Equity Release Funding (No. 2) plc Report for the immediately preceding interest period	19-May-10	
Loans	£	
Outstanding Balance of Loans at Closing Date	276,369,747	
Outstanding Balance of Loans @ start of immediately preceding calculation period Accrued Interest @ start of Calculation Period	306,318,646 147,001,260	
Redemptions Principal Balance of Loans redeemed in the immediately preceding Calculation period Principal Balance of Loans redeemed by cause:- Death	2,110,041 947,113	Since Inception 99,378,564 31,391,165
Borrower enters Long Term Care Voluntary Repayment Move to Lower Value Property Substitutions	69,640 1,078,245 15,043	7,460,001 63,645,730 725,622 - 3,843,954
Number of Loans redeemed in the immediately preceding Calculation period Number of Loans redeemed by cause:- Death	63	2,812
Borrower enters Long Term Care Voluntary Repayment Move to Lower Value Property Substitutions	3 39 4	182 1,852 98 - 60
Redemption monies received	4,186,218	152,012,510
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) Substituted in the immediately preceding Calculation Period as a % of aggregate Outstanding Balance of the Loans @ Closing Date	0.00%	
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	2.88%	
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 A1 notes outstanding	
Weighted Averaged GIC Rate	N/A as A1 notes outstanding	
Outstanding Balance of Loans Outstanding Accrued Interest Outstanding Gross Balance Outstanding number of loans	150,827,138 308,034,484 5,263	
Product Breakdown by Loan O/S	At Closing	At Calculation date for this report
FIRP % FCRP %	2.7% 97.3%	2.7% 97.3%
Weighted Average Age of Borrowers @ Closing Date Weighted Average Age of borrowers - at Calculation date for this Quarterly report	72 80	
Age of Borrowers:- Single Female Single Male Joint Borrowers by Age of Younger	82 81 80	
Properties Sold / repayments (case by case):- Time to Sale (where available - time from death/assessment to repayment) (Days) Initial Valuation Indexed Valuation (Initial Valuation + Hpi) Sale Price (where available) Gross Mortgage Outstandings Shortfall	N/A N/A N/A N/A N/A N/A	
Loan Outstandings as a % of Sale Price Claim Submitted to No Negative Equity Claim Paid Claim O/S	N/A N/A N/A N/A	

