

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

21-May-12

Loans

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	312,455,193
Accrued Interest @ start of Calculation Period	173,659,644

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period
Principal Balance of Loans redeemed by cause:-

Death	1,606,746
Borrower enters Long Term Care	691,690
Voluntary Repayment	499,930
Move to Lower Value Property	38,884
Substitutions	-

Since Inception

121,495,808
42,560,569
10,750,245
70,653,937
1,235,820
- 3,704,763

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	53
Borrower enters Long Term Care	17
Voluntary Repayment	17
Move to Lower Value Property	2
Substitutions	-

3,398

1,138
271
2,049
127
- 60

Redemption monies received

6,546,826

197,931,436

Equivalent Value Test this Calculation Period :-

S&P model this Calculation Period :-

N/A
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

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 Scheduled Payments outstanding

Weighted Averaged GIC Rate

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

Outstanding Balance of Loans

Outstanding Accrued Interest
Outstanding Gross Balance
Outstanding number of loans

175,939,291
311,897,591
4,674

At Calculation
date for this
report

Product Breakdown by Loan O/S

At Closing

FIRP %	2.7%
FCRP %	97.3%

2.8%
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

83
83
79

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
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
N/A
N/A
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

209
N/A
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

-
-
-
-
-
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**

£66,730
48.3%
29.7%

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% +

60,724,107
30,475,962
30,393,585
29,991,252
18,348,157
34,729,870
27,852,648
25,848,117
15,032,693
7,295,259
8,419,999
13,558,457
1,177,131
3,669,884
3,528,843
851,628

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% +

149,622,525
57,386,278
51,761,772
14,945,306
23,813,178
7,735,892
3,687,757
2,304,729
314,386
103,959
162,782
59,028
-
-
-
-

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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
£45,057

Less Mortgage Registration Reserve

£150,000

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

£20,496,057
 £20,496,057
 £150,000

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

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

£24,530,984

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

1.98%

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

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%

IPD May 2012

LIBOR + 1.50%

Fixed Rate (5.88%)

N/A

N/A

Interest Payment Cycle

Interest Payment Date

Next Interest Payment Date

Quarterly

26th or Next Business Day

28-Aug-2012

Pool Factor

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