

Morningstar DBRS Upgrades and Confirms Credit Ratings on Dilosk RMBS No. 7 DAC

RMBS

DBRS Ratings GmbH (Morningstar DBRS) took the following credit rating actions on the notes issued by Dilosk RMBS No. 7 DAC (the Issuer):

- Class A confirmed at AAA (sf)
- Class B confirmed at AA (low) (sf)
- Class C confirmed at A (sf)
- Class D confirmed at BBB (sf)
- Class E confirmed at BB (sf)
- Class F upgraded to B (sf) from B (low) (sf)

Morningstar DBRS also discontinued its credit rating on the Class X1 notes following its repayment in full at the May 2025 payment date.

The credit rating on the Class A notes addresses the timely payment of interest and ultimate payment of principal on or before the legal final maturity date in November 2062. The credit rating on the Class B notes addresses the ultimate payment of interest and principal while junior and the timely payment of interest while the senior-most class outstanding. The credit ratings on the Class C, Class D, Class E, and Class F notes address the ultimate payment of interest and principal.

CREDIT RATING RATIONALE

The credit rating actions follow an annual review of the transaction and are based on the following analytical considerations:

- Portfolio performance, in terms of delinquencies, defaults and losses as of 30 April 2025 (corresponding to the May 2025 payment date).
- Portfolio default rate (PD), loss given default (LGD) and expected loss assumptions on the remaining receivables.
- Current available credit enhancement (CE) to the notes to cover the expected losses at their respective credit rating levels at the May 2025 payment date.

The transaction is a securitisation of first-lien buy-to-let mortgage loans originated and serviced by Dilosk DAC (Dilosk), and granted to individuals, corporates, and pension trusts in the Republic of Ireland. All primary servicing activities are delegated to BCMGlobal under the Master Servicing Agreement with Dilosk. CSC Capital Markets (Ireland) Limited acts as the back-up servicer facilitator. The first optional redemption date is at the payment date in February 2027, coinciding with a step-up of the margins on the Class A to Class F notes.

PORTFOLIO PERFORMANCE

As of 30 April 2025, loans two to three months in arrears represented 0.0% of the outstanding portfolio balance, loans more than three months in arrears represented 0.2%, and the cumulative default ratio was 0.0%.

PORTFOLIO ASSUMPTIONS AND KEY DRIVERS

Morningstar DBRS conducted a loan-by-loan analysis of the remaining pool of receivables and has updated its base case PD and LGD assumptions at the B (sf) credit rating level to 1.7% and 10.1% respectively.

CREDIT ENHANCEMENT

CE to the notes consists of the subordination of junior classes and the general reserve fund. As of the May 2025 payment date, CE to the rated notes increased as follows compared to the last annual review:

- CE to the Class A to 14.8% from 12.5%;
- CE to the Class B to 10.9% from 9.1%;
- CE to the Class C to 6.4% from 5.1%;
- CE to the Class D to 3.8% from 2.8%;
- CE to the Class E to 2.2% from 1.4%; and
- CE to the Class F to 1.2% from 0.6%.

As of the May 2025 payment date, the general reserve fund was at its target level of approximately EUR 1.1 million, equal to 1.25% of the original principal balance of the Class A to F notes, minus the liquidity reserve target amount. The general reserve fund is available to cover senior fees, interest, and principal via the principal deficiency ledgers (PDLs) on the rated notes. As of the May 2025 payment date, all PDLs were clear.

As of the May 2025 payment date, the liquidity reserve fund was at its target level of approximately EUR 1.4 million, equal to 1.0% of the outstanding principal balance of the Class A notes and is available to cover senior fees and interest on the Class A notes.

The Bank of New York Mellon, Dublin Branch (BNY Mellon) acts as the account bank for the transaction. Based on the Morningstar DBRS private credit rating of BNY Mellon, the downgrade provisions outlined in the transaction documents, and other mitigating factors inherent in the transaction structure, Morningstar DBRS considers the risk arising from the exposure to the account bank to be consistent with the credit rating assigned to the Class A notes, as described in Morningstar DBRS' "Legal and Derivative Criteria for European Structured Finance Transactions" methodology.

Morningstar DBRS' credit ratings on the applicable classes address the credit risk associated with the identified financial obligations in accordance with the relevant transaction documents. Where applicable, a description of these financial obligations can be found in the transactions' respective press releases at issuance.

