

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

18-Aug-14

**Loans**

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	310,736,627
Accrued Interest @ start of Calculation Period	194,665,269

**Redemptions**

	In Quarter	Since Inception
Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,921,129	144,303,892
<u>Principal Balance of Loans redeemed by cause:-</u>		
Death	1,392,050	53,489,788
Borrower enters Long Term Care	751,751	15,382,638
Voluntary Repayment	746,790	77,448,337
Move to Lower Value Property	30,538	1,687,892
Substitutions	-	- 3,704,763
Number of Loans redeemed in the immediately preceding Calculation period	88	4,092
<u>Number of Loans redeemed by cause:-</u>		
Death	43	1,472
Borrower enters Long Term Care	25	412
Voluntary Repayment	20	2,268
Move to Lower Value Property	2	160
Substitutions	-	- 60
Redemption monies received	8,269,807	258,198,171

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	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 after Year 10 IPD
Weighted Averaged GIC Rate	N/A as after Year 10 IPD

**Outstanding Balance of Loans**

Outstanding Accrued Interest	195,480,271
Outstanding Gross Balance	308,630,501.41
Outstanding number of loans	3,980

**Product Breakdown by Loan O/S**

At Closing

FIRP %	2.7%	2.9%
FCRP %	97.3%	97.1%

Weighted Average Age of Borrowers @ Closing Date	72
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	82

**Age of Borrowers:-**

Single Female	84
Single Male	85
Joint Borrowers by Age of Younger	81

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

Time to Sale (where available - time from death/assessment to repayment) (Days)	N/A
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:-**

<b>Weighted Average:-</b>	
Time to Sale (where available - time from death/assessment to repayment) (Days)	205
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	N/A
Shortfall as % of Mortgage Outstandings	N/A

Properties in Possession	2
Repossessed	-
Sold	2
Number Carried Forward	-

Average Time from Possession to Sale	107
Average Shortfall at Sale	-

At Calculation date for this report



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

18-Aug-14

**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	£150,000
Accrued Interest to immediately succeeding interest payment date	£123
	£0
	£0
Less Mortgage Registration Reserve	£150,000
	£0
Available Liquidity Reserve Fund	£123
Amount to be drawn at next IPD	£123
Closing balance	£150,000

**Deficiency Ledger**

Opening Balance	-£679
	-£11,876
Closing Balance	-£12,555

**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	£500,000
-------------	----------

<b>Surplus after payment of all payments due in the Waterfall (a) to (h)</b>	<b>£3,975,598</b>
------------------------------------------------------------------------------	-------------------

**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**

1.77%

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
	-	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-2014

Pool Factor

-
---