

**Equity Release Funding (No. 2) plc**

**Report for the immediately preceding interest period**

**19-Nov-18**

**Loans**

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	284,568,693
Accrued Interest @ start of Calculation Period	208,197,137

**In Quarter**

<b>Redemptions</b>	
Principal Balance of Loans redeemed in the immediately preceding Calculation period	1,973,433
Principal Balance of Loans redeemed by cause:-	
Death	1,246,069
Borrower enters Long Term Care	285,600
Voluntary Repayment	426,582
Move to Lower Value Property	15,183
Substitutions	-
Number of Loans redeemed in the immediately preceding Calculation period	75
Number of Loans redeemed by cause:-	
Death	50
Borrower enters Long Term Care	6
Voluntary Repayment	19
Move to Lower Value Property	2
Substitutions	-
Redemption monies received	7,714,889

**Since Inception**

	183,056,038
	74,827,999
	22,916,094
	86,868,374
	2,148,333
	3,704,763
	-
	5,371
	2,209
	637
	2,585
	192
	60
	388,188,173

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	208,253,780
Outstanding Gross Balance	262,651,903
Outstanding number of loans	2,701

**Product Breakdown by Loan O/S**

**At Closing**

FIRP %	2.7%
FCRP %	97.3%

**At Calculation date for this report**

	2.5%
	97.5%

Weighted Average Age of Borrowers @ Closing Date

72

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

85

**Age of Borrowers:-**

Single Female	87
Single Male	87
Joint Borrowers by Age of Younger	85

Properties Sold / repayments (case by case):-

Time to Sale (where available - time from death/assessment to repayment) (Days)  
Time from Possession to Sale (in days where applicable)  
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

Case 1 Total	ERF2 Original Loan	Aviva UKER Additional Loan
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

For all Mortgages repaid to the Calculation Date (NNEG or repossession)

Weighted Average:

Sale price as %age of indexed valuation.  
Shortfall as % of Mortgage o/s

49.3%
21.4%

For all Mortgages repaid to the Calculation Date (all redemptions other than voluntary)

Weighted Average:

Time to sale (Days)

206
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Properties in Possession (Total to Calculation date)

Reposessed this Quarter  
Properties sold (Total to Calculation date)  
Number Carried Forward

10
-
7
3

Average Time from Possession to Sale

Possession cases average Shortfall at Sale (%)

180
12.9%

<b>Insurance</b>	
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

<b>Average Loan Outstanding</b>	£104,647
<b>Weighted Average LTV</b>	86.1%
<b>Weighted Average Indexed LTV</b>	37.6%

<b>Weighted Average Interest Rate</b>	
FIRP	8.28%
FCRP	8.09%

<b>LTV Levels Breakdown (based on original valuation using P+I at date of report)</b>	
0 - 29.99%	1,282,991
30 - 34.99%	1,599,289
35 - 39.99%	2,810,229
40 - 44.99%	5,691,348
45 - 49.99%	5,890,172
50 - 54.99%	6,944,679
55 - 59.99%	6,913,189
60 - 64.99%	20,201,216
65 - 69.99%	13,926,836
70 - 74.99%	35,589,937
75 - 79.99%	6,993,115
80 - 84.99%	23,743,103
85 - 89.99%	20,923,064
90 - 94.99%	45,005,611
95 - 99.99%	18,785,015
100% +	66,272,111

<b>LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)</b>	
0 - 30%	72,614,026
30 - 35%	26,452,746
35 - 40%	84,277,240
40 - 45%	63,464,788
45 - 50%	6,420,435
50 - 55%	14,912,960
55 - 60%	7,732,422
60 - 65%	3,425,262
65 - 70%	1,569,652
70 - 75%	1,011,500
75 - 80%	770,871
80 - 85%	-
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

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)

<b>Age Band Breakdown (based on youngest policyholder @ Calculation date)</b>	<b>Loans</b>
Under 70	-
70-74	-
75-79	33,718,566
80-84	100,329,748
85-89	97,109,268
90-94	41,038,736
95-99	9,312,331
100+	1,143,253

<b>LTV Levels Breakdown (HPI adjusted) vs Age Band Breakdown @ Calculation date</b>								
	Under 70	70-74	75-79	80-84	85-89	90-94	95-99	100+
0 - 29.99%			28,252,854	31,345,961	8,174,605	3,376,372	1,172,963	291,271
30 - 34.99%			2,169,341	11,591,108	10,003,012	2,311,898	377,386	
35 - 39.99%			1,888,221	47,350,529	30,227,763	4,066,511	744,216	
40 - 44.99%			899,724	5,217,844	40,509,880	16,077,894	759,447	
45 - 49.99%			421,805	2,945,793	1,890,513	864,086	298,239	
50 - 54.99%				658,247	2,528,381	8,867,915	2,858,417	
55 - 59.99%				982,347	2,353,935	3,505,999	890,141	
60 - 64.99%		86,623		237,919	759,623	551,481	1,423,330	366,287
65 - 69.99%					249,624	695,543	138,791	485,694
70 - 74.99%						471,905	539,595	
75 - 79.99%					411,932	249,131	109,808	
80 - 84.99%								
85 - 89.99%								
90 - 94.99%								
95 - 99.99%								
100% +								

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19-Nov-18

**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	£224
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£224
Amount to be drawn at next IPD	£224
Closing balance	£150,000

**Deficiency Ledger**

Opening Balance	-£12,584
Losses this Quarter	£0
Closing Balance	-£12,583

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

£29,616,774
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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)

£26,210,000
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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**

1.44%
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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  
(v) 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	£1,800,000
Deferred Consideration paid to Originator during the calculation period	£3,300,000
Total Deferred Consideration paid to Originator.	£5,100,000

**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  
N/A  
N/A

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
-	234,683,971.50
-	3,502,756.50
-	231,181,215.00

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-Feb-2019

Pool Factor

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