S&P Global Ratings

Research

New Issue: Shamrock Residential 2024-1 DAC

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Table Of Contents

Table Of Contents (cont.)

New Issue: Shamrock Residential 2024-1 DAC

Ratings Detail

Transaction profile	
Issuer	Shamrock Residential 2024-1 DAC
Collateral type	RMBS reperforming
Domicile of assets	Ireland
Seller	Beith Residential DAC
Servicers	Mars Capital Finance (Ireland) DAC and BCMGlobal ASI Ltd.
Counterparties	U.S. Bank Europe DAC, Barclays Bank Ireland PLC, and Morgan Stanley & Co. International PLC

Capital structure

Class	Rating*	Amount (mil. €)	Class size (%)	Credit enhancement§ (%)	Coupon (%)	Step-up coupon (%)	Step-up date	Legal final maturity
A	AAA (sf)	215.00	70.74	29.67	1M EURIBOR + 110 bps	1M EURIBOR + 165 bps	January 2028	December 2078
B-Dfrd	AA- (sf)	16.00	5.26	24.40	1M EURIBOR + 160 bps	1M EURIBOR + 240 bps	January 2028	December 2078
C-Dfrd	A- (sf)	10.50	3.45	20.95	1M EURIBOR + 220 bps	1M EURIBOR + 320 bps	January 2028	December 2078
D-Dfrd§	BBB (sf)	10.00	3.29	17.66	1M EURIBOR + 300 bps	1M EURIBOR + 400 bps	January 2028	December 2078
E-Dfrd§	BB (sf)	9.00	2.96	14.70	1M EURIBOR + 425 bps	1M EURIBOR + 525 bps	January 2028	December 2078
F-Dfrd§	B- (sf)	10.00	3.29	11.41	1M EURIBOR + 550 bps	1M EURIBOR + 650 bps	January 2028	December 2078
RFN	NR	4.26	1.40	N/A	600 bps	N/A	N/A	December 2078
Z1-Dfrd	NR	4.60	1.51	2.75	800 bps	N/A	N/A	December 2078
Z2-Dfrd	NR	9.06	2.98	0.00	1000 bps	N/A	N/A	December 2078
X	NR	2.00	0.66	N/A	N/A	N/A	N/A	December 2078
Y	NR	2.00	0.66	N/A	N/A	N/A	N/A	December 2078

Capital structure (cont.)

Class	Rating*	Amount (mil. €)	Class size (%)	Credit enhancement§ (%)	Coupon (%)	Step-up coupon (%)	Step-up date	Legal final maturity
Yield supplement overcollateralization (YSO)†	NR	19.76	6.50	N/A	N/A	N/A	N/A	N/A

*Our ratings address timely receipt of interest and ultimate repayment of principal on the class A notes and the ultimate payment of interest and principal on the other rated notes. §Our ratings on the class D-Dfrd, E-Dfrd, and F-Dfrd notes also address the payment of interest based on the lower of the stated coupon and the net weighted-average coupon. §Credit enhancement includes subordination and a general reserve fund. †The transaction benefits from 6.50% overcollateralization at closing that supports the available yield. The figures do not show any credit that may accrue due to unused yield supplement overcollateralization. bps--Basis points. EURIBOR--Euro Interbank Offered Rate. NR--Not rated. N/A--Not applicable. Dfrd--Deferrable.

The Credit Story

The asset pool for Shamrock Residential 2024-1 DAC contains €303.9 million first-lien residential mortgage loans located in Ireland. The loans were originated by multiple lenders--primarily Permanent TSB PLC (PTSB), Allied Irish Banks PLC (AIB), EBS DAC, and Ulster Bank, which account for over 80% of the pool. The pool comprises 77% owner-occupied properties, 13% buy-to-let (BTL) loans, and 10% of commercial loans.

There are €5.2 million of warehoused loans that are subject to future write-off. We have conducted our analysis net of this amount and have not given credit to these loans in our cashflow analysis.

The assets comprise a mix of assets that were never securitized and loans that were previously securitized in various non-performing loan (NPL) transactions. All assets were positively identified on strong pay rate percentages and cash collected metrics. The best performing assets within these NPL pools were identified and selected on a loan-by-loan basis to be restructured by the third-party servicers. The newly securitized assets were compiled according to the same metrics used for those already featured in the NPL deals.

Credit strengths

Key factor	Description
Credit enhancement and liquidity coverage	The capital structure provides 29.67% of available credit enhancement for the class A notes through subordination and the non-liquidity reserve fund. A fully funded liquidity reserve fund is available to meet revenue shortfalls on the class A notes, and the non-liquidity reserve fund is available to meet revenue shortfalls and provide credit enhancement to all rated notes.
Experienced servicers	The administrators, Mars Capital Finance Ireland DAC (Mars) and BCMGlobal ASI Ltd. (BCM), are experienced servicers with well-established and fully integrated servicing systems and policies.
Sequential structure	The application of principal proceeds is fully sequential. Credit enhancement can therefore build up over time for the rated notes, enabling the capital structure to withstand performance shocks.
Loss provisioning based on arrears	The structure incorporates an arrears provisioning mechanism rather than being linked solely to the loans' loss status. We view this positively, given that any excess spread is trapped as soon as the loan is in arrears rather than waiting until the recovery process is completed. We have considered this feature in our cash flow analysis.
Interest rate hedging	The interest rate cap hedges exposure to liquidity risks in a rising interest rate scenario.
Positive selection	The loans in the pool were identified through strong performance in relation to their peers based on elevated payrates and cash collection rates.

Credit concerns

Key factor	Description	Mitigant
Borrower characteristics	74% of the borrowers have had their loans restructured in the past. In a stressed economic environment, there is increased probability of these borrowers going back into arrears.	We considered this risk in our analysis and increased our weighted-average foreclosure frequency (WAFF) assumptions. In our analysis, we have applied our reperforming adjustment to those loans that were restructured in the last 60 months and are currently performing (54.1%).
Proportion of arrears in the pool	Within the pool, 35.2% of the loans are currently at least one month in arrears, with 23.4% of these borrowers being more than three months in arrears. We view these borrowers as having a higher risk of default.	In line with our global RMBS criteria, we have increased our WAFF estimates accordingly to address this increased risk.
Interest-only and part-and-part loans	Of the loans in the portfolio, 25.8% are interest-only loans or part-and-part loans. In our view, interest-only loans on owner-occupied properties have historically exhibited a higher default probability than otherwise similar loans that pay full principal and interest.	We have increased the foreclosure frequency on these types of loans on owner-occupied properties in our analysis in line with our criteria.
Data availability	We have not received information for certain loans in this pool, including loan purpose, employment status, and income data.	This is a common issue for legacy collateral. We have adjusted our loan-level originator adjustment accordingly.
Commercial loans	9.5% of the loans are classed as commercial. Historically, such loans exhibit higher risk and have a higher probability of default than comparable non-commercial loans.	We adjusted our WAFF assumptions upwards for these loans to account for their commercial status and applied a penalty of 1.15x to the repossession market value decline (RMVD) in our recovery analysis.
Missing original valuation amounts	We have received data with populated original valuations for 73% of the pool. For the other 27%, there was no original valuation provided--there was either a full or drive-by updated valuation provided. For similar pools we normally receive the original valuations for all loans, which we use as part of our WAFF calculation (through the loan-to-value [LTV] adjustment).	We conducted a manual back-calculation where, in line with the Irish house price index, we indexed back the updated valuations for the loans affected. We then applied a 10% haircut to these values. This cohort's weighted-average original LTV was slightly higher than the rest of the pool at 90.6%.
Potential future write-offs	57 loans are subject to a potential future write-off totaling €5.23 million. These loans are warehoused portions of split loans associated with other loans in the pool.	We have considered this in our cash flow analysis by using the current balance net of any write-offs. At the same time, in our cash flow analysis, the warehouse loans do not accrue any interest.
Cross-collateralization	The pool features cross-collateralization, as there are multiple loans secured by the same properties, one loan secured by multiple properties, or one property linked to multiple borrowers.	To account for these characteristics, we have considered the default risk at the borrower level (see "Historical performance").
Weak representations and warranties	The seller and retention-holder provide representations and warranties in the mortgage sale agreement, which we consider to be weaker than the market standard for Irish RMBS transactions.	We incorporated this in our credit analysis through an increased originator adjustment. We also considered the pool's high seasoning as a supporting factor.
Audit results	We received a 99/1 audit for this transaction from KPMG. The audit contained more errors than what we typically see in RMBS transactions.	Most of the errors are explained by missing data and documents. We consider the loans' high seasoning as one of the mitigants to the potential lack of reliability of information provided and risk of non-enforceability as the loans have been outstanding for more than 10 years. However, we have accounted for errors as well as some missing data either via the originator adjustment or by making some conservative assumptions about a specific credit characteristic in our WAFF assumption. We have also applied valuation haircuts in our analysis to reflect missing valuation data and errors in audit in the legal title charges field.

Credit concerns (cont.)		
Key factor	**Description**	**Mitigant**
Basis risk	The notes pay one-month Euro Interbank Offered Rate (EURIBOR) plus a margin. Of the loans in the portfolio, 43.6% are linked to the European Central Bank (ECB) tracker rate, 33.5% are linked to a standard variable rate (SVR), 20.5% are fixed-rate loans, and 2.3% are linked to EURIBOR indices. The SVR loans are floored at one-month EURIBOR plus 2.5%, which we considered in our cash flow analysis but did not give credit to the full amount in line with how these floors were breached during increasing interest rate scenarios. The transaction does not have a swap to mitigate the basis risk between the ECB tracker loans and the interest on the liabilities.	We have accounted for this basis risk in our analysis.

Origination, Collateral And Servicing

Originators

The assets in this portfolio have been originated by multiple lenders, most (95%) before 2011. Approximately 73% of the assets were originated by either PTSB, AIB, or EBS related entities, with the remainder originated by other lenders (see Appendix 1).

Table 1

Originator	
	Proportion of assets in the pool (%)
Permanent TSB PLC	30.8
Allied Irish Banks PLC	24.4
EBS DAC	18.0
Ulster Bank Ireland DAC	11.9
Bank of Ireland PLC	4.4
Lloyds Bank	4.1
Other entities	6.4

The pool is made up of five different subpools: Corrib, Bordeaux, Leaf, Elemfin, and Phoenix. Table 2 shows the proportion of the loans in each subpool and the main originators within that pool.