Morningstar DBRS' long-term credit ratings provide opinions on risk of default. Morningstar DBRS considers risk of default to be the risk that an issuer will fail to satisfy the financial obligations in accordance with the terms under which a long-term obligation has been issued.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONSIDERATIONS

There were no Environmental/Social/Governance factors that had a significant or relevant effect on the credit analysis.

A description of how Morningstar DBRS considers ESG factors within the Morningstar DBRS analytical framework can be found in the Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (16 May 2025), <https://dbrs.morningstar.com/research/454196>.

Morningstar DBRS analysed the transaction structure in Intex Dealmaker.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable to the credit ratings is: "Master European Structured Finance Surveillance Methodology" (4 February 2025), <https://dbrs.morningstar.com/research/447080>.

Other methodologies referenced in this transaction are listed at the end of this press release.

Morningstar DBRS has applied the principal methodology consistently and conducted a review of the transaction in accordance with the principal methodology.

A review of the transaction legal documents was not conducted as the legal documents have remained unchanged since the most recent credit rating action.

For a more detailed discussion of the sovereign risk impact on Structured Finance credit ratings, please refer to "Appendix C: The Impact of Sovereign Credit Ratings on Other Morningstar DBRS Credit Ratings" of the "Global Methodology for Rating Sovereign Governments" at: <https://dbrs.morningstar.com/research/457952>.

The sources of data and information used for these credit ratings include investor reports provided by The Bank of New York Mellon, London Branch and loan-level data provided by European DataWarehouse GmbH.

Morningstar DBRS did not rely upon third-party due diligence in order to conduct its analysis.

At the time of the initial credit ratings, Morningstar DBRS was supplied with third-party assessments. However, this did not affect the credit rating analysis.

Morningstar DBRS considers the data and information available to it for the purposes of providing these credit ratings to be of satisfactory quality.

Morningstar DBRS does not audit or independently verify the data or information it receives in connection with the credit rating process.

The last credit rating action on the Issuer took place on 31 July 2024 when Morningstar DBRS confirmed its credit ratings on the Class A, Class B, Class C, Class D, Class E and Class F notes at AAA (sf), AA (low) (sf), A (sf), BBB (sf), B (low) (sf), respectively, and upgraded its credit rating on the Class X1 notes to B (sf) from CCC (sf).

The lead analyst responsibilities for this transaction have been transferred to Helvia Meana Ramon.

Information regarding Morningstar DBRS credit ratings, including definitions, policies, and methodologies, is available on dbrs.morningstar.com.

Sensitivity Analysis: To assess the impact of changing the transaction parameters on the credit rating, Morningstar DBRS considered the following stress scenarios as compared with the parameters used to determine the credit rating (the base case):

- Morningstar DBRS expected a lifetime base case PD and LGD for the pool based on a review of the current assets. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.
- The base case PD and LGD of the current pool of loans for the Issuer at the B (sf) credit rating level are 1.7% and 10.1%, respectively.

-- The risk sensitivity overview below illustrates the credit ratings expected if the PD and LGD increase by a certain percentage over the base case assumption.

Class A Risk Sensitivity:

- 25% increase in LGD, expected credit rating of AAA (sf)
- 50% increase in LGD, expected credit rating of AAA (sf)
- 25% increase in PD, expected credit rating of AAA (sf)
- 50% increase in PD, expected credit rating of AA (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected credit rating of AA (high) (sf)
- 25% increase in PD and 50% increase in LGD, expected credit rating of AA (high) (sf)
- 50% increase in PD and 25% increase in LGD, expected credit rating of AA (sf)
- 50% increase in PD and 50% increase in LGD, expected credit rating of AA (sf)

Class B Risk Sensitivity:

- 25% increase in LGD, expected credit rating of AA (low) (sf)
- 50% increase in LGD, expected credit rating of AA (low) (sf)
- 25% increase in PD, expected credit rating of AA (low) (sf)
- 50% increase in PD, expected credit rating of A (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected credit rating of A (high) (sf)
- 25% increase in PD and 50% increase in LGD, expected credit rating of A (high) (sf)
- 50% increase in PD and 25% increase in LGD, expected credit rating of A (high) (sf)
- 50% increase in PD and 50% increase in LGD, expected credit rating of A (high) (sf)

Class C Risk Sensitivity:

