

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

19-May-16

**Loans**

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	304,061,371
Accrued Interest @ start of Calculation Period	204,867,134

**Redemptions**

In Quarter

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,258,844	160,518,768
Principal Balance of Loans redeemed by cause:-		
Death	1,243,602	61,753,156
Borrower enters Long Term Care	416,500	18,848,758
Voluntary Repayment	588,595	81,758,675
Move to Lower Value Property	10,147	1,862,941
Substitutions	-	- 3,704,763
Number of Loans redeemed in the immediately preceding Calculation period	77	4,602
Number of Loans redeemed by cause:-		
Death	47	1,744
Borrower enters Long Term Care	13	517
Voluntary Repayment	17	2,401
Move to Lower Value Property	1	176
Substitutions	-	- 60
Redemption monies received	7,367,810	307,723,986

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	205,867,159
Outstanding Gross Balance	302,802,523.07
Outstanding number of loans	3,470

At Calculation  
date for this  
report

**Product Breakdown by Loan O/S**

At Closing

FIRP %	2.7%	3.0%
FCRP %	97.3%	97.0%

Weighted Average Age of Borrowers @ Closing Date

72

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

83

**Age of Borrowers:-**

Single Female	85
Single Male	85
Joint Borrowers by Age of Younger	83

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

Time to Sale (where available - time from death/assessment to repayment) (Days)

408

Time from Possession to Sale (in days where applicable)

-

Initial Valuation

105,000

Indexed Valuation (Initial Valuation + Hpi)

140,377

Sale Price (where available)

40,694

Gross Mortgage Outstandings

65,404

Shortfall

24,710

Loan Outstandings as a % of Sale Price

160.7%

Claim Submitted to No Negative Equity

Yes

Claim Paid

Yes

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)

Time from Possession to Sale (in days where applicable)

Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)

Shortfall as % of Mortgage Outstandings

732
72
46.1%
-

Properties in Possession

Reposessed

Sold

Number Carried Forward

5
-
3
2

Average Time from Possession to Sale

Average Shortfall at Sale

95
-

**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**

£87,263
61.6%
29.0%

**Weighted Average Interest Rate**

FIRP

FCRP

8.30%
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% +

16,650,000
24,489,402
27,622,090
25,934,981
21,514,495
23,840,177
21,046,507
12,862,038
16,332,267
23,108,402
25,947,318
3,521,957
25,827,565
9,599,038
3,197,496
21,308,791

**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% +

154,370,040
57,530,662
51,048,001
6,926,139
21,573,319
5,288,385
3,982,453
1,368,363
562,907
71,237
-
-
81,016
-
-
-

Depersonalised information on the pool, as at each Calculation Date, may be obtained electronically by Noteholders from the Administrator upon delivery of a signed confidentiality undertaking (the form of which can be obtained from the Administrator)

**Age Band Breakdown (based on youngest policyholder @ Calculation date)**

Under 70

70-74

75-79

80-84

85-89

90-94

95-99

100+

-
4,055,088
65,304,308
109,530,600
84,418,681
31,754,461
6,868,337
871,049

**LTV Levels Breakdown (HPI adjusted) vs Age Band Breakdown @ Calculation date**

	Under 70	70-74	75-79	80-84	85-89	90-94	95-99	100+
0 - 29.99%	-	3,737,315	54,824,793	56,250,216	28,097,480	9,182,672	2,012,919	264,644
30 - 34.99%	-	105,135	7,383,158	39,089,350	7,186,349	2,949,752	816,918	-
35 - 39.99%	-	100,253	2,162,051	7,499,909	37,772,182	3,219,977	225,635	67,994
40 - 44.99%	-	112,385	818,228	2,888,406	2,229,069	611,745	266,306	-
45 - 49.99%	-	-	116,079	2,007,981	6,089,714	13,183,716	175,830	-
50 - 54.99%	-	-	-	970,310	1,639,677	1,196,152	1,365,183	117,062
55 - 59.99%	-	-	-	522,484	898,551	1,131,807	1,429,611	-
60 - 64.99%	-	-	-	220,926	113,156	278,640	334,293	421,348
65 - 69.99%	-	-	-	-	321,265	-	241,642	-
70 - 74.99%	-	-	-	-	71,237	-	-	-
75 - 79.99%	-	-	-	-	-	-	-	-
80 - 84.99%	-	-	-	-	-	-	-	-
85 - 89.99%	-	-	-	81,016	-	-	-	-
90 - 94.99%	-	-	-	-	-	-	-	-
95 - 99.99%	-	-	-	-	-	-	-	-
100% +	-	-	-	-	-	-	-	-

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

19-May-16

**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
	£144
	£0
	£0
	£150,000
	£0
	£144
	£144
	£150,000

Less Mortgage Registration Reserve

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

Deficiency Ledger  
Opening Balance

	-£12,588
	£0
	-£12,588

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

	£500,000
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**Surplus after payment of all payments due in the Waterfall (a) to (h)**

	£14,864,979
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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)

	£14,800,000
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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**

	1.57%
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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**  
Aa1  
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-Aug-2016

Pool Factor

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