Table 2

Subpools			
	Proportion of assets in the pool (%)	**Servicer**	**Main originators***
Corrib	31.7	BCM	AIB, Ulster Bank Ireland, and BOI
Bordeaux	28.6	Mars	PTSB and Lloyds Bank
Leaf	24.9	Mars	EBS and AIB
Elemfin	8.7	Mars	PTSB
Phoenix	6.1	Mars	Multiple

AIB--Allied Irish Banks PLC. BOI--Bank of Ireland PLC. PTSB--Permanent TSB PLC. *All originating entities listed in Appendix 1.

At origination, the largest lenders in the pool (PTSB, AIB, and EBS) were all considered prime lenders in Ireland. They were all strong lenders that had good customer relationships. Full valuations were required during origination, and their origination standards were strong compared to nonconforming lenders and in line with other pillar banks across the market.

Given the period in which the loans were originated, the data collection and processes of lenders in general in Ireland were not as detailed as they are now after the introduction of the Central Bank of Ireland's macroprudential rules in 2015, which imposed greater mortgage lending oversight in Ireland. We capture this through our originator adjustment.

Table 3

Key originator considerations

Description	Consideration
Collateral type	We now consider these assets to be reperforming, given their historic performance. 9.5% of the loans are classed as commercial loans.
Lending policy versus peers and market standards	The main originators all had lending policies that were aligned with market standards at the time, but are looser than what is in place in the current market. Similar standards in relation to loan-to-income ratio and LTV ratio metrics would have been observed across the assets in the book, and across the wider market at the time. These levels would be much higher than current market origination standards.
Track record and experience	The main originators have significant experience and track records within the Irish market. They were all well-established institutions at the time of the originations. Like their peers, they have originated loans that have seen high arrears during the periods after the global financial crisis. Since then, and after the introduction of the Central Bank of Ireland's Mortgage Arrears Resolution Process (MARP), they have seen strong performance across all books. AIB took over EBS in 2011. The EBS brand is still used today. Ulster Bank exited the Irish market completely in 2023, with its customer base being mainly transferred to BOI and AIB.
Historical performance	This legacy collateral's historical performance is poor compared with other collateral subtypes. Arrears peaked in Ireland in 2013, and until 2021 they were generally trending downward to their lowest levels. Since 2022, we have seen an increase in arrears in peer transactions, in correlation with the higher interest rates that followed soaring inflation, which increased borrowers' cost of living. We received performance data for these assets since 2014 for the Leaf and Phoenix portfolios, since 2018 for the Elemfin portfolio, since 2019 for the Bordeaux portfolio, and since 2020 for the Corrib portfolio. While we have seen a material increase in arrears over the past two years in peer transactions, this pool has seen the reverse of that trend. Loans greater than one month in arrears have fallen to 30% from over 70% since the beginning of 2022. This reflects the servicers' restructuring push over the past two years; the loans in this pool have higher payrates than similar loans in long term arrears. See chart 3 for this pool's historical performance. We received pay rate data covering the same period as the historical data. Pay rates have remained strong during the cost of living crisis and high interest rate environment, averaging between 70%-90% in the last two years. Most of the restructures were conducted over this period. The payment rates are set at a floor of 0% and capped at 300% monthly for each loan. For loans currently in more than 90 days in arrears, we found that their pay rates have decreased materially over the recent stressed period when interest rates began to rise in 2022. We did not give credit to these loans given their recent poor pay rate performance. See chart 2 for an overview of the payment rates.
Data adequacy	Although the data provided meets our minimum requirements, we have accounted for the lack of performance history during the recessionary period in the Irish mortgage market in our originator adjustment. For 27% of the pool we have received drive-by updated valuations, but do not have original valuations at the time of origination. The arranger informed us that these were not transferred on these loans' initial sale as the updated valuations were viewed as more relevant to the purchaser at the time. We typically would receive this data, but have indexed the loans back from their updated valuations and applied a 10% haircut on these valuations, reflecting the fact that these are indexed valuations and may be overstated. The weighted-average original LTV used for this cohort of loans was 90.6% (post-haircut). Of the 27% with no original valuation, 7% also had original balance missing. For these loans we assumed an original LTV of 92%. We capped the original LTV at 92% in line with the majority of origination standards at that time. We received updated full or drive-by valuations for 74% of the properties in the pool. Drive-by valuations were performed mainly between 2015 and 2021. Where an updated full or drive-by valuation was available, we considered it in our loss severity analysis. We have not applied any additional haircut. Where an original valuation that was indexed or a non-full or drive-by updated valuation was used (26% of the pool), a 10% haircut was applied in our loss severity analysis. This is to account for the risk of original valuations or recent valuations where the property was not seen in person being overstated. This is consistent with previous similar deals.
Qualitative factors not captured above	As the assets were originated a materially long time ago, we place an emphasis in our analysis on their observed historical performance. We also observe weaker representations and warranties than what would be present in more recent collateral, as well as errors in the audit report. These factors are reflected in the originator adjustment.

Servicers

Mars and BCM are the day-to-day administrators in the transaction. They are also the loans' legal titleholders. A third entity, Everyday Finance Ltd. (Everyday), is a legal titleholder and a master administrator, but it has appointed BCM to act as day-to-day administrator of its portion of the portfolio.

Table 4

Legal titleholders

	Proportion of pool	Day-to-day servicer
Mars	68.3%	Mars
BCM	16.5%	BCM
Everyday	15.2%	BCM

BCM services the Corrib portfolio. These assets have a similar level of arrears to the other portfolios, but they have not seen reductions in arrears as extreme as some of the other subpools.

Mars services the other four portfolios. Chart 1 shows that the Leaf, Bordeaux, and Phoenix subpools were almost 100% in arrears prior to the loans' restructuring. Mars' restructuring effort is best seen in these portfolios where one-month arrears have decreased to 20%-30%. The most common restructure type for this pool is the combination of a term extension and the capitalization of arrears, whereby payments are decreased in an effort to put a long-term solution in place for the borrowers. Elemfin's arrears levels have remained relatively stable from when we have data available.

These loans' servicing strategy continues to proactively follow restructuring techniques outlined under MARP to help cure borrowers in long-term arrears. These include reduced payments, term extensions, and eventual arrears capitalizations.

Over 73% of the overall portfolio has undergone a permanent restructure (over 56% occurring since 2022), which considered the borrowers' circumstances. Should these restructure agreements fail, Mars and BCM will aim to realize the real estate value in the most efficient manner available.

Both Mars and BCM are experienced servicers in the Irish market with well-established and fully integrated servicing systems and policies. We have considered the ability of both to service the portfolio under our operational risk criteria and are satisfied that they are capable of performing their functions in the transaction. There is no cap on the ratings on the notes from an operational risk perspective.

Restructuring analysis

Of the portfolio, 73.9% has been restructured at some stage in the loan's life. The majority of these restructures occurred between 2022 and 2024 (see chart 3). We classify 54.1% of the loans as reperforming and we increased our WAFF assumptions for these assets based on the date when the loan was last 90 days or more in arrears or restructured over the last 60 months, in line with our criteria.

There have been some temporary fixed rate and lowered variable rate restructures granted to a small portion of the pool. These have been modeled in our cashflow analysis.

Table 5

Reperforming loans

Category	Percentage of the portfolio (%)
Loans attracting a reperforming adjustment (i.e., either a restructure or three months in arrears over the past five years and no longer in arrears)	54.1
Currently in arrears (less than three months)	11.9
Currently three months or more in arrears	23.4

When a restructuring arrangement occurred, it included a full reassessment of the borrower's affordability. We have therefore calculated our seasoning credit on these loans based on the date a loan was last 90 or more days in arrears or restructured.

