Methodology and Jurisdictional Addenda*.

Income

The WA loan-to-income (LTI) ratio of the portfolio is 2.7x, accounting for both primary and secondary incomes. The credit model penalises loans with a LTI of higher than 3.5x, which comprise 6.6% of portfolio's current balance.

In addition, assessing the debt-service-to-income ratio shows that the portion of the portfolio that is above the 30% threshold is 1.3%.

Rating Analysis

DBRS Morningstar based its ratings on a review of the following analytical considerations:

- The transaction capital structure, including the form and sufficiency of available credit enhancement;
- The credit quality of the mortgage portfolio and the ability of the servicer to perform collection and resolution activities. DBRS Morningstar estimated stress-level PD, loss given default (LGD), and expected losses (EL) on the mortgage portfolio. DBRS Morningstar used the PD, LGD, and EL as inputs into the cash flow engine. DBRS Morningstar analysed the mortgage portfolio in accordance with its *Master European Residential Mortgage-Backed Securities Rating Methodology and Jurisdictional Addenda*;
- The transaction's ability to withstand stressed cash flow assumptions and repay the Class A, Class B, Class C, Class D, and Class E notes according to the terms of the transaction documents. DBRS Morningstar analysed the transaction structure using Intex DealMaker. DBRS Morningstar considered additional sensitivity scenarios of 0% CPR stress;
- The sovereign rating of AA (low) with a Stable trend on the Republic of Ireland as of the date of this report; and
- The expected consistency of the transaction's legal structure with DBRS Morningstar's *Legal Criteria for European Structured Finance Transactions* methodology and the presence of legal opinions that are expected to address the assignment of the assets to the Issuer.

Probability of Default, Loss Given Default, and Expected Losses

Rating Scenario	PD	LGD	EL
AAA (sf)	19.6%	54.0%	10.6%
AA (sf)	12.6%	41.0%	5.2%
A (sf)	8.8%	34.8%	3.1%
BBB (sf)	5.3%	26.8%	1.4%
BB (sf)	2.2%	18.4%	0.4%
B (sf)	1.3%	12.6%	0.2%

Source: DBRS Morningstar.

Cash Flow Scenarios

DBRS Morningstar applied two default timing curves (front-ended and back-ended), its prepayment curves (low, medium, and high CPR assumptions), and interest rate stresses as per its *Interest Rate Stresses for European Structured Finance Transactions* methodology. DBRS Morningstar tested additional scenarios where 0% CPR was stressed.

Based on a combination of these assumptions, DBRS Morningstar applied a total of 12 cash flow scenarios and four additional cash flow scenarios to test the performance of the rated notes (see table below).

Scenario	Prepayments	Default Timing	Interest Rate
1	5%	Front	Upward
2	5%	Front	Downward
3	5%	Back	Upward
4	5%	Back	Downward
5	10%	Front	Upward
6	10%	Front	Downward
7	10%	Back	Upward
8	10%	Back	Downward
9	20%	Front	Upward
10	20%	Front	Downward
11	20%	Back	Upward
12	20%	Back	Downward
Additional 0% CPR Stresses			
13	0%	Front	Upward
14	0%	Front	Downward
15	0%	Back	Upward
16	0%	Back	Downward

Interest Rate Stresses
DBRS Morningstar applied its standard interest rate stresses as detailed in its *Interest Rate Stresses for European Structured Finance Transactions* methodology.

The rated notes pay an interest rate linked to three-month Euribor rate plus a margin. In comparison, the loans in the mortgage portfolio pay interest linked to the SVR set by Dilosk or a fixed rate (until the date at which each loan shall switch to an SVR). While fixed-rate loans are hedged through the interest rate swap, SVR loans give rise to basis risk that is not hedged in the transaction.

To partially mitigate this risk, the servicer is expected to maintain the SVR rate at a minimum of the three-month Euribor plus 2.0%, subject to such variable interest not being less than zero. Consequently, DBRS Morningstar applied the SVR floor rates when assessing the transaction cash flows.

Furthermore, DBRS Morningstar also considered the potential impact of product switches in the WAC of the portfolio. The fixed-rate loans are subject to a floor of a 2.0% margin over the applicable mid-market swap rate plus the swap adjustment charge at the time of the switch. DBRS Morningstar assessed a locked-in post-swap margin of 2.0% for all loans that switch to a fixed rate before the step-up date.