- 25% increase in LGD, expected credit rating of A (sf)
- 50% increase in LGD, expected credit rating of A (sf)
- 25% increase in PD, expected credit rating of A (sf)
- 50% increase in PD, expected credit rating of A (low) (sf)
- 25% increase in PD and 25% increase in LGD, expected credit rating of A (sf)
- 25% increase in PD and 50% increase in LGD, expected credit rating of A (low) (sf)
- 50% increase in PD and 25% increase in LGD, expected credit rating of A (low) (sf)
- 50% increase in PD and 50% increase in LGD, expected credit rating of BBB (high) (sf)

Class D Risk Sensitivity:

- 25% increase in LGD, expected credit rating of BBB (sf)
- 50% increase in LGD, expected credit rating of BBB (sf)
- 25% increase in PD, expected credit rating of BBB (sf)
- 50% increase in PD, expected credit rating of BBB (sf)
- 25% increase in PD and 25% increase in LGD, expected credit rating of BBB (sf)
- 25% increase in PD and 50% increase in LGD, expected credit rating of BBB (sf)
- 50% increase in PD and 25% increase in LGD, expected credit rating of BBB (sf)
- 50% increase in PD and 50% increase in LGD, expected credit rating of BBB (low) (sf)

Class E Risk Sensitivity:

- 25% increase in LGD, expected credit rating of BB (sf)
- 50% increase in LGD, expected credit rating of BB (sf)
- 25% increase in PD, expected credit rating of BB (sf)

- 50% increase in PD, expected credit rating of BB (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected credit rating of BB (sf)
- 25% increase in PD and 50% increase in LGD, expected credit rating of BB (sf)
- 50% increase in PD and 25% increase in LGD, expected credit rating of BB (sf)
- 50% increase in PD and 50% increase in LGD, expected credit rating of BB (sf)

Class F Risk Sensitivity:

- 25% increase in LGD, expected credit rating of B (sf)
- 50% increase in LGD, expected credit rating of B (sf)
- 25% increase in PD, expected credit rating of B (sf)
- 50% increase in PD, expected credit rating of B (sf)
- 25% increase in PD and 25% increase in LGD, expected credit rating of B (sf)
- 25% increase in PD and 50% increase in LGD, expected credit rating of B (sf)
- 50% increase in PD and 25% increase in LGD, expected credit rating of B (sf)
- 50% increase in PD and 50% increase in LGD, expected credit rating of B (sf)

For further information on Morningstar DBRS historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: <https://registers.esma.europa.eu/cerep-publication>. For further information on Morningstar DBRS historical default rates published by the Financial Conduct Authority (FCA) in a central repository, see <https://data.fca.org.uk/#/ceres/craStats>.

These credit ratings are endorsed by DBRS Ratings Limited for use in the United Kingdom.

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 Initial Rating Date: 11 July 2023

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The credit rating methodologies used in the analysis of this transaction can be found at: <https://dbrs.morningstar.com/about/methodologies>.

- Master European Structured Finance Surveillance Methodology (4 February 2025),
<https://dbrs.morningstar.com/research/447080>
- European RMBS Insight Methodology (8 May 2025) and European RMBS Insight Model v10.1.0.1,
<https://dbrs.morningstar.com/research/453613>
- Interest Rate Stresses for European Structured Finance Transactions (24 September 2024),
<https://dbrs.morningstar.com/research/439913>
- Legal and Derivative Criteria for European Structured Finance Transactions (19 November 2024),
<https://dbrs.morningstar.com/research/443196>
- Operational Risk Assessment for European Structured Finance Originators and Servicers (18 September 2024),
<https://dbrs.morningstar.com/research/439571>

-- Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (16 May 2025), <https://dbrs.morningstar.com/research/454196>

A description of how Morningstar DBRS analyses structured finance transactions and how the methodologies are collectively applied can be found at: <https://dbrs.morningstar.com/research/439604>.

For more information on this credit or on this industry, visit <https://dbrs.morningstar.com> or contact us at info-DBRS@morningstar.com.

Ratings

Dilosk RMBS No. 7 DAC

Date Issued	Debt Rated	Action	Rating	Trend	Attributes
25-Jul-25	Class A	Confirmed	AAA (sf)	--	EU U
25-Jul-25	Class B	Confirmed	AA (low) (sf)	--	EU U
25-Jul-25	Class C	Confirmed	A (sf)	--	EU U
25-Jul-25	Class D	Confirmed	BBB (sf)	--	EU U
25-Jul-25	Class E	Confirmed	BB (sf)	--	EU U
25-Jul-25	Class F	Upgraded	B (sf)	--	EU U
25-Jul-25	Class X1	Disc.- Repaid	Discontinued	--	EU

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