Historical performance

Chart 1

Historical performance of subpools

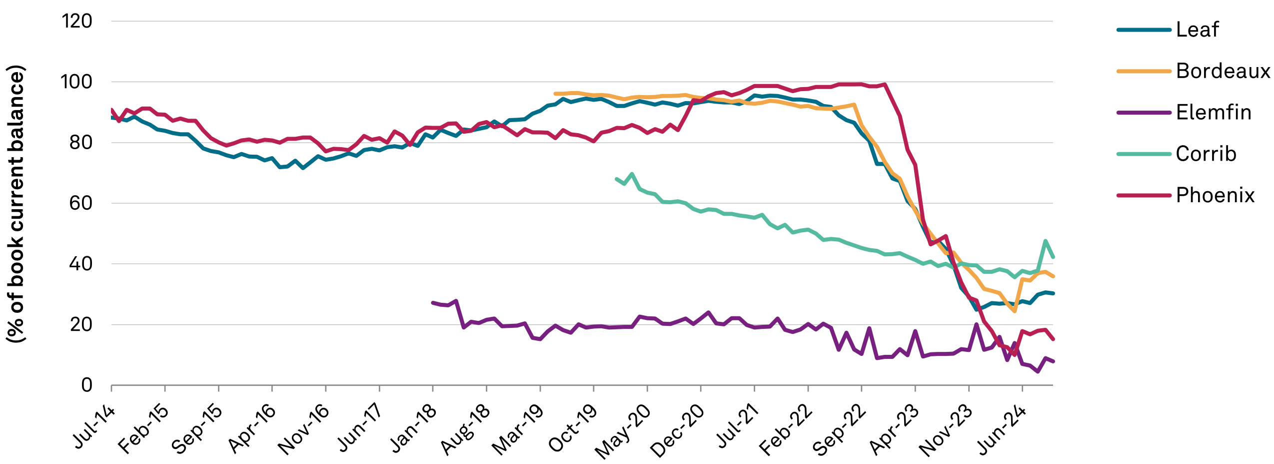


Chart 2

Payrate performance over time

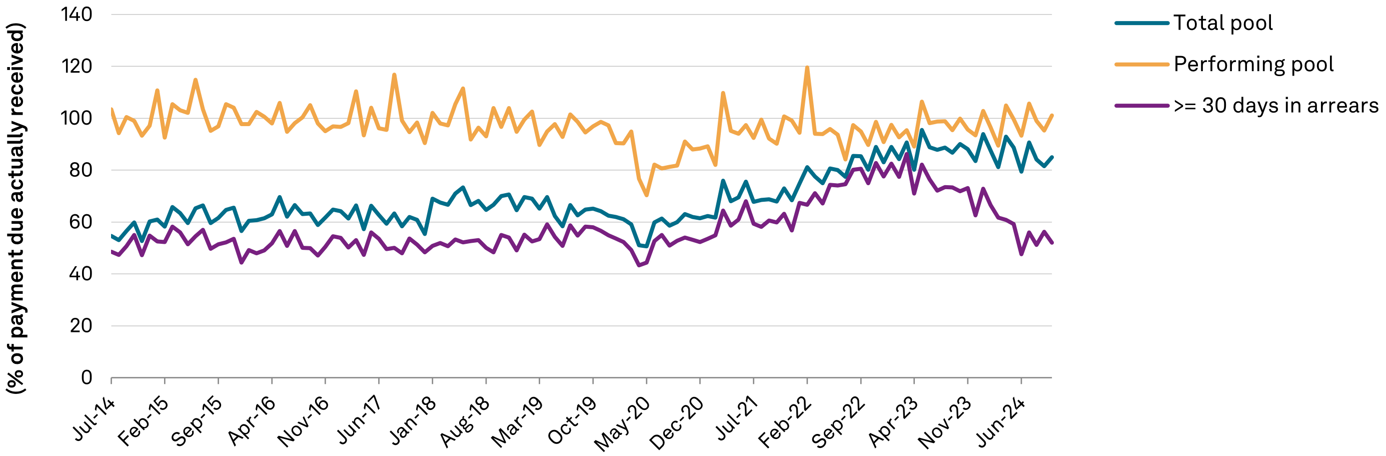
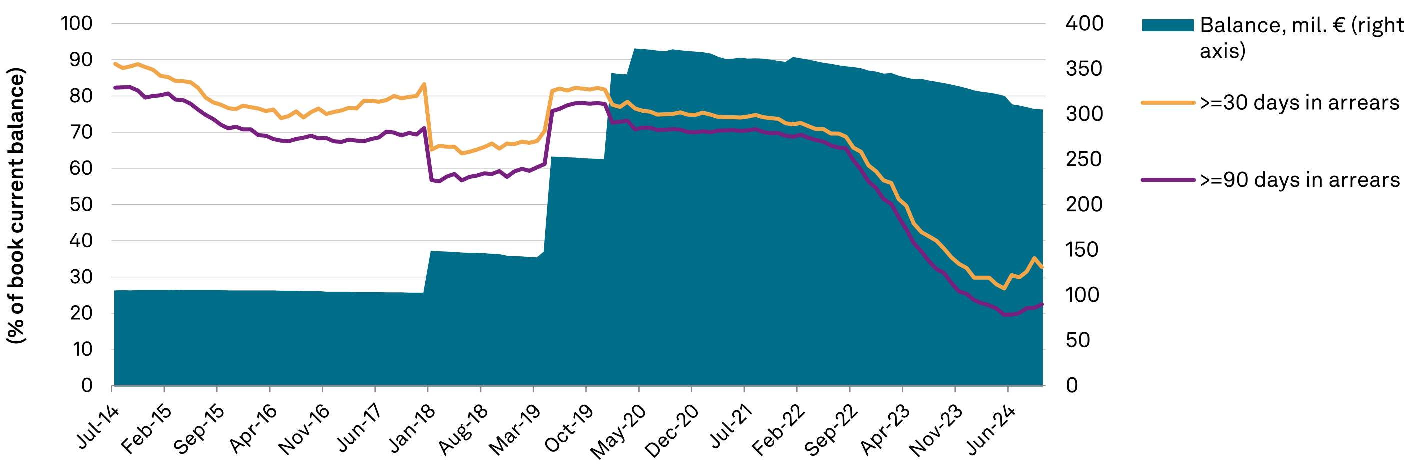


Chart 3

Arrears overview--full pool



Collateral Characteristics And Peer Comparisons

The assets are first-ranking owner-occupied and BTL mortgage loans secured against properties in Ireland.

The assets are newly-securitized loans or loans that previously featured in some NPL transactions. These loans were in arrears but were identified using positive selection based on their pay rate performance and cash collection rates.

Approximately 13% of the pool comprises BTL loans, 77% are owner-occupier loans, and the remaining 10% are commercial loans. See table 6 for further details and a peer comparison.

We received loan-level data as of Oct. 31, 2024, and historical performance data for the full pool since the start of 2020. The quality of the data provided is in line with our standards.

We received a 99/1 pool audit report for this transaction and the errors are more than what we typically see in RMBS transactions. Most of the errors are explained by missing data and documents. We consider the loans' high seasoning as one of the mitigants to the potential lack of reliability of information provided and risk of non-enforceability as the loans have been outstanding for more than 10 years. However, we have accounted for errors as well as some missing data either via the originator adjustment or by making some conservative assumptions about a specific credit characteristic in our WAFF assumption. We have also applied valuation haircuts in our analysis to reflect missing valuation data and errors in audit in the legal title charges field.

Table 6

Collateral characteristics and peer comparisons*

	Shamrock Residential 2024-1 DAC	**Merrion Square Residential 2024-1 DAC**	**Summerhill Residential 2024-1 DAC**	**Jamestown Residential 2024-1 DAC**	**Shamrock Residential 2023-1 DAC**	**Kinbane 2024-RPL1 DAC**
Jurisdiction	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland
Main originators	Permanent TSB PLC, Allied Irish Banks PLC, and EBS DAC.	Permanent TSB PLC, Irish Nationwide Building Society, and Springboard Mortgages Ltd.	Irish Nationwide Building Society, Bank of Scotland PLC, and Start Mortgages DAC.	Bank of Scotland, The Governor and Company of the Bank of Ireland, and Start Mortgages DAC.	Permanent TSB PLC, EBS DAC and Allied Irish Banks PLC.	The Governor and Company of the Bank of Ireland and KBC Ireland.
Collateral characteristics						
Pool cutoff date	Oct. 31, 2024	May 31, 2024	May 31, 2024	July 24, 2024	Jan 31, 2023	Dec 31, 2023
Principal outstanding of the pool (mil. €)	304	637	227	706	340	290
Number of loans	2,090	4,477	1,580	4,594	1,881	2,594
Initial WA interest rate (%)	4.41	5.74	5.67	5.42	2.86	4.66
Average loan balance (€)	145,417	142,284	143,708	153,737	180,765	111,862
WA indexed current LTV ratio (%)	66.8	58.7	62.5	58.7	73	66.1
WA original LTV ratio (%)	78.7	75.1	74.4	68.1	76.9	80.8
WA seasoning (months)	219	214	221	215	196	208
First-time buyers (%)	0.0	13.3	0	6.9	6.7	20.3
Buy-to-let (%)	13.2	41.6	3.7	8.3	8.2	21.2
Restructured (ever) (%)	73.9	61	75.7	87.7	95.5	76.3
Reperforming adjustment (%)	54.1	13.2	10.0	13.5	72.9	34.9

Table 6

Collateral characteristics and peer comparisons* (cont.)						
Interest only or part-and-part (%)	25.8	58.0	31.1	46.8	26.6	21.2
Jumbo valuations (%)	24.0	13.4	26.0	34.6	13.2	24.5
Over/under valuation (%)	13	13	13	13	8	13
Current arrears greater than or equal to one month (%)	35.2	22.3	42.1	32.8	45.3	56.6
Geographic concentration (by balance)						
First	Dublin (33.6%)	Dublin (35.6%)	Dublin (35.3%)	Dublin (40.5%)	Dublin (29.1%)	Dublin (31.1%)
Second	Cork (8.3%)	Cork (10.1%)	Cork (8.4%)	Cork (7.0%)	Cork (8.5%)	Cork (11.4%)
Third	Meath (6.8%)	Kildare (5.8%)	Kildare (6.0%)	Kildare (6.0%)	Meath (6.9%)	Galway (6.9%)
Credit assumptions						
Portfolio WAFF (%)						
AAA	69.20	43.13	56.49	49.23	67.46	80.86
AA	58.66	35.51	50.14	42.96	55.85	74.32
A	51.72	31.26	46.59	39.66	47.79	67.39
BBB	43.08	26.31	42.35	35.97	35.84	59.4
BB	32.43	20.63	37.62	31.83	23.93	49.38
B	30.19	19.45	36.64	30.95	20.94	46.61
Portfolio WALS (%)						
AAA	29.49	25.35	28.94	27.82	33.46	27.53
AA	25.71	21.44	24.96	23.46	29.83	23.77
A	19.71	15.12	18.31	16.34	23.42	17.66
BBB	16.65	11.93	14.9	12.81	20.13	14.6
BB	14.62	9.81	12.64	10.53	17.88	12.61
B	12.80	8.03	10.68	8.59	15.85	10.88
Credit coverage (%)						
AAA	20.41	10.94	16.35	13.7	22.57	22.26
AA	15.08	7.61	12.52	10.08	16.66	17.67
A	10.20	4.73	8.53	6.48	11.19	11.9
BBB	7.17	3.14	6.31	4.61	7.22	8.67
BB	4.74	2.02	4.76	3.35	4.28	6.23
B	3.87	1.56	3.91	2.66	3.32	5.07

*Calculations are according to S&P Global Ratings' methodology. LTV--Loan-to-value. WA--Weighted-average. WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Credit Analysis And Assumptions

The credit analysis of the mortgage portfolio assesses the credit quality of the underlying assets, which determines the projected losses under conditions of stress commensurate with each rating level. The projected losses are the result of the combination of the loan-level foreclosure frequency (the probability of default) and the loss severity (measuring the loss on the foreclosure amounts).

