

## 19-Feb-09

## £

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	298,904,703
Accrued Interest @ start of Calculation Period	127,333,408

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation period	1,475,698	86,490,313
<u>Principal Balance of Loans redeemed by cause:-</u>		
Death	671,830	25,433,326
Borrower enters Long Term Care	98,920	5,485,063
Voluntary Repayment	690,275	58,819,929
Move to Lower Value Property	14,673	595,949
Substitutions	-	- 3,843,954
Number of Loans redeemed in the immediately preceding Calculation period	50	2,421
<u>Number of Loans redeemed by cause:-</u>		
Death	22	661
Borrower enters Long Term Care	5	134
Voluntary Repayment	23	1,686
Move to Lower Value Property	1	78
Substitutions	-	- 60
Redemption monies received	2,904,108	129,907,211

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

Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	2.88%
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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

	131,889,550
	301,985,147
	5,654

### At Closing

FIRP %	2.7%	2.8%
FCRP %	97.3%	97.2%

Weighted Average Age of Borrowers @ Closing Date

Weighted Average Age of Borrowers @ Closing Date	72
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	78

Weighted Average Age of borrowers - at Calculation date for this Quarterly report

## Single Female

Single Female	81
Single Male	80
Joint Borrowers by Age of Younger	76

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

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

**Weighted Average:-**

Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)

N/A	230
N/A	

	-
	-
	-
	-

N/A
N/A

	-
	-
	-
	-
N/A	

	-
	-
	-
	-
N/A	

	-
	-
	-
	-
	-
N/A	

£53,411
44.2%
27.1%

**Weighted Average LTV**

£53,411
44.2%
27.1%

FIRP

8.28%
8.14%

0 - 29.99%

25,754,008
54,352,441
30,858,205
65,869,103
47,791,141
23,540,417
12,299,027
23,145,685
5,964,361
5,729,234
5,473,988
969,246
238,292
-
-
-

[illegible]

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

19-Feb-09

**Liquidity Facility Ledger**

Initial Balance  
Last Calculation Period Closing Outstanding  
Available @ next IPD  
Amount to be drawn at next IPD

£0
£0
£70,000,000
£0

**Liquidity Reserve Fund Ledger**

Initial Balance on Closing  
Outstanding as at the date of this Quarterly Report  
Accrued Interest to immediately succeeding interest payment date

£25,000,000
£20,601,000
£192,413

Less Mortgage Registration Reserve

£150,000

Available Liquidity Reserve Fund  
Amount to be drawn at next IPD  
Closing balance

£20,643,413  
£192,413  
£20,601,000

**Deficiency Ledger**

Opening Balance  
(Losses)/Gains this Quarter  
Closing Balance

-£923
-£12
-£935

**Optional Guarantee Ledger**

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

£0
£0
£0
£0
£0

CCA Reserve

£500,000

**Surplus after payment of all payments due in the Waterfall (a) to (h)**

£0

**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**

3.56%

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  
Date of Issue

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

Moody's Current Rating  
S&P Current Rating

**A1**  
Aaa  
AAA

**A2**  
Aaa  
AAA

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

45,000,000.00	255,000,000.00
8,990,500.00	- 255,000,000.00
-	
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-May-2009

Pool Factor

0.199789