Timing of Defaults
DBRS Morningstar applied 10-year front- and back-loaded default timing curves.

Recovery Lag
DBRS Morningstar assumed a recovery lag of 48 months.

Risk Sensitivities

DBRS Morningstar estimated the PD and LGD for the pool based on a review of historical data and an assessment of the mortgage pool characteristics. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative impact on the credit ratings. The tables below illustrate the sensitivity of the rating to various changes in the base case default rates and loss severity assumptions relative to the base case assumptions, in the respective rating scenario of the following classes:

Class A

		Increase in Default Rate %		
		0	25	50
Increase in LGD (%)	0	AAA (sf)	AA (high) (sf)	AA (high) (sf)
	25	AA (high) (sf)	AA (high) (sf)	AA (sf)
	50	AA (high) (sf)	AA (sf)	AA (sf)

Class B

		Increase in Default Rate %		
		0	25	50
Increase in LGD (%)	0	AA (sf)	A (high) (sf)	A (sf)
	25	AA (low) (sf)	A (high) (sf)	A (low) (sf)
	50	A (high) (sf)	A (sf)	A (low) (sf)

Class C

		Increase in Default Rate %		
		0	25	50
Increase in LGD (%)	0	A (sf)	BBB (high) (sf)	BBB (high) (sf)
	25	A (low) (sf)	BBB (high) (sf)	BBB (sf)
	50	BBB (high) (sf)	BBB (sf)	BBB (sf)

Class D

		Increase in Default Rate %		
		0	25	50
Increase in LGD (%)	0	BBB (low) (sf)	BB (high) (sf)	BB (high) (sf)
	25	BBB (low) (sf)	BB (high) (sf)	BB (high) (sf)
	50	BB (high) (sf)	BB (high) (sf)	BB (high) (sf)

Class E

		Increase in Default Rate %		
		0	25	50
Increase in LGD (%)	0	BB (high) (sf)	BB (high) (sf)	BB (sf)
	25	BB (high) (sf)	BB (sf)	BB (sf)
	50	BB (sf)	BB (sf)	BB (low) (sf)

Appendix

Methodologies Applied

The principal methodology applicable to assign ratings to this transaction is the *Master European Residential Mortgage-Backed Securities Rating Methodology and Jurisdictional Addenda*.

Other methodologies referenced in this transaction are listed below:

- *Legal Criteria for European Structured Finance Transactions* (22 July 2022), https://www.dbrsmorningstar.com/research/400166/legal-criteria-for-european-structured-finance-transactions.
- *Derivative Criteria for European Structured Finance Transactions* (20 September 2021), https://www.dbrsmorningstar.com/research/384624/derivative-criteria-for-european-structured-finance-transactions.
- *Operational Risk Assessment for European Structured Finance Servicers* (15 September 2022), https://www.dbrsmorningstar.com/research/402774/operational-risk-assessment-for-european-structured-finance-servicers.
- *Operational Risk Assessment for European Structured Finance Originators* (15 September 2022), https://www.dbrsmorningstar.com/research/402773/operational-risk-assessment-for-european-structured-finance-originators.
- *Interest Rate Stresses for European Structured Finance Transactions* (22 September 2022), https://www.dbrsmorningstar.com/research/402943/interest-rate-stresses-for-european-structured-finance-transactions.
- *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings* (17 May 2022), https://www.dbrsmorningstar.com/research/396929/dbrs-morningstar-criteria-approach-to-environmental-social-and-governance-risk-factors-in-credit-ratings.

The rating methodologies and criteria used in the analysis of this transaction can be found at: http://www.dbrsmorningstar.com/about/methodologies. Alternatively, please contact info@dbrsmorningstar.com.

Surveillance Methodology

DBRS Morningstar monitors this transaction is in accordance with its *Master European Structured Finance Surveillance Methodology* and is available at www.dbrsmorningstar.com under the heading Methodologies. Alternatively, please contact info@dbrsmorningstar.com.