Table 7

Portfolio WAFF and WALS

Rating level	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	69.20	29.49	20.41
AA	58.66	25.71	15.08
A	51.72	19.71	10.20
BBB	43.08	16.65	7.17
BB	32.43	14.62	4.74
B	30.19	12.80	3.87

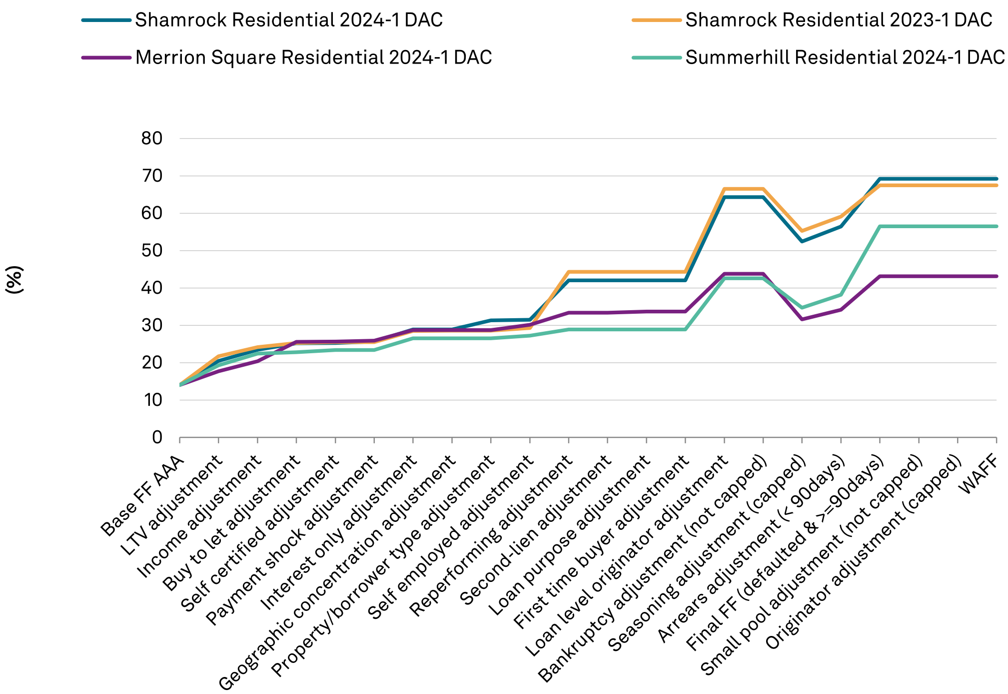
WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Foreclosure frequency

Our current 'B' foreclosure frequency assumption for the Irish archetypal pool is 1.50% and our base 'AAA' foreclosure frequency assumption is 14.0%(see "Sector And Industry Variables Updated For Europe Supplement Of Global RMBS Criteria," published on May 17, 2024). Chart 4 and table 8 summarize how the base 'AAA' foreclosure frequency has been adjusted to account for the characteristics of the securitized portfolio.

Chart 4

'AAA' cumulative WAFF distribution



WAFF--Weighted-average foreclosure frequency. FF--Foreclosure frequency. LTV--Loan to value.

Table 8

WAFF adjustments

Factor	Description	Adjustment	Cumulative WAFF (%)
Base WAFF	Archetypical pool.	N/A	14.0
LTV ratio	The weighted-average original LTV ratio was 78.7% and the weighted-average current indexed LTV ratio is 66.8%. Approximately 26% of loans have a current indexed LTV ratio lower than 40%, compared to under 5% in the original LTV ratio (see chart 5).	1.46x	20.5
Income	Income data was missing for 35% of the pool. For this cohort we have set the pool to not attract a penalty through this adjustment, and instead included it in our data adjustment as part of our loan-level originator adjustment.	1.11x	23.4
Buy-to-let	Approximately 13.2% of the pool comprises BTL loans and the remaining are owner-occupier loans.	1.08x	25.2
Self-certified	None of the loans in the pool are marked as self-certified loans.	1.00x	25.2
Payment shock	A small proportion of fixed-rate loans revert to higher reversionary rates of the SVR. For these loans, we have applied a lower payment shock adjustment.	1.02x	25.7
Interest-only	Of the portfolio, 26% comprises interest-only or part-and-part loans (see chart 6). We consider interest-only or part-and-part loans on primary dwelling housing to be of higher risk of default, so therefore they attract an adjustment.	1.12x	28.9
Geographic concentration	There is no geographic concentration concerns in this portfolio.	1.00x	28.9

Table 8

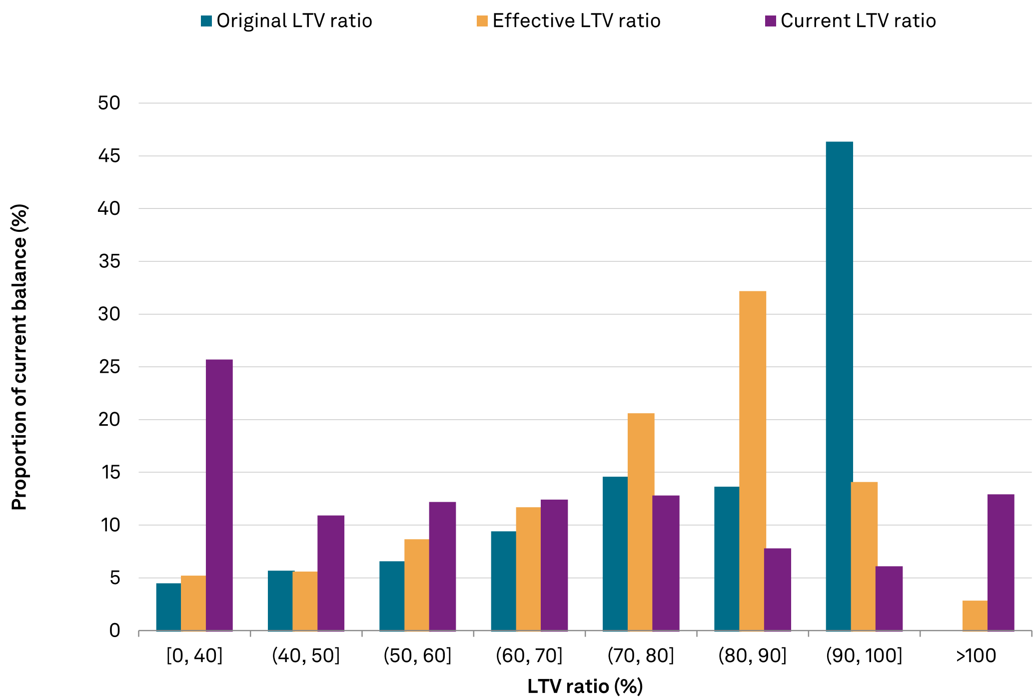
WAFF adjustments (cont.)

Factor	Description	Adjustment	Cumulative WAFF (%)
Property type	Approximately 9.5% of the pool is considered to be commercial in nature and gets an adjustment in our model.	1.07x	31.4
Self-employed	We applied an adjustment for self-employed borrowers in the pool, as 2.5% are listed as such. We also note that 94% of the pool did not have employment data populated. We accounted for the potential presence of further self-employed borrowers through the loan-level originator adjustment.	1.01x	31.5
Reperforming	In line with our criteria, we consider the reperforming date to be the most recent of the latest restructure date or the date on which the loan was in 90+ days in arrears. A loan will only attract this adjustment if it is currently performing, and the appropriate date is within the last five years. In this pool, 54.1% of the loans attract our reperforming adjustment.	1.39x	42.0
Second-lien	There are no second-lien loans present in the pool.	1.00x	42.0
Loan purpose	We applied an adjustment for those cases where the borrower increased the size of the loan when remortgaging or there were previous debts consolidated in a new mortgage loan. Although there is a minimal adjustment here, 66% of the pool had missing loan purpose data, which we have reflected in our originator adjustment.	1.00x	42.0
First-time buyer	This adjustment is applied only to first-time buyers with seasoning less than 18 months, of which there are none in this pool.	1.00x	42.0
Loan-level originator adjustment	We apply multiple layers of adjustments through the originator adjustment to reflect different risks that we consider material in the assets. This adjustment includes adjustments for the quality of the origination of the assets, the strength of the representations and warranties within the documentation, the audit report conducted on the assets, and other data adjustments. The originator adjustment seen here is in line with similar collateral and peer transactions.	1.53x	64.3
Bankruptcy (not capped)	None present in the pool.	1.00x	64.3
Seasoning (capped)	The transaction comprises loans originated mostly before 2011, with a weighted-average seasoning of 219 months. Any loans that have been restructured or have been in arrears for more than three months receive seasoning credit from those dates.	0.95x	52.5
Arrears (<90 days)	The pool comprises 11.9% loans of greater than or equal to one month in arrears, but less than three months in arrears.	1.27x	56.4
Final foreclosure frequency (defaulted and >=90 days)	Arrears of three months or greater in the pool are currently 23.4%.	100% foreclosure frequency to all loans defaulted or in arrears for three months or greater.	69.2
'AAA' WAFF	Actual collateral pool.	N/A	69.2

WAFF--Weighted-average foreclosure frequency. N/A--Not applicable. LTV--Loan-to-value. BTL--Buy-to-let. SVR--Standard variable rate.

Chart 5

Original, effective, and current LTV ratio distribution



LTV--Loan-to-value.

