

## 20-Aug-12

## 3

### Redemptions

Since Inception

123,717,965
43,340,142
11,249,733
71,579,420
1,253,433
- 3,704,763

3.461

	1,165
	284
	2,072
	130
-	60

202.793.189

### Substitution

	-
	0.00%
	2.88%

### Early Amortisation Test

N/A as Scheduled Payments outstanding

### Outstanding Balance of Loans

**Outstanding Balance of Loans**  
Outstanding Accrued Interest  
Outstanding Gross Balance  
Outstanding number of loans

### At Closing

At Calculation  
date for this  
report

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	83
Single Male	83
Joint Borrowers by Age of Younger	79

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

[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

N/A	192
N/A	

Properties in Possession

Repossessed

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

	1
1	
-	
-	
-	
32 Days	

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**

£67,812
49.1%
30.0%

**Weighted Average Interest Rate**

FIRP

FCRP

8.28%
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% +

	57,358,701
	30,841,932
	28,243,421
	32,012,828
	15,952,215
	29,334,640
	35,664,555
	20,539,015
	24,830,391
	3,016,283
	7,615,962
	15,079,021
	4,285,903
	1,960,804
	3,654,869
	2,290,750

**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% +

	147,296,308
	57,208,736
	55,480,261
	12,474,226
	25,324,601
	6,872,332
	4,626,276
	2,659,027
	407,305
	105,991
	166,004
	60,225
	-
	-
	-
	-

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

20-Aug-12

**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
	£150,000
	£301
	£0
	£0
	£150,000
	£0
	£301
	£301
	£150,000

Less Mortgage Registration Reserve

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

Deficiency Ledger  
Opening Balance

	-£327
	£0
	-£327

Closing Balance

**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

	£0
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**Surplus after payment of all payments due in the Waterfall (a) to (h)**

	£1,725,522
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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 as Swap Scheduled Payments are outstanding
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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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**Voluntary Repayment Rate**

	2.00%
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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  
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  
A+

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

	45,000,000.00	255,000,000.00
	-	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-Nov-2012

Pool Factor

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