

## 19-Nov-08

## £

### Redemptions

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

Substituted in the immediately preceding Calculation Period (O/S amount @ Closing Date)  
Substituted in the immediately preceding Calculation Period as a % of aggregate Outstanding  
Balance of the Loans @ Closing Date

	-
	0.00%
	2.88%

Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date

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 A1 notes outstanding

Weighted Averaged GIC Rate

N/A as A1 notes outstanding
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Outstanding Accrued Interest  
Outstanding Gross Balance  
Outstanding number of loans

	127,333,408
	298,904,703
	5,704

### At Closing

Weighted Average Age of Borrowers @ Closing Date	72
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	77

**Age of Borrowers:-**  
Single Female  
Single Male  
Joint Borrowers by Age of Younger

	80
	80
	76

## Time to Sale (where available - time from death/assessment to repayment) (Days)

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



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

19-Nov-08

**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	£298,298
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£21,689,298
Amount to be drawn at next IPD	£298,298
Closing balance	£21,541,000

**Deficiency Ledger**

Opening Balance	-£899
(Losses)/Gains this Quarter	£24
Closing Balance	-£923

**Optional Guarantee Ledger**

Opening Balance on Closing Date	£0
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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Surplus after payment of all payments due in the Waterfall (a) to (h)	£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

**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

**Voluntary Repayment Rate**

3.85%

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	£0
Deferred Consideration paid to Originator during the calculation period	£0
Total Deferred Consideration paid to Originator.	£0

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

Name of Issuer  
Date of Issue

Equity Release Funding (No.2) plc  
11-Jun-2002

Moody's Current Rating  
S&P Current Rating

<b>A1</b>	<b>A2</b>
Aaa	Aaa
AAA	AAA

Initial Note Balance  
Note Principal @ start of period  
Note Redemptions @ IPD  
Outstanding Note Principal

45,000,000.00	255,000,000.00
9,990,500.00	- 255,000,000.00
- 1,000,000.00	
8,990,500.00	- 255,000,000.00

Note Interest Margins  
Step Up Dates  
Step Up Margins

LIBOR + 0.44%	Fixed Rate (5.88%)
IPD May 2012	N/A
LIBOR + 1.50%	N/A

Interest Payment Cycle  
Interest Payment Date  
Next Interest Payment Date

Quarterly  
26th or Next Business Day  
26-Jan-2009

Pool Factor

0.199789