Chart 6

Repayment type distribution

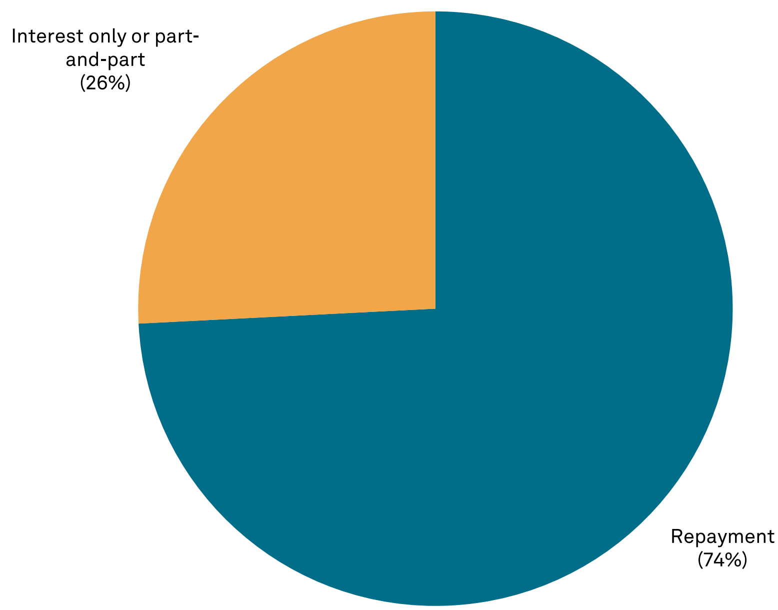


Chart 7

Geographical distribution

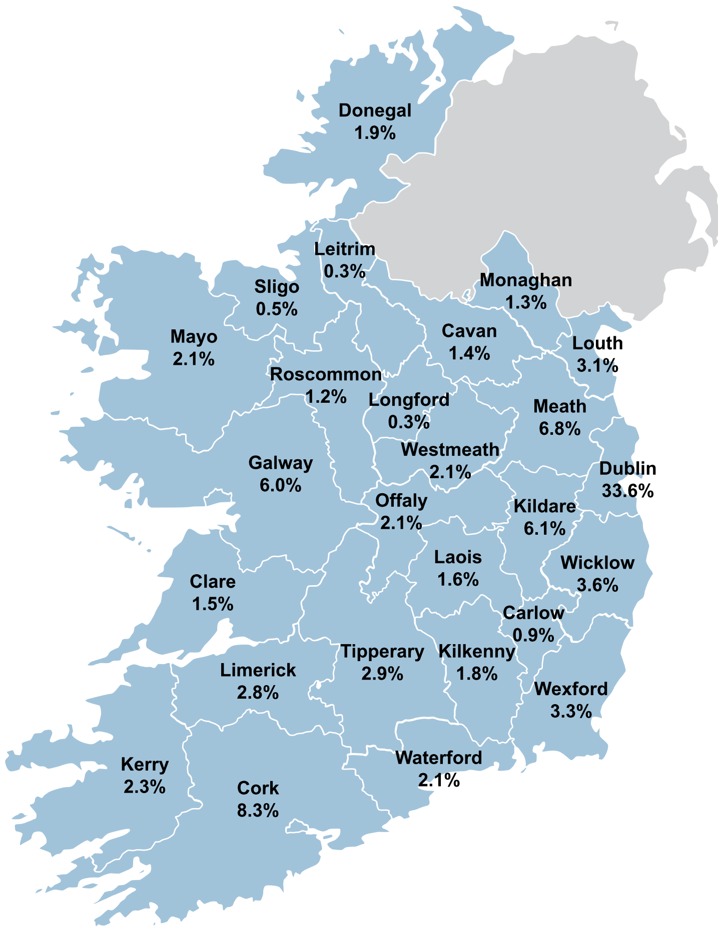
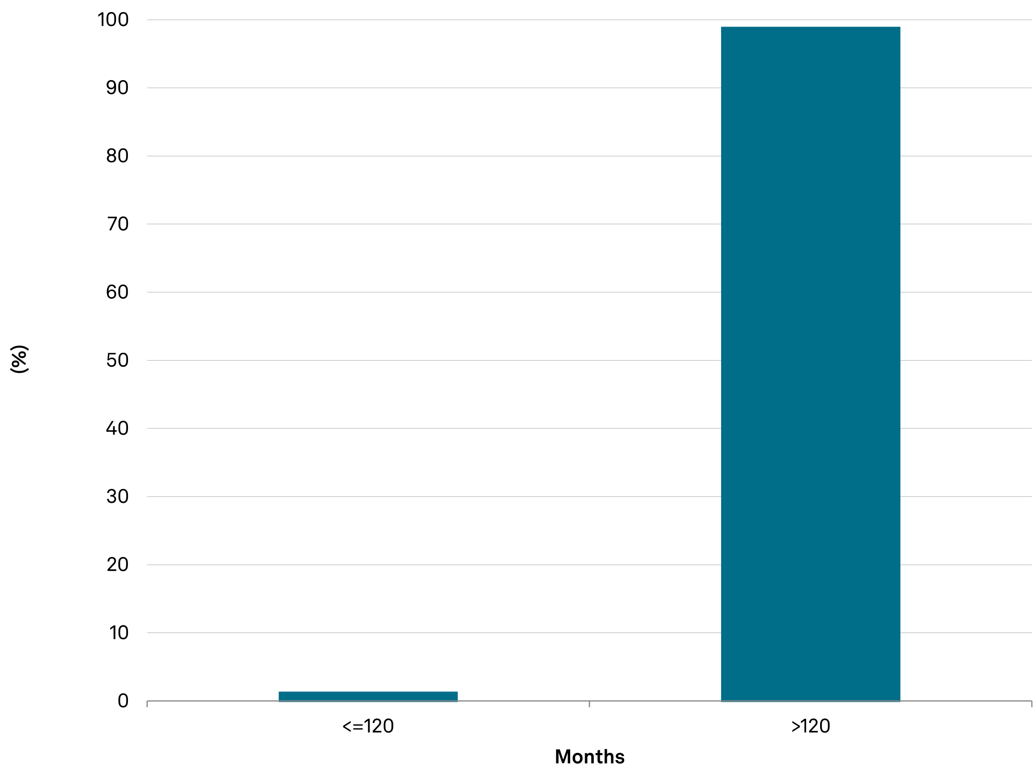


Chart 8

Seasoning distribution



Loss severity

Our base 'B' market value decline (MVD) is 15% and our base 'AAA' MVD is 40% (see "Global Methodology And Assumptions: Assessing Pools Of Residential Loans," published on Jan. 25, 2019). Table 9 provides details used in the derivation of the stressed repossession MVD (RMVD).

RMV

Table 9

Repossession market value decline (RMVD) adjustments

Rating category	Base fixed MVD (%)	Over/undervaluation (%)	Forced sale discount (%)	Jumbo valuations adjustment	RMVD (%)*
AAA	40.0	6.50	10.0	1.038x	54.27
AA	36.0	5.59	11.0	1.041x	50.48
A	28.0	4.68	12.0	1.048x	43.21
BBB	23.0	3.90	13.0	1.054x	38.81
BB	19.0	3.25	14.0	1.059x	35.50
B	15.0	2.60	15.0	1.066x	32.30

*RMVD = 1-[1-(Fixed MVD+/-percentage of over/undervaluation x over/undervaluation)] x (1-FSD), plus any additional repossession MVD adjustment factors such as jumbo valuations. MVD--Market value decline. RMVD--Repossession market value decline.

We have capped the original LTV ratio at the borrower level at 92% because, at origination, the various lenders' loan underwriting criteria did not generally allow for lending above this level. Also, for this pool we did not receive original valuations for 27% of the loans, but we have been provided with either full or drive-by updated valuations for these properties. To account for this, we manually indexed the updated valuations backwards to get an approximate valuation for the time of drawdown. We then applied a haircut of 10% to these valuations to account for the fact that they were not actual valuations at the time. The weighted-average original LTV for these loans (post haircut) was 90.6%. Of the 27% with no original valuation, 7% also had original balance missing. For these loans we assumed an original LTV of 92%.

The weighted-average current LTV ratio of 66.8% for the full pool is based on our methodology, which incorporates a 10% haircut to the valuation where either only the original valuations were provided or the updated valuation used was not a full or drive-by valuation. The proportion falling into this cohort was 26% of the loans.

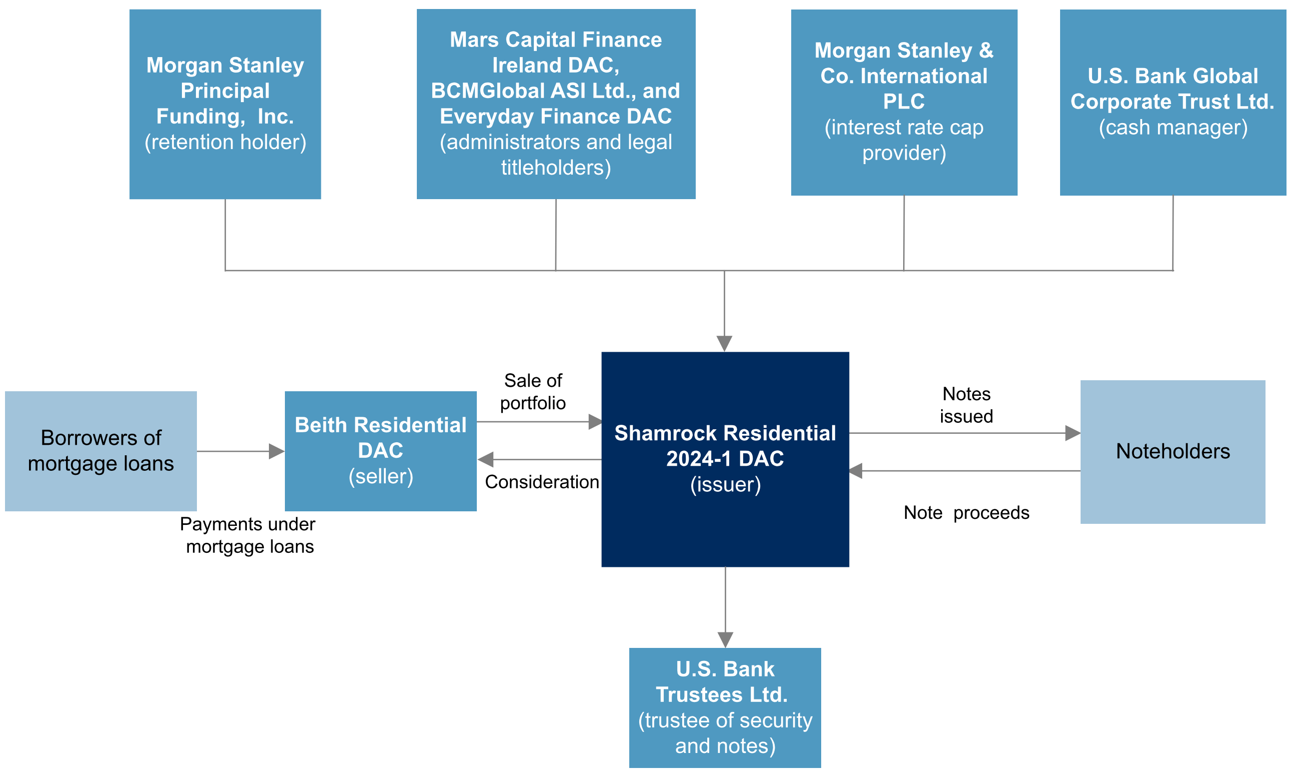
Borrowers with minimal equity in their property are more likely to default on their obligations than borrowers with more equity. At the same time, loans with high current LTV ratios are likely to incur greater loss severities if the borrower defaults.

