

Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

**Period:
January-2018**

The Cash Manager has prepared this Performance Report on the basis of information which has been provided to it by the Mortgage Manager. The Cash Manager has not audited or otherwise verified such information. The Cash Manager is involved in continuing discussions with the Issuer in relation to the Performance Reports including the on-going provision of information required for the Performance Reports. It should also be noted that it is possible that the Cash Manager will not be in a position to continue to provide monthly reports going forward.

Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

Period:

January-2018

Pool Performance

Loans in arrears - 3 months and over per end of month reports as at:

31-Dec-2017

31-Jan-2018

- Total number of loans in LMS2	1,121	1,114
- Total number of loans in arrears	365	356
- Average months payments overdue (by number of loans)	36.69	40.80
- Number of loans in arrears that made a payment equal to or greater than the subscription amount	29	42
- Number of loans in arrears that made a payment less than the subscription amount	138	121
- Number of loans in arrears that made no payment	198	193

Pool Performance

Distribution of Loans Currently in Arrears

Mths in Arrears

No. of Loans

% of Total

Principal Balance

% of Total

Months in arrears is calculated as Arrears Balance divided by Current Monthly Instalment.

Current	703	63.11%	£89,651,425	53.82%
> = 1 < 2	38	3.41%	£6,409,544	3.85%
> = 2 < 3	17	1.53%	£2,470,955	1.48%
> = 3 < 4	15	1.35%	£2,476,491	1.49%
> = 4 < 5	17	1.53%	£2,642,416	1.59%
> = 5 < 6	19	1.71%	£3,497,749	2.10%
> = 6 < 7	13	1.17%	£2,208,181	1.33%
> = 7 < 8	8	0.72%	£1,426,623	0.86%
> = 8 < 9	14	1.26%	£2,378,873	1.43%
> = 9	270	24.24%	£53,427,587	32.07%
Total	1,114	100%	£166,589,844	100%

Pool Performance

Annualised Foreclosure Frequency by % of original pool size
Cumulative Foreclosure Frequency by % of original pool size

This Period

Last Period

Since Issue

0.0657%	0.0000%	0.5088%
n/a	n/a	5.6394%
€291,874	€534,635	€32,105,373
0.0730%	0.1337%	8.0259%
56.2081%	101.2156%	0.0000%

* Unable to report "Since Issue" number accurately as incomplete details received from the Mortgage Manager

Pool Performance

Possessions

Balance @
No. of Loans

31-Dec-2017
Value

This Period
No. of Loans
Value

Balance @
No. of Loans

31-Jan-2018
Value

Repossessions

Properties in Possession 6 €1,492,980 1 €345,000 7 €1,837,980

Sold Repossessions

Total Sold Repossessions	128	€27,768,781	0	€0	128	€27,768,781
Losses on Sold Repossessions*	126	€25,205,289	0	€0	126	€25,205,289
Write-offs on Loans Redeemed at a Loss**	58	€6,870,909	4	€306,334	62	€7,177,243
Recoveries***	43	€262,720	2	€14,460	45	€277,180
Total Losses****	183	€31,813,499	4	€291,874	187	€32,105,373

* Losses at the time of repossession/write-off include costs that have not been paid in full and, as such, are estimates. In the event that the estimate falls short of the actual cost the additional shortfall is also recorded here once it crystallises.

** In some cases an account will be redeemed at a loss where there are grounds to believe that this will give a better monetary outcome than pursuing the case through repossession and sale. Such accounts are included in this line.

*** In some cases recoveries may be made on a case post repossession/writeoff.

**** This is the total of Losses on Sold Repossessions, Write-Offs on Loans Redeemed at a Loss, and Recoveries

Pool Performance

Mortgage Principal Analysis

This Period
No. of Loans
Value

Since Issue
No. of Loans
Value

Opening mortgage principal balance	@	31-Dec-2017	1,121	€167,559,214	2,862	€492,124,936
Prefunding principal balance				€0	190	€32,874,349
Unscheduled Prepayments			(7)	(€648,790)	(1,938)	(€338,107,440)
Unverified loans resold to originator				€0		€0
Substitutions *				€0		€0
Further advances/retentions released **				€0		€13,350,168
Scheduled Repayments				(€320,580)		(€33,652,168)
Closing mortgage principal balance	@	31-Jan-2018	1,114	€166,589,844	1,114	€166,589,844

Annualised CPR

4.5%

8.3%

* Substitutions limited to 10% of Original Deal size : £37,000,000

** Further Advances limited to 10% of Original Deal size : £37,000,000