Environmental, Social, and Governance Checklist

ESG Factor		ESG Credit Consideration Applicable to the Credit Analysis: Y/N		Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental		**Overall:**	**N**	**N**
	Emissions, Effluents, and Waste	Do the costs or risks result in a higher default risk or lower recoveries for the securitized assets?	N	N
	Carbon and GHG Costs	Do the costs or risks related to GHG emissions result in higher default risk or lower recoveries of the securitized assets?	N	N
		Are there potential benefits of GHG-efficient assets on affordability, financeability, or future values (recoveries)?	N	N
		Carbon and GHG Costs	**N**	**N**
	Climate and Weather Risks	Are the securitized assets in regions exposed to climate change and adverse weather events affecting expected default rates, future valuations, and/or recoveries?	N	N
	Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	N	N
Social		**Overall:**	**N**	**N**
	Social Impact of Products and Services	Do the securitized assets have an extraordinarily positive or negative social impact on the borrowers and/or society, and do these characteristics of these assets result in different default rates and/or recovery expectations?	N	N
		Does the business model or the underlying borrower(s) have an extraordinarily positive or negative effect on their stakeholders and society, and does this result in different default rates and/or recovery expectations?	N	N
		Considering changes in consumer behavior or secular social trends: does this affect the default and/or loss expectations for the securitized assets?	N	N
		Social Impact of Products and Services	**N**	**N**
	Human Capital and Human Rights	Are the originator, servicer, or underlying borrower(s) exposed to staffing risks and could this have a financial or operational effect on the structured finance issuer?	N	N
		Is there unmitigated compliance risk due to mis-selling, lending practices, or work-out procedures that could result in higher default risk and/or lower recovery expectations for the securitized assets?	N	N
		Human Capital and Human Rights	**N**	**N**
	Product Governance	Does the originator's, servicer's, or underlying borrower(s)' failure to deliver quality products and services cause damage that may result in higher default risk and/or lower recovery expectations for the securitized assets?	N	N
	Data Privacy and Security	Does the originator's, servicer's, or underlying borrower(s)' misuse or negligence in maintaining private client or stakeholder data result in financial penalties or losses to the issuer?	N	N
	Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	N	N
Governance		**Overall:**	**N**	**N**
	Corporate / Transaction Governance	Does the transaction structure affect the assessment of the credit risk posed to investors due to a lack of appropriate independence of the issuer from the originator and/or other transaction parties?	N	N
		Considering the alignment of interest between the transaction parties and noteholders: does this affect the assessment of credit risk posed to investors because the alignment of interest is inferior or superior to comparable transactions in the sector?	N	N
		Does the lack of appropriately defined mechanisms in the structure on how to deal with future events affect the assessment of credit risk posed to investors?	N	N
		Considering how the transaction structure provides for timely and appropriate performance and asset reporting: does this affect the assessment of credit risk posed to investors because it is inferior or superior to comparable transactions in the sector?	N	N
		Corporate / Transaction Governance	**N**	**N**
	Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	N	N
		Consolidated ESG Criteria Output:	**N**	**N**

* A Relevant Effect means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A Significant Effect means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations

Environmental
There were no environmental factors that had a relevant or significant effect on the credit analysis. For more details about which environmental factors could have an effect on the credit analysis, please refer to the checklist above.

Social
There were no social factors that had a relevant or significant effect on the credit analysis. For more details about which social factors could have an effect on the credit, please refer to the checklist above.

Governance
There were no governance factors that had a relevant or significant effect on the credit analysis. For more details about which governance factors could have an effect on the credit analysis, please refer to the checklist above.

The above ESG discussion relates to credit risk factors that could impact the financial profile and therefor the rating of the issuer. They are separate from ESG sustainability factors, which are generally outside the scope of this analysis. A description of how DBRS Morningstar considers ESG factors within the DBRS Morningstar analytical framework can be found in the DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings at https://www.dbrsmorningstar.com/research/396929/dbrs-morningstar-criteria-approach-to-environmental-social-and-governance-risk-factors-in-credit-ratings.

About DBRS Morningstar
DBRS Morningstar is a full-service global credit ratings business with approximately 700 employees around the world. We're a market leader in Canada, and in multiple asset classes across the U.S. and Europe.

We rate more than 4,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

DBRS Morningstar is empowering investor success as the go-to source for independent credit ratings. And we are bringing transparency, responsiveness, and leading-edge technology to the industry.

That's why DBRS Morningstar is the next generation of credit ratings.

Learn more at dbrsmorningstar.com.