The proportion of the pool with jumbo valuations is 24.0%. Due to the illiquid nature of larger-valued properties, these loans will suffer an additional market value decline, in our view. A property is classified as jumbo under our criteria as being in excess of €850,000 for Dublin properties and €500,000 for properties outside Dublin.

Transaction Structure

Chart 9

Transaction structure



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The issuer is an Irish special-purpose entity (SPE), which we consider to be bankruptcy remote. We analyzed its corporate structure in line with our legal criteria.

We have received legal opinions that provide comfort that the sale of the receivables would survive the seller's insolvency, or tax opinions that set out the issuer's tax liabilities under the current tax legislation.

Payment Structure And Cash Flow Mechanics

Collections

All borrowers are instructed to pay directly into the collection accounts, currently provided by Barclays Bank Ireland PLC. Any funds deposited in the collection accounts will be transferred weekly to the issuer's account with U.S. Bank Europe DAC (formerly Elavon Financial Services DAC until Nov. 1, 2024). Amounts deposited to the issuer's account will be distributed monthly according to the applicable priority of payments.

Available revenue funds

The issuer's available revenue funds primarily comprise interest collections, amounts received under the cap, yield supplement overcollateralization amounts, recoveries on defaulted loans, the reserve fund, and, if necessary, principal reallocated to cover any interest shortfalls.

Available principal funds

The issuer's available principal funds primarily comprise principal collections and amounts applied to credit principal deficiency ledgers (PDLs) in the interest waterfall.

Pre-enforcement priority of payments

There are separate waterfalls for interest (revenue) and principal collections. On each monthly payment date, the issuer will apply the available revenue and principal funds in the priority shown in table 10.

Table 10

Priority of payments

Revenue priority of payments	Principal priority of payments
Senior fees	To top up the liquidity reserve fund
Senior servicer fees	Class A notes' principal
Issuer profit amounts	Class B-Dfrd notes' principal
Class A notes' interest	Class C-Dfrd notes' principal
Class A notes' PDL	Class D-Dfrd notes' principal
Top up the liquidity reserve fund	Class E-Dfrd notes' principal
Class B-Dfrd notes' interest	Class F-Dfrd notes' principal
Class B-Dfrd notes' PDL	Deferred net WAC additional amount payable on the class D-Dfrd notes*
Class C-Dfrd notes' interest	Deferred net WAC additional amount payable on the class E-Dfrd notes*
Class C-Dfrd notes' PDL	Deferred net WAC additional amount payable on the class F-Dfrd notes*
Class D-Dfrd notes' interest	Class RFN notes' interest
Class D-Dfrd notes' PDL	Class RFN notes' principal
Class E-Dfrd notes' interest	Class Z1-Dfrd notes' interest
Class E-Dfrd notes' PDL	Class Z1-Dfrd notes' principal
Class F-Dfrd notes' interest	Class Z2-Dfrd notes' interest
Class F-Dfrd notes' PDL	Class Z2-Dfrd notes' principal
Top up the non-liquidity reserve fund	Deferred consideration to the revenue priority of payments
Junior performance subordinated fee	
Net WAC additional amount due and payable on the class D-Dfrd notes*	
Net WAC additional amount due and payable on the class E-Dfrd notes*	
Net WAC additional amount due and payable on the class F-Dfrd notes*	
Class RFN notes' interest	
After the step-up, all revenue to principal waterfall	
Class Z1-Dfrd notes' interest	
Class Z1-Dfrd notes' PDL	

Table 10

Priority of payments (cont.)

Revenue priority of payments	Principal priority of payments
Class Z2-Dfrd notes' interest	
Class Z2-Dfrd notes' PDL	
Class X notes' principal	
Class X notes' interest	

*Our ratings do not address the payment of what are termed "net WAC additional amounts" i.e., the difference between the coupon and the net WAC where the coupon exceeds the net WAC. These amounts will be subordinated in the interest priority of payments. PDL--Principal deficiency ledger. WAC--Weighted-average coupon.

Table 11

Payment structure details

Note terms	
Payment frequency	Monthly
First interest payment date	January 2025
Interest rate	One-month EURIBOR plus a class-specific margin.
Step-up date	January 2028
Legal final maturity date	December 2078
Non-liquidity reserve fund	
Initial amount	1.5% of the balance of the class B-Dfrd to Z2-Dfrd notes at closing.
Required amount	1.50% of the class A to Z2-Dfrd notes' balance at closing, minus the higher of 0.5% of the class A notes' closing balance and 1.50% of the class A notes' outstanding balance. When the rated notes are redeemed, the required amount is zero.
Amortizing	As the class A notes amortize, the proportion attributable to the liquidity component will decrease, while the non-liquidity component will increase.
Available for	Senior fees and expenses, interest payments on the class A to F-Dfrd notes, and amounts on the class A to F-Dfrd notes' PDLs, to the extent there is a shortfall after applying the interest collections.
Additional details	At closing, the class RFN notes' issuance proceeds fully funded the reserve fund ledger to its required amount of 1.5% of the class A through Z2-Dfrd notes' closing balance, excluding the RFN notes. The reserve fund ledger is split between a liquidity component and a non-liquidity component.
Liquidity reserve	
Initial amount	1.5% of the class A notes' collateral balance at closing.
Required amount	The higher of 0.5% of the class A notes' closing balance and 1.5% of the class A notes' outstanding balance.
Amortizing	Yes
Amortizing conditions	Reduces in line with the class A notes' current balance, to a floor of 0.5% of the class A notes' closing balance.
Available for	Senior fees and expenses and interest payments on the class A notes, to the extent there is a shortfall after applying the interest collections and the general reserve fund.
Additional details	The excess will be released to the revenue waterfall.
Principal deficiency ledgers	
Number of ledgers	Eight--one for each class of the mortgage-backed notes.

Table 11

Payment structure details (cont.)	
PDL amounts to be recorded	The PDLs are a hybrid between loss-based and default-based. Amounts will be recorded on the PDLs if the portfolio suffers any losses or if the transaction uses principal as available revenue receipts or to top up the liquidity reserve fund. A PDL will also be recorded in cases where a loan goes into arrears for more than 180 days, and if the last 12 months' interest coverage ratio was below 100%, the PDL will be 20%. If forbearance occurs and a loan becomes a split mortgage, any warehoused portion subject to potential future write-off will also be recorded as a PDL. PDL amounts will first be recorded in the class Z2-Dfrd notes' PDL, up to the class Z2-Dfrd notes' outstanding amount. They will then be debited sequentially upward.

PDL--Principal deficiency ledger.

Stated coupon and net weighted-average coupon

Interest will be paid monthly, beginning in January 2025.

The class A notes pay interest equal to one-month EURIBOR plus a margin with a further step-up in margin following the optional call date in January 2028. Our rating on the class A notes addresses timely payment of interest and the ultimate payment of principal.

The class D-Dfrd to F-Dfrd notes pay interest based on the lower of the coupon on the notes (one-month EURIBOR plus a class-specific margin) and the net weighted-average coupon (WAC). The annualized net WAC is calculated based on the interest accrued on the assets (whether it was collected or not) during the month, less senior fees, plus yield enhancement amount on that interest payment date, divided by the current balance of the assets at the beginning of the collection period. The net WAC is then applied to the outstanding balance of the notes in question to determine the required interest. A failure to pay the lower of these amounts will result in interest being deferred. Deferred interest will also accrue at the lower of the two rates.

Our ratings on the class B-Dfrd to F-Dfrd notes address the ultimate payment of interest and principal.

Net weighted-average coupon additional amounts

The net WAC additional amounts refer to the difference between the stated coupon and the net WAC where the stated coupon exceeds the net WAC. For instance, should the coupon be 2.0% and the net WAC 1.5%, the noteholders will receive interest based on 1.5%, which is what our ratings address. The 0.5% difference between the coupon and the net WAC constitutes the net WAC additional amount and will be subordinated in the revenue priority of payments.

In our view, the initial coupons on the notes are not de minimis, and nonpayment of the additional note interest amounts is not considered an event of default under the transaction documents. Therefore, we do not need to consider these amounts in our cash flow analysis, in line with our criteria for imputed promises. Our ratings do not address the repayment of such amounts.

Yield supplement overcollateralization

Under a period of stress, the interest generated by the performing assets may not be sufficient to cover revenue items. To address this risk, the transaction benefits from a yield supplement by 6.50% overcollateralization that is released to the revenue waterfall. On each interest payment date, principal equal to an annualized 0.5% before the optional redemption date and 1.0% after the optional redemption date of the outstanding portfolio balance will be transferred to the revenue waterfall to supplement the available revenue.

Principal to pay interest

In high-delinquency scenarios, there may be liquidity stresses where the issuer would not have sufficient revenue receipts to pay senior fees or interest on the outstanding classes of notes. To mitigate this risk, the issuer can use any existing principal receipts to pay shortfalls in senior fees and interest on the class A notes. In addition, it can use them to pay interest on the class B-Dfrd to F-Dfrd notes when they become the most senior class outstanding. The use of principal to pay interest would result in the registering of a debit in the PDL and may reduce the credit enhancement available to the notes. Principal will be used only if the liquidity reserve and the general reserve fund have been exhausted.

Events of default

We view all events of default as ratings remote and therefore do not consider the post-enforcement priority of payments in our analysis. The events of default include, among others, a default in the payment of interest on the most senior notes outstanding or on principal when due. Deferring interest on the class B-Dfrd to F-Dfrd notes even when they are the most senior outstanding will not result in an event of default before the legal final maturity date.

Cash Flow Modeling Assumptions

We stress the transaction's cash flows to test the credit and liquidity support that the assets, subordinated tranches, and reserves provide.

