

**Equity Release Funding (No. 2) plc**  
**Report for the immediately preceding interest period**

19-Aug-05

**Loans**

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Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	292,886,852
Accrued Interest @ start of Calculation Period	74,907,469

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period	3,446,696.45	Since Inception	42,927,240.65
<b>Principal Balance of Loans redeemed by cause:-</b>			
Death	825,048.50		10,426,913.79
Borrower enters Long Term Care	237,610.00		1,980,230.00
Voluntary Repayment	2,845,983.00		32,140,660.62
Move to Lower Value Property	34,499.95		242,722.74
Substitutions	- 496,445.00		- 1,863,286.50
Number of Loans redeemed in the immediately preceding Calculation period	85		1,212
<b>Number of Loans redeemed by cause:-</b>			
Death	25		255
Borrower enters Long Term Care	9		50
Voluntary Repayment	64		943
Move to Lower Value Property	3		40
Substitutions	- 13		- 36
Redemption monies received	5,801,799.09		56,323,592

Equivalent Value Test this Calculation Period :-  
S&P model this Calculation Period :-

PASS
PASS

**Substitution**

Substituted in the immediately preceding Calculation Period (O/S amount @ Closing Date)	894,945
Substituted in the immediately preceding Calculation Period as a % of aggregate	
Outstanding Balance of the Loans @ Closing Date	0.32%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	2.01%

**Early Amortisation Test**

Aggregate Loan Amount (in respect of all Outstanding Loans, the Outstanding Balance as at the Closing Date and in respect of substitute Loans, the Outstanding Balance as at the Loan Entry date)	N/A as prior to Feb 05
Weighted Averaged GIC Rate	N/A as prior to Feb 05

**Outstanding Balance of Loans**

Outstanding Accrued Interest	78,947,109
Outstanding Gross Balance	293,479,796
Outstanding number of loans	6,860

**Product Breakdown by Loan O/S**

At Closing

At Calculation  
date for this report

FIRP %	2.7%	2.7%
FCRP %	97.3%	97.3%

Weighted Average Age of Borrowers @ Closing Date	72
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	75

**Age of Borrowers:-**

Single Female	78
Single Male	77
Joint Borrowers by Age of Younger	73

**Properties Sold / repayments (case by case):-**

Time to Sale (where available - time from death/assessment to repayment) (Days)	N/A
Initial Valuation	N/A
Indexed Valuation (Initial Valuation + Hpi)	N/A
Sale Price (where available)	N/A
Gross Mortgage Outstandings	N/A
Shortfall	N/A
Loan Outstandings as a % of Sale Price	N/A
Claim Submitted to No Negative Equity	N/A
Claim Paid	N/A
Claim O/S	N/A

**For all Mortgages repaid to date:-**

**Weighted Average:-**

Time to Sale (where available - time from death/assessment to repayment) (Days)	247
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	N/A
Shortfall as % of Mortgage Outstandings	N/A

Properties in Possession	-
Reposessed	-
Sold	-
Number Carried Forward	-

Average Time from Possession to Sale	N/A
Average Shortfall at Sale	N/A

#### **Insurance**

No Negative Equity Claims made total	-
Claims Paid	-
Claims O/S	-
Claims not settled in full by number	-
Claims not settled in full by amount of shortfall	-
Average Time from Claim to Payment	N/A

Local Search Claims made (number)	-
Claims Paid	-
Claims O/S	-
Claims not settled in full by number	-
Claims not settled in full by amount of shortfall	-
Average Time from Claim to Payment	N/A

Contingent Building Insurance claims made (number)	-
Claims Paid	-
Claims O/S	-
Claims not settled in full by number	-
Claims not settled in full by amount of shortfall	-
Average Time from Claim to Payment	N/A

#### **Average Loan Outstanding**

<b>Weighted Average LTV</b>	£42,781
<b>Weighted Average Indexed LTV</b>	34.8%
	19.9%

#### **Weighted Average Interest Rate**

FIRP	8.30%
FCRP	8.13%

#### **LTV Levels Breakdown (based on original valuation using P+I at date of report)**

0 - 29.99%	81,265,191
30 - 34.99%	80,280,741
35 - 39.99%	66,649,054
40 - 44.99%	14,774,531
45 - 49.99%	30,157,400
50 - 54.99%	7,924,374
55 - 59.99%	9,821,989
60 - 64.99%	2,606,516
65 - 69.99%	-
70 - 74.99%	-
75 - 79.99%	-
80 - 84.99%	-
85 - 89.99%	-
90 - 94.99%	-
95 - 99.99%	-
100% +	-

