

21-Nov-11

3

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	311,034,140
Accrued Interest @ start of Calculation Period	167,328,945

In Quarter

Since Inception	116,319,519
-----------------	-------------

Redemptions	In Quarter	Since Inception
Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,570,606	116,319,519
Principal Balance of Loans redeemed by cause:-		
Death	1,313,821	39,840,407
Borrower enters Long Term Care	466,393	9,435,175
Voluntary Repayment	786,707	69,596,718
Move to Lower Value Property	3,686	1,151,982
Substitutions	-	3,704,763
Number of Loans redeemed in the immediately preceding Calculation period	79	3,244
Number of Loans redeemed by cause:-		
Death	42	1,049
Borrower enters Long Term Care	15	238
Voluntary Repayment	22	2,017
Move to Lower Value Property	2	121
Substitutions	-	60
Redemption monies received	5,256,333	185,817,284

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

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

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

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 Scheduled Payments outstanding

Weighted Averaged GIC Rate

N/A as Scheduled Payments outstanding

Outstanding Accrued Interest
Outstanding Gross Balance
Outstanding number of loans

	170,506,415
	311,641,003
	4,828

At Closing

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

Weighted Average Age of Borrowers @ Closing Date	72
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	80

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

	82
	83
	79

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
Loan Outstandings as a % of Sale Price
Claim Submitted to No Negative Equity
Claim Paid
Claim O/S

[illegible]

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

	218
N/A	
N/A	

Properties in Possession

Reposessed

Sold

Number Carried Forward

	2
	-
	2
	-

Average Time from Possession to Sale

Average Shortfall at Sale

	107
	-

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**Weighted Average LTV****Weighted Average Indexed LTV**

	£64,549
	46.7%
	28.5%

Weighted Average Interest Rate

FIRP

FCRP

	8.29%
	8.09%

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

0 - 29.99%

30 - 34.99%

35 - 39.99%

40 - 44.99%

45 - 49.99%

50 - 54.99%

55 - 59.99%

60 - 64.99%

65 - 69.99%

70 - 74.99%

75 - 79.99%

80 - 84.99%

85 - 89.99%

90 - 94.99%

95 - 99.99%

100% +

	66,984,299
	29,775,845
	30,254,839
	28,838,062
	21,133,517
	40,170,143
	18,442,122
	35,228,887
	2,317,347
	8,983,358
	15,742,614
	4,903,174
	3,129,960
	3,991,136
	1,207,872
	537,829

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

0 - 30%

30 - 35%

35 - 40%

40 - 45%

45 - 50%

50 - 55%

55 - 60%

60 - 65%

65 - 70%

70 - 75%

75 - 80%

80 - 85%

85 - 90%

90 - 95%

95 - 100%

100% +

	175,223,565
	52,293,608
	32,823,418
	29,001,506
	9,990,220
	8,413,419
	2,816,510
	765,678
	99,919
	156,395
	56,766
	-
	-
	-
	-
	-

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

21-Nov-11

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	£20,601,000
Accrued Interest to immediately succeeding interest payment date	£35,423
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£20,486,423
Amount to be drawn at next IPD	£35,423
Closing balance	£20,601,000

Deficiency Ledger	
Opening Balance	-£327
Closing Balance	£0
	-£327

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	£0

Surplus after payment of all payments due in the Waterfall (a) to (h)	£32,660
---	---------

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 as Swap Scheduled Payments are outstanding

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

2.17%

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

A1
Aaa
AAA

A2
Aaa
AA-

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

45,000,000.00	255,000,000.00
45,000,000.00	255,000,000.00
-	-
-	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-Feb-2012

Pool Factor

-