Our ratings address timely payment of interest and ultimate payment of principal on the class A notes, and they reflect ultimate payment of interest and principal on all other rated notes. Our standard cash flow analysis indicates that the available credit enhancement for the class C-Dfrd, D-Dfrd, and E-Dfrd notes is commensurate with higher ratings than those currently assigned. However, the ratings on these notes also reflect their ability to withstand the potential repercussions of the cost of living crisis, including higher defaults, additional liquidity stresses through extended recovery timings, as well as sensitivity to increases in EURIBOR that would dampen the benefit of the interest rate cap. In particular, for this transaction, due to the proportion of loans that were in long-term arrears just two years ago, we pay particular attention to sensitivity to an increase in arrears.

Interest rate risk

The majority of the pool pays interest based on a floating rate, with 33.5% of the loans being linked to an SVR, 43.6% of the loans being linked to the ECB base rate (ECB trackers), and a further 2.3% linked to EURIBOR related indexes. The remaining 20.5% of the pool are fixed rate loans, 11.3% of which are on fixed rates which will revert to a floating rate in the future. The majority of these loans will revert to an SVR rate, with a small proportion reverting to ECB-linked rates.

Hedging

The issuer benefits from an interest rate cap with the notional and strike rate schedule presented in the Appendix. The interest rate cap acts to minimize the exposure to liquidity stresses up to 12 years after closing (see "Hedging features").

Basis risk

Of the loans in the portfolio, 43.6% are linked to the ECB tracker rate, 33.5% are linked to an SVR, 20.5% are fixed-rate loans, and 2.3% are linked to one-month EURIBOR. The transaction does not have a basis risk swap. However, the portion of the pool that references the SVR is linked (via covenants in the transaction documentation) to one-month EURIBOR, which is reset on the same day as the one-month EURIBOR on the notes. This mitigates the basis risk. The ECB tracker loans are exposed to basis risk, for which we have applied a basis risk stress.

SVR loans

Mars and BCM, the transaction administrators, have proposed to commit to maintain a minimum weighted-average SVR of one-month EURIBOR plus 2.5% within 12 months of closing, which is stated in the transaction documents. While monitoring similar collateral under these servicers in other deals, we observed that this floor was not upheld during the rising interest rate scenario we witnessed from 2022 to 2024.

The current margin on SVR loans over one-month EURIBOR is 2.1%. Our model uses the higher of the loan's post-SVR haircut margin and the SVR floor. The applied haircuts are in line with our SVR haircuts in our criteria, from which we use the midpoint of these haircuts. This is in line with similar transactions. Given the current level of the SVR margin and recent observations in similar deals, we have not given credit to the full floor in this transaction. We have set the floor to one-month EURIBOR plus 1.5%, in line with the lowest levels in comparable transactions over the recent increased interest rate period.

Table 12

Cash flow modeling assumptions

Spread compression	
Applied	Yes, as the asset yield on the pool can decrease if higher-paying assets default or prepay.
Details	We have incorporated this in our cash flow analysis by assuming that the weighted-average yield on the ECB-linked loans only, as SVR loans already receive SVR haircuts, drops by 0.55% at the 'AAA' rating level, 0.44% at the 'AA' rating level, 0.39% at the 'A' rating level, 0.32% at the 'BBB' rating level, 0.26% at the 'BB' rating level, and 0.25% at the 'B' rating level.
Fees modelled	
Servicing Fee	0.50%, which is the higher of 1.5x of the actual fees and 0.35% of the pool balance as per our global RMBS criteria. This higher fee is applied to account for the potential increase in costs to attract a replacement servicer.
Fixed fees	€170,000 per year.
Bank account replacement costs	€100,000 one-off fee.
Commingling risk	
Details	Liquidity stress applied equal to one month of collections, which is returned after four periods.
Setoff risk	
Details	No setoff risk has been modelled as there are no employee loans in the pool and there is no deposit setoff exposure as the issuer is not a deposit taking institution.

Table 13

Default curves

Front-loaded and back-loaded

Year after closing	Front-loaded defaults (% of WAFF per year)	Back-loaded defaults (% of WAFF per year)
1	25.0	5.0

Table 13

Default curves (cont.)		
2	25.0	10.0
3	25.0	10.0
4	10.0	25.0
5	10.0	25.0
6	5.0	25.0
Prepayment assumptions		
	High (%)	**Low (%)**
Pre-recession	24.0	1.0
During recession	1.0	1.0
Post-recession	24.0	1.0

*WAFF--Weighted-average foreclosure frequency.

Default and recovery timings

We used the WAFF and weighted-average loss severity (WALS) derived in our credit analysis as inputs in our cash flow analysis (see table 7). At each rating level, the WAFF specifies the total balance of the mortgage loans we assume will default over the transaction's life. Defaults are applied on the outstanding balance of the assets as of the closing date. We simulate defaults following two paths (i.e., one front-loaded and one back-loaded) over a six-year period (see table 14). We assume recoveries on the defaulted assets will be received 24 months after default for BTL properties and after 42 months for owner-occupied. The weighted-average period used for this pool is 40 months.

Delinquencies

To simulate the effect of delinquencies on liquidity, we model a proportion of scheduled collections equal to one-third of the WAFF (in addition to assumed foreclosures reflected in the WAFF) to be delayed. We apply this in each of the first 18 months of the recession and assume a full recovery of these delinquencies will occur 36 months after they arise.

Prepayments

To assess the effect on excess spread and the absolute level of defaults in a transaction, we model both high and low prepayment scenarios at all rating levels (see table 14).

Interest rates

We modeled two interest rate scenarios in our analysis: up and down. Given that the transaction incorporates an interest rate cap, upward interest rate stress assumptions exceeding the cap level may be unduly beneficial for the transaction's cash flow projection. We have therefore also modeled limited elevation in EURIBOR runs to incorporate this risk into our analysis.

Summary

Combined, the default timings, recession timings, interest rates, and prepayment rates described above give rise to eight different scenarios at each rating level (see table 14).

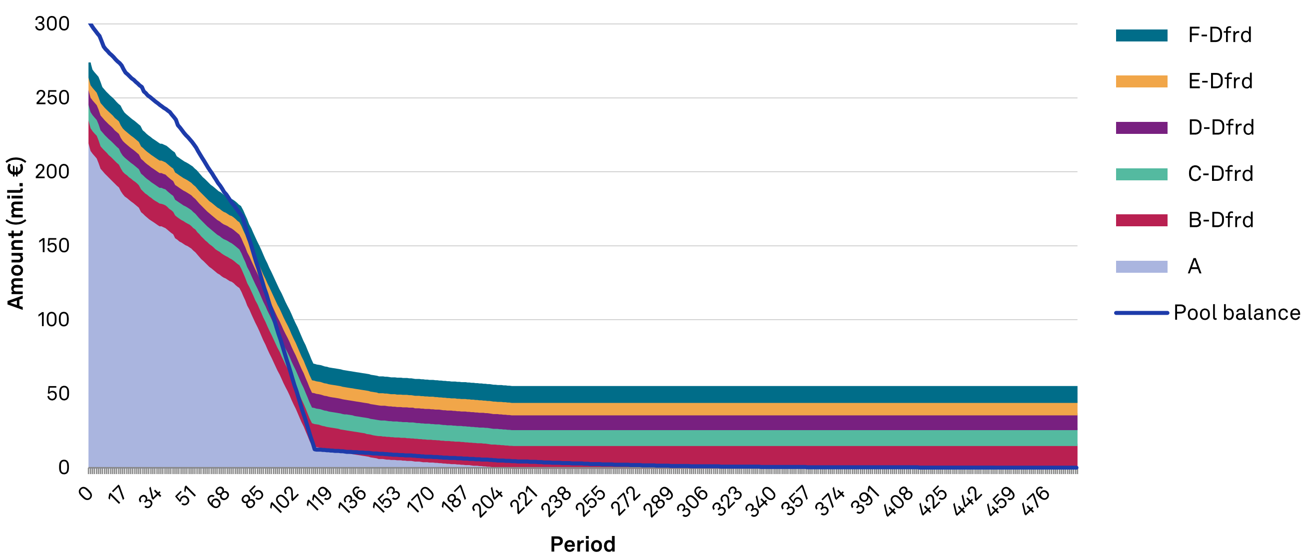
Table 14

RMBS stress scenarios			
Total number of scenarios	**Prepayment rate**	**Interest rate**	**Default timing**
8	High and low	Up and down	Front-loaded and back-loaded

The modeled amortization of the notes under our 'AAA' stress is shown in chart 10. The driving cash flow run for 'AAA' is low prepayment, up interest rates, and back-loaded defaults.

Chart 10

Note amortization profile



Excess spread

Excess spread is created through the difference between the asset's yield and the issuer's expenses. Table 15 outlines the initial excess spread estimate.

Table 15

Initial excess spread (estimate)	
	Pool (%)
Pool yield	4.91*
Senior fees	0.56§
Cap payment	0.00†
Cap receipt	0.00†
Available for note coupons	4.35
Less the weighted-average note coupon	
Excess spread remaining after expected coupon payments	
A	1.39

Table 15

Initial excess spread (estimate) (cont.)

	Pool (%)
B-Dfrd	1.14
C-Dfrd	0.96
D-Dfrd	0.76
E-Dfrd	0.54
F-Dfrd	0.26

*Pool yield includes 0.5% of YSO amount §0.50% senior servicing fee plus €170,000 annual fees. †Receipt is based on return of cap at closing. There are no ongoing costs for the cap. One-month EURIBOR of 3.09% assumed. YSO--Yield supplement overcollateralization.

Counterparty Risk

The documented replacement mechanisms adequately mitigate the transaction's exposure to counterparty risk for the transaction and swap collateral account and the swap counterparty in line with our current counterparty criteria. No downgrade language applies to the collection account so we assume a liquidity stress on collections in our cash flow analysis and whether the structure can withstand this event.

Table 16

Supporting ratings

Institution/role	Current counterparty rating	Minimum eligible counterparty rating	Remedy period (calendar days)	Maximum supported rating
Barclays Bank Ireland PLC as collection account provider	A+/Stable/A-1	BBB	30	AAA
U.S. Bank Europe DAC (formerly Elavon Financial Services DAC until Nov. 1, 2024) as account bank provider	A+/Stable/A-1	A	30	AAA
Morgan Stanley & Co. International PLC as cap counterparty	RCR: A+/--/A-1	A	10 business days to post collateral 90 calendar days to find a replacement	AAA

RCR--Resolution counterparty rating.

