

20-Feb-12

3

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	311,641,003
Accrued Interest @ start of Calculation Period	170,506,415

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,339,040	118,658,558
<u>Principal Balance of Loans redeemed by cause:-</u>		
Death	1,113,417	40,953,824
Borrower enters Long Term Care	623,380	10,058,555
Voluntary Repayment	557,288	70,154,007
Move to Lower Value Property	44,954	1,196,936
Substitutions	-	3,704,763
Number of Loans redeemed in the immediately preceding Calculation period	67	3,311
<u>Number of Loans redeemed by cause:-</u>		
Death	36	1,085
Borrower enters Long Term Care	16	254
Voluntary Repayment	15	2,032
Move to Lower Value Property	4	125
Substitutions	-	60
Redemption monies received	5,567,326	191,384,610

N/A
N/A

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 Scheduled Payments outstanding

Weighted Averaged GIC Rate

N/A as aggregate loan amount is greater than £95m

Outstanding Accrued Interest
Outstanding Gross Balance
Outstanding number of loans

	173,659,644
	312,455,193
	4,761

At Closing

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

Weighted Average Age of Borrowers @ Closing Date

	72
	80

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

Single Female
Single Male

	82
	83
	79

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

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	206
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

	1
	-
	1
	-
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**

£65,628
47.6%
29.2%

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% +

63,417,481
30,571,076
31,022,733
28,662,858
22,863,453
34,315,338
21,838,458
32,290,197
8,412,914
7,547,589
12,402,458
9,457,714
1,545,915
4,392,163
3,086,175
628,672

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% +

157,782,203
55,075,477
46,321,949
20,670,543
18,690,812
9,563,746
2,221,176
1,647,185
264,586
159,631
-
57,884
-
-
-
-
-

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

20-Feb-12

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	£43,771
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£20,494,771
Amount to be drawn at next IPD	£43,771
Closing balance	£20,601,000

Deficiency Ledger	
Opening Balance	-£327
	£0
Closing Balance	-£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)	£1,460,316
---	------------

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

1.97%

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
A+

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
28-May-2012

Pool Factor

-