For all Mortgages repaid to date:-		
Weighted Average:-		
Time to Sale (where available - time from death/assessment to repayment) (Days) Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available) Shortfall as % of Mortgage Outstandings	N/A N/A	231
Properties in Possession		-
Repossessed Sold		-
Number Carried Forward		
Average Time from Possesion 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 number		
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 Time from Claim to Payment	IN/A	
Average Loan Outstanding	£58	3,528
Weighted Average LTV		3%
Weighted Average Indexed LTV	20	.7%
Weighted Average Interest Rate		
FIRP FCRP		28% 10%
LTV Levels Breakdown (based on original valuation using P+I at date of report) 0 - 29.99%		85,329,336
30 - 34.99%		32,565,612
35 - 39.99%		30,840,052
40 - 44.99%		21,802,243
45 - 49.99%		40,149,516
50 - 54.99%		33,079,092
55 - 59.99%	1	20,412,943
60 - 64.99%	1	8,556,863 14,634,784
85 - 69 99%		
70 - 74.99%		9,011,980
70 - 74.99% 75 - 79.99% 50 - 84.99%		9,011,980 3,380,634 6,470,531
70 - 74.99% 75 - 79.99% 30 - 84.99% 35 - 89.99%		9,011,980 3,380,634 6,470,531 1,043,283
70 - 74,99% 75 - 79,99% 30 - 84,99% 35 - 89,99% 30 - 94,99%		9,011,980 3,380,634 6,470,531 1,043,283
70 - 74.99% 75 - 79.99% 55 - 89.99% 56 - 89.99% 50 - 94.99% 55 - 99.99%		9,011,980 3,380,634 6,470,531 1,043,283
70 - 74,99% 75 - 79,99% 30 - 84,99% 35 - 89,99% 30 - 94,99% 35 - 99,99% 100% +		9,011,980 3,380,634 6,470,531 1,043,283
70 - 74, 99% 75 - 79, 99% 30 - 84, 99% 55 - 89, 99% 30 - 94, 99% 35 - 99, 99% 100% + LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)		9,011,980 3,380,634 6,470,531 1,043,283 757,616
70 - 74,99% 75 - 79,99% 55 - 89,99% 55 - 89,99% 56 - 89,99% 56 - 89,99% 57 - 99,99% 58 - 99,99% 59 - 99,99% 59 - 99,99% 50 - 90,99% 50 - 90,99% 50 - 90,99% 50 - 90,99% 50 - 90% 50 - 90% 50 - 90%		9,011,980 3,380,634 6,470,531 1,043,283 757,616
70 - 74,99% 75 - 79,99% 50 - 84,99% 51 - 89,99% 50 - 99,99% 100% + LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date) - 30% 50 - 40%		9,011,980 3,380,634 6,470,531 1,043,283 757,616 268,203,254 15,761,546 18,314,820
70 - 74,99% 75 - 79,99% 30 - 84,99% 35 - 89,99% 30 - 94,99% 35 - 99,99% 100% - 1 100% - 1		9,011,980 3,380,634 6,470,531 1,043,283 757,616 268,203,254 15,761,546 4,273,687
70 - 74,99% 75 - 79,99% 50 - 84,99% 50 - 84,99% 50 - 89,99% 60 - 94,99% 55 - 99,99% 600% +  LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date) 0 - 30% 80 - 35% 55 - 40% 10 - 45% 15 - 50%		9,011,980 3,380,634 6,470,531 1,043,283 757,616 268,203,254 15,761,546 18,314,820 4,273,687 1,076,857
70 - 74,99% 75 - 79,99% 30 - 84,99% 35 - 89,99% 40 - 94,99% 45 - 99,99% 100% + 107 - Versil Breakdown (based on HPI adjusted valuation @ Calculation date) 10 - 30% 30 - 35% 45 - 40% 40 - 45% 45 - 50% 50 - 55%		9,011,980 3,380,634 6,470,531 1,043,283 757,616 268,203,254 15,761,546 18,314,820 4,273,687 1,076,857
70 - 74,99% 75 - 79,99% 30 - 84,99% 30 - 84,99% 30 - 89,99% 10 - 94,99% 55 - 99,99% 100% +  LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date) 1 - 30% 35 - 40% 10 - 45% 15 - 50% 10 - 55% 15 - 60%		9,011,980 3,380,634 6,470,531 1,043,283 757,616 268,203,254 15,761,544 18,314,821 4,273,687 1,076,857 404,321
70 - 74,99% 70 - 74,99% 51 - 84,99% 51 - 84,99% 52 - 84,99% 53 - 89,99% 600 - 94,99% 600 - 94,99% 600 - 94,99% 600 - 94,99% 600 - 94,99% 600 - 94,99% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95% 600 - 95%		9,011,986 3,380,634 6,470,531 1,043,283 757,616 268,203,254 15,761,546 18,314,820 4,273,687 1,076,857 404,321
70 - 74,99% 75 - 79,99% 30 - 84,99% 51 - 89,99% 30 - 84,99% 55 - 89,99% 50 - 94,99% 50 - 99,99% 50 - 90,99% 50 - 90,99% 50 - 30% 51 - 30% 52 - 40% 53 - 40% 54 - 50% 55 - 60% 56 - 60% 56 - 60% 56 - 60% 56 - 70%		9,011,980 3,380,634 6,470,531 1,043,283 757,616 268,203,254 15,761,544 18,314,821 4,273,687 1,076,857 404,321
70 - 74,99% 70 - 74,99% 50 - 84,99% 50 - 84,99% 51 - 89,99% 60 - 94,99% 51 - 99,99% 600% +  LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date) - 30% 60 - 35% 55 - 40% 60 - 45% 65 - 50% 60 - 65% 60 - 65% 60 - 65% 60 - 65% 60 - 65%		9,011,980 3,380,634 6,470,531 1,043,282 757,616 268,203,254 15,761,546 18,314,820 4,273,687 1,076,857 404,321
70 - 74,99% 75 - 79,99% 30 - 84,99% 35 - 89,39% 30 - 94,39% 35 - 89,39% 30 - 94,39% 35 - 99,99% 30 - 94,39% 35 - 99,99% 30 - 35% 30 - 35% 35 - 40% 30 - 45% 35 - 40% 30 - 55% 35 - 60% 30 - 55% 35 - 60% 30 - 55% 35 - 70% 70 - 75% 75 - 50%		9,011,980 3,380,634 6,470,531 1,043,283 757,616 268,203,254 15,761,546 18,314,820 4,273,687 1,076,857 404,321
70 74. 99% 75 79. 99% 80 84. 99% 815 89. 99% 815 89. 99% 816 99. 99% 816 99. 99% 817 99. 99% 817 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99% 818 99. 99%		9,011,980 3,380,6470,531 1,043,283 757,616 268,203,254 15,761,546 18,314,820 4,273,685 404,321
55 - 69.99% 75 - 79.99% 75 - 79.99% 80 - 84.99% 815 - 89.99% 810 - 94.99% 810 - 94.99% 810 - 94.99% 810 - 94.99% 810 - 94.99% 810 - 94.99% 810 - 95.999% 8100% +  LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date) 9 - 30% 810 - 35% 810 - 45% 815 - 40% 810 - 45% 815 - 50% 816 - 55% 816 - 65% 817 - 70% 817 - 70% 818 - 80% 818 - 80% 819 - 90% 810 - 85% 810 - 90% 810 - 90% 810 - 95% 810 - 90% 810 - 95% 810 - 90%		9,011,986 3,389,634 6,470,531 1,043,283 757,616 268,203,254 15,761,546 18,314,820 4,273,687 1,076,857 404,321