Commingling risk

Borrowers pay into collection accounts held with Barclays Bank Ireland PLC in the name of the legal titleholders.

If the legal titleholders were to become insolvent, the mortgage collection amounts in the collection account may become part of the legal titleholders' bankruptcy estate. In order to mitigate this risk, collections are transferred weekly into the issuer's bank account and declarations of trust in favor of the issuer are in place over the collection accounts. The transaction documents do not contain replacement language in line with our counterparty criteria on the collection account.

Although we believe that the issuer credit rating on the collection account bank and declaration of trust mechanisms mitigate against the loss of collections, the collections could be delayed in the event of an insolvency. In our analysis, we therefore applied a liquidity stress as outlined in table 12 above.

Hedging Features

Table 17

Details of the hedging features	
Type of hedging instrument	Interest rate cap
Collateral posting triggers	In line with counterparty criteria
Replacement triggers	In line with counterparty criteria
Issuer pays	N/A--costs are funded outside of the transaction.
Issuer received	The greater of zero and the difference between one-month EURIBOR and the strike rate for the respective period (scaled in terms of the day count of that period), multiplied by the respective notional amount for that period.
Notes	Cap schedule is set out in Appendix 2.
Modelled in our cash flow analysis	Yes

N/A--Not applicable. EURIBOR--Euro Interbank Offered Rate.

Sovereign Risk

Table 18

Details of sovereign risk	
Jurisdiction	Ireland
Long-term unsolicited sovereign credit rating	AA
Rating constrained by sovereign risk criteria	No

Scenario Analysis

In our view, the ability of the borrowers to repay their mortgage loans will be highly correlated to macroeconomic conditions, particularly the unemployment rate, consumer price inflation, and interest rates. Our ratings reflect our current macroeconomic outlook for Ireland, where our forecast for unemployment is 4.1% by the end of 2024 and 4.0% in 2025, inflation is 2.3% in 2024 and 2.1% in 2025, and interest rates (ECB deposit rate) are 3.25% and 2.50%, respectively.

Table 19

Ireland housing market statistics

	2023	2024f	2025f	2026f
Nominal house prices, % change y/y	3.1	5.8	4.1	3.2
Real GDP, % change	(3.2)	2.1	2.2	2.0
CPI inflation (%)	5.2	2.3	2.1	1.9
Unemployment rate	4.3	4.1	4.0	4.0

Sources: S&P Global Ratings. y/y--Year on year. CPI--Consumer price index. f--Forecast.

Downside scenario

Various factors could lead us to lower our ratings on the notes, such as increasing foreclosure rates in the underlying pool and changes in the pool composition.

We consider the transaction's resilience in case of additional stresses to some key variables, in particular defaults and loss severity, to determine our forward-looking view.

As loans in the transaction are floating rate, we believe material interest rate increases will have a negative effect on these borrowers' ability to service their loans. Furthermore, a decline in house prices typically affects the level of realized recoveries. For Ireland we expect house prices to increase by 5.8% in 2024 and 4.1% in 2025.

Given our current macroeconomic forecast and our forward-looking view of Ireland's housing market, our sensitivity scenarios consider, all else being equal, the hypothetical effect on our credit ratings of different combinations of:

- An increase in WAFF (foreclosure frequency/defaults) by up to 30% at each rating level; and
- An increase in WALS (loss severity) by up to 30% at each rating level.

We therefore ran eight scenarios with increased defaults and higher loss severity, as shown in table 20.

Table 20

Sensitivity analysis

Class	WALS x 1.0	WALS x 1.1	WALS x 1.3
WAFF x 1.0	Base Case	Sensitivity 3	Sensitivity 4
WAFF x 1.1	Sensitivity 1	Sensitivity 5	Sensitivity 7
WAFF x 1.3	Sensitivity 2	Sensitivity 6	Sensitivity 8

		Sensitivity							
Class of notes	Initial rating	1	2	3	4	5	6	7	8
A	AAA	AA+	AA	AA+	AA	AA	AA-	AA-	A
B-Dfrd	AA-	A+	A-	AA-	A	A	A-	A	BBB
C-Dfrd	A-	A-	BBB	A-	BBB	BBB+	BBB-	BBB	BBB-
D-Dfrd	BBB	BBB	BB+	BBB	BBB-	BBB-	BB	BB+	BB
E-Dfrd	BB	BB	B	BB	BB	BB	B- or below	B	B- or below
F-Dfrd	B-	B- or below	B- or below	B- or below	B- or below	B- or below	B- or below	B- or below	B- or below

No change
One-notch downgrade
Two-notch downgrade
Three-notch or more downgrade

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Source: S&P Global Ratings.

The results of the above sensitivity analysis indicate a deterioration of no more than one category for the notes, which is in line with the credit stability considerations in our rating definitions.

A general downturn of the housing market may delay recoveries. We have also run extended recovery timings to understand transactions sensitivity to liquidity risk.

The transaction embeds some strengths that may offset deteriorating collateral performance. Given its sequential amortization, credit enhancement is expected to build-up over time. The existence of a reserve and liquidity fund may, to a certain extent, insulate the notes against credit losses and liquidity stresses. In addition, the interest rate cap mitigates the effect on note coupon payments from rising EURIBOR rates they are linked to.

Upside scenario

We could raise the ratings on the class B-Dfrd to F-Dfrd notes if credit enhancement builds as the transaction deleverages, or if the credit quality of the collateral pool improves over time, such as through lower current LTV ratios or lower arrears. Given a large portion of the collateral pool is on floating rate products, a decline in interest rates could help borrower performance.

Environmental, Social, And Governance

For RMBS, we view the exposure to environmental credit factors as average, social credit factors as above average, and governance credit factors as below average (see "ESG Industry Report Card: Residential Mortgage-Backed Securities," published on March 31, 2021). For this transaction, we view the exposure to environmental credit factors as average, in line with the benchmark, as the pool is diversified geographically and does not have concentration risk. Social credit factors are considered above average, in line with the benchmark, because housing is viewed as one of the most basic human needs. Conduct risk presents a direct social exposure for lenders and servicers, particularly as regulators are increasingly focused on ensuring fair treatment of borrowers, predominately retail ones. Aggressive collection practices would increase legal and regulatory risks.

We view the exposure to governance factors as below average because, in line with other structured finance transactions, there are strong governance frameworks through, for example, the generally very tight restrictions on what activities the SPE can undertake, compared with other entities.

Appendix 1

Table 21

Transaction participants

Role	Participant
Arranger	Morgan Stanley & Co. International PLC
Back-up mortgage administrator facilitator	Intertrust Management Ireland Ltd.
Corporate services provider	Intertrust Management Ireland Ltd.
Auditor	KPMG LLP

Table 21

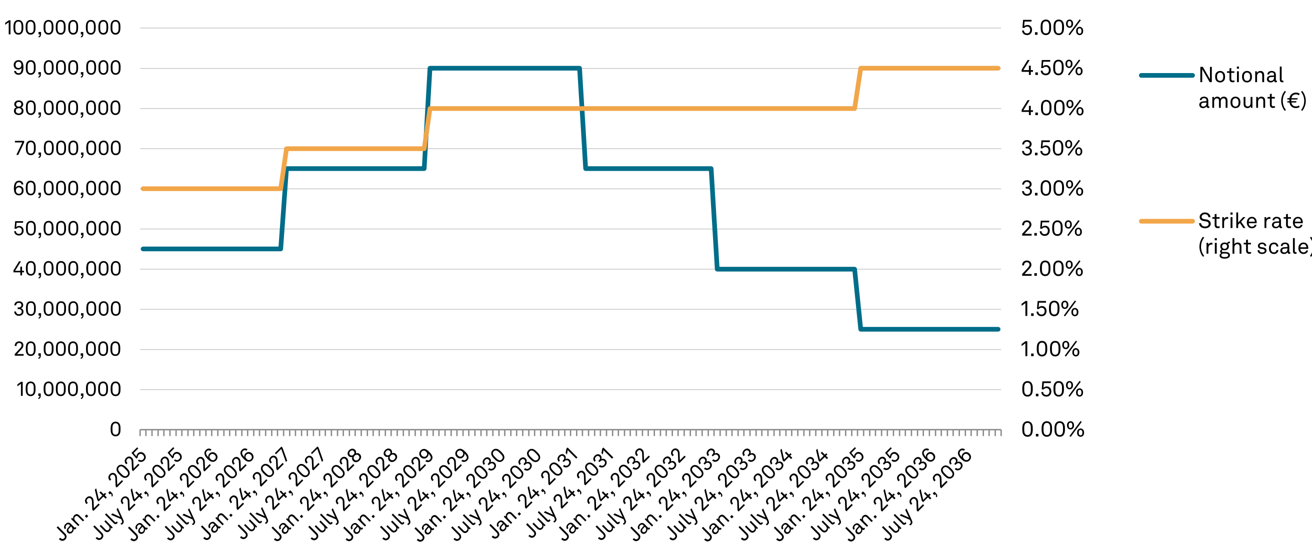
Transaction participants (cont.)

Role	Participant
Trustee	U.S. Bank Trustees Ltd.
Originators	Allied Irish Banks PLC, AIB Mortgage Bank Unlimited Co., AIB Group (UK) PLC, EBS DAC, Haven Mortgages Ltd., Permanent TSB PLC, TSB Bank PLC, Start Mortgages DAC, Bank of Scotland (Ireland) Ltd., Nua Mortgages Ltd., Irish Nationwide Building Society, Springboard Mortgages Ltd., EBS Mortgage Finance Unlimited Co., The Governor and Company of the Bank of Ireland, First Active PLC, and Ulster Bank Ireland DAC.
Cash manager	U.S. Bank Global Corporate Trust Ltd.
Principal paying agent/agent bank	U.S. Bank Europe DAC
Registrar	U.S. Bank Europe DAC
Share trustee	Intertrust Nominees (Ireland) Ltd.
Seller	Beith Residential DAC
Mortgage administrators	Mars Capital Finance Ireland DAC and BCMGlobal ASI Ltd.
Legal titleholders	Mars Capital Finance Ireland DAC, BCMGlobal ASI Ltd., and Everyday Finance Ltd.

Appendix 2

Chart 11

Cap schedule



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