#### **LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)**

0 - 30%	273,561,074
30 - 35%	16,770,060
35 - 40%	2,773,634
40 - 45%	31,258
45 - 50%	34,561
50 - 55%	309,208
55 - 60%	-
60 - 65%	-
65 - 70%	-
70 - 75%	-
75 - 80%	-
80 - 85%	-
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

#### **Equity Release Funding (No. 2) plc**

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#### **Liquidity Facility Ledger**

Initial Balance	£0
Last Calculation Period Closing Outstanding	£0
Available @ next IPD	£70,000,000
Amount to be drawn at next IPD	£0

#### **Liquidity Reserve Fund Ledger**

Initial Balance on Closing	£25,000,000
Outstanding as at the date of this Quarterly Report	£21,541,000
Accrued Interest to immediately succeeding interest payment date	£253,558
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£21,644,558
Amount to be drawn at next IPD	£253,558
Closing balance	£21,541,000

**Deficiency Ledger**

Opening Balance	£549
Losses this Quarter	-£8
Closing Balance	£541

**Optional Guarantee Ledger**

Opening Balance on Closing Date	£500,000
Claims Submitted as at date of this Quarterly Report	£0
Claims Paid as at date of this Quarterly Report	£0
Claims Not recovered from NULAP this calculation period	£0
Total Claims not recovered from NULAP as at date of this Quarterly Report	£0

CCA Reserve	£500,000
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<b>Surplus after payment of all payments due in the Waterfall (a) to (h)</b>	£0
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**Replenishment Amount as recorded in Replenishment Ledger****Years 2002 to 2026**

The greater of :-

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ IPD)  
and  
the amount (if any) necessary to maintain the Required Ratio of  
(a) the sum of the Aggregate Portfolio Amount and Adjusted Cash, and  
(b) the Principal Amount Outstanding of the Class A Notes  
(net of redemptions @ IPD)

N/A - A1 Notes O/S
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**Years 2027 to 2031**

The greater of:-

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ IPD),

aggregate of all scheduled payments of interest and principal on the Class A Notes payable on the 4 immediately succeeding IPD's, and

the amount (if any) necessary to maintain the Required Ratio of  
(a) the sum of the Aggregate Portfolio Amount and Adjusted Cash, and  
(b) the Principal Amount Outstanding of the Class A Notes  
(net of redemptions @ IPD).

N/A
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<b>Voluntary Repayment Rate</b>	3.43%
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The "Voluntary Prepayments Rate" is the [annualised value of the ratio expressed as a percentage] calculated by dividing:-

(x) the aggregate of the initial outstanding balances of the Loans prepaid up to the relevant Calculation Date by  
(y) the aggregate of the initial outstanding balances of all Loans in the Portfolio on the Closing Date.

**Deferred Consideration released to Originator**

Deferred Consideration paid to Originator prior to the date of this Quarterly Report date  
Deferred Consideration paid to Originator during the calculation period  
Total Deferred Consideration paid to Originator.

£0
£0
£0

**Equity Release Funding (No.2) plc**

Name of Issuer Equity Release Funding (No.2) plc  
Date of Issue 11-Jun-2002

	<b>A1</b>	<b>A2</b>
Moody's Current Rating	Aaa	Aaa
S&P Current Rating	AAA	AAA

Initial Note Balance	45,000,000.00	255,000,000.00
Note Principal @ start of period	37,062,000.00	255,000,000.00
Note Redemptions @ IPD	1,953,000.00	-
Outstanding Note Principal	35,109,000.00	255,000,000.00

Note Interest Margins	LIBOR + 0.44%	Fixed Rate (5.88%)
Step Up Dates	IPD May 2012	N/A
Step Up Margins	LIBOR + 1.50%	N/A

Interest Payment Cycle	Quarterly
Interest Payment Date	26th or Next Business Day
Next Interest Payment Date	28-Nov-2005

Pool Factor	0.780200
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