Note Interest Margins Step Up Dates Step Up Margins

Pool Factor

Interest Payment Cycle Interest Payment Date Next Interest Payment Date

Fixed Rate (5.88%) N/A N/A

LIBOR + 0.44% IPD May 2012 LIBOR + 1.50%

0.090011

Quarterly 26th or Next Business Day 26-Aug-2010

Limitation Frankland and annual control of the cont		
Liquidity Facility Ledger Initial Balance	£0	
Last Calculation Period Closing Outstanding Available @ next IPD	£0 £70,000,000	
Amount to be drawn at next IPD	£0	
Liquidity Reserve Fund Ledger	£25,000,000	
Initial Balance on Closing Outstanding as at the date of this Quarterly Report	£21,633,331	
Accrued Interest to immediately succeeding interest payment date	£23,080	
Less Mortgage Registration Reserve	£150,000	
Available Liquidity Reserve Fund Amount to be drawn at next IPD	£21,506,410 £23,080	
Closing balance	£21,633,331	
Deficiency Ledger		
Opening Balance	-£12,053	
Closing Balance	£0 -£12,053	
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 Claims Not recovered from NULAP this calculation period	£0 £0	
Total Claims not recovered from NULAP as at date of this Quarterly Report	£0	
CCA Reserve	£500,000	
Complex of the annual of all annual to the leads Westerfall (a) to (b)	00	
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)		
Years 2027 to 2031	N/A - A1 Notes O/S	
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	3.16%	
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 Calc	culation Date by	
(y) the aggregate of the initial outstanding balances of all Loans in the Portfolio on the Closing I	Jale.	
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 Total Deferred Consideration paid to Originator.	£0 £0	
Total Decined Consideration paid to Originator.		
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	<u>A1</u> Aaa	<u>A2</u> Aaa
S&P Current Rating	AAA	AAA
Initial Note Balance	45,000,000.00	255,000,000.00
Note Principal @ start of period Note Redemptions @ IPD	4,050,500.00	255,000,000.00
Outstanding Note Principal	4,050,500.00	255,000,000.00