MOODY'S INVESTORS SERVICE

First Citizen FINANCE

4th May 2018

Rating Action: Moody's upgrades class B, C and D Notes' ratings and affirms the senior Notes' rating in Citizen Irish Auto Receivables Trust 2017 Designated Activity Company

Frankfurt am Main, May 04, 2018 -- Moody's Investors Service ("Moody's") has today upgraded the ratings of class B, C and D Notes and affirmed the rating of class A Notes in Citizen Irish Auto Receivables Trust 2017 Designated Activity Company.

....EUR132.9M Class A Notes, Affirmed Aaa (sf); previously on Jun 22, 2017 Definitive Rating Assigned Aaa
(sf)
....EUR8.7M Class B Notes, Upgraded to Aa1 (sf); previously on Jun 22, 2017 Definitive Rating Assigned Aa2
(sf)
....EUR6.3M Class C Notes, Upgraded to Aa3 (sf); previously on Jun 22, 2017 Definitive Rating Assigned A1
(sf)
....EUR2.4M Class D Notes, Upgraded to A2 (sf); previously on Jun 22, 2017 Definitive Rating Assigned Baa1
(sf)

Citizen Irish Auto Receivables Trust 2017 Designated Activity Company is a static cash securitisation of receivables arising under hire purchase and lease contracts extended by First Citizen Finance Designated Activity Company to private and commercial obligors located in Ireland.

The rating action reflects the increase in the levels of credit enhancement for the affected Notes as well as better than expected collateral performance.

RATINGS RATIONALE

Increase in Available Credit Enhancement:

Sequential amortization and non-amortising reserve fund led to the increase in the credit enhancement available in this transaction. The credit enhancement for class A increased to 25.6% as of the April 2018 IPD from 17.0% at closing. For classes B, C and D the credit enhancement levels increased to 17.3%, 11.3% and 9.0% respectively, up from their closing levels of 11.5%, 7.5% and 6.0%. The credit enhancement takes the form of subordinated Notes as well as fully funded reserve fund.

Revision of Key Collateral Assumptions:

As part of the rating action, Moody's reassessed its default probability assumption for the portfolio reflecting the collateral performance to date.

Performance of the transaction so far has been better than originally anticipated at closing. Total delinquencies have remained stable over the last 10 months, with 90 days plus arrears not exceeding 0.1% of the current pool balance. As of the April 2018 IPD, cumulative defaults stood at 0.23% of original pool balance with a pool factor at 66.6%.

Moody's assumed mean default probability is 5.0% of the current portfolio balance, corresponding to the mean default assumption of 3.5% of the original pool balance. Moody's left the assumptions for the fixed recovery rate and portfolio credit enhancement unchanged at 35% and 20% respectively. This corresponds to coefficient of variation of 47.4%.

The principal methodology used in these ratings was "Moody's Global Approach to Rating Auto Loan- and Lease-Backed ABS" published in October 2016. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Factors that would lead to an upgrade or downgrade of the ratings:

Factors or circumstances that could lead to an upgrade of the ratings include (1) performance of the underlying collateral that is better than Moody's expected and (2) deleveraging of the capital structure.

Factors or circumstances that could lead to a downgrade of the ratings include (1) an increase in sovereign risk (2) performance of the underlying collateral that is worse than Moody's expected, (3) deterioration in the Notes' available credit enhancement and (4) deterioration in the credit quality of the transaction counterparties.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions of the disclosure form.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

Moody's quantitative analysis entails an evaluation of scenarios that stress factors contributing to sensitivity of ratings and take into account the likelihood of severe collateral losses or impaired cash flows. Moody's weights the impact on the rated instruments based on its assumptions of the likelihood of the events in such scenarios occurring.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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Johann Grieneisen
Vice President - Senior Analyst
Structured Finance Group
Moody's Deutschland GmbH
An der Welle 5
Frankfurt am Main 60322
Germany
JOURNALISTS: 44 20 7772 5456

Client Service: 44 20 7772 5454

Michelangelo Margaria
Senior Vice President/Manager
Structured Finance Group
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

Releasing Office:
Moody's Deutschland GmbH
An der Welle 5
Frankfurt am Main 60322
Germany
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

Moody's
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