Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

Interest Payment Date
16-Mar-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.

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Interest Payment Date	**16-Mar-2018**			**Report: 45**
Interest Payment Period from	**18-Dec-2017**	**to**	**16-Mar-2018**	
Determination Date	**13-Mar-2018**			
Record Date	**28-Feb-2018**			
No. days in Period	**88**			

Note Classes	Balance @ 18-Dec-17	Interest Paid in period	Interest Shortfall	Cumulative Interest Shortfall	Note Redemptions in period	Balance @ 16-Mar-18
A Note (A1)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
A1 Note Pool Factor	-					-
A Note (A2)	€ 121,292,850	€ 2,684	€ 0	€ 0	€ 2,743,440	€ 118,549,410
A2 Note Pool Factor	0.325400					0.318040
M1 Note principal	€ 15,750,000	€ 4,968	€ 0	€ 0	€ 0	€ 15,750,000
M1 Note Pool Factor	1.000000					1.000000
M2 Note principal	€ 11,800,000	€ 14,106	€ 0	€ 0	€ 0	€ 11,800,000
M2 Note Pool Factor	1.000000					1.000000
B Note principal	€ 19,700,000	€ 60,148	€ 0	€ 0	€ 0	€ 19,700,000
B Note Pool Factor	1.000000					1.000000

Optional Redemption at 20 per cent. of the A, M and B Notes initial aggregate Principal Amount Outstanding

Principal Deficiency Ledger (PDL)	Balance b/f 18-Dec-17	Principal losses *	Excess Spread Applied	Reserve Fund Applied	Balance c/f 16-Mar-18
A Principal Deficiency Ledger	€0	€0	€0	€0	€0
M1 Principal Deficiency Ledger	€0	€0	€0	€0	€0
M2 Principal Deficiency Ledger	€0	€0	€0	€0	€0
B Principal Deficiency Ledger	€0	€922,225	(€922,225)	€0	€0

*Losses are Realised at the point of sale

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C Notes	Face Value	Balance @ 18-Dec-2017	Charged in period	Top ups due to prefunding	Paid in period	Balance @ 16-Mar-2018
C Note Principal	€7,750,000	€ 0	n/a	€0	€0	€0
C Note Pool Factor		-	n/a	n/a	n/a	-
C Note Interest		€0	€0	n/a	€0	€0

Other Balances	Balance 18-Dec-2017	Top ups due to prefunding	Top ups in quarter	Paid / Released in quarter	Balance 16-Mar-2018
Reserve fund*	€4,569,802	€0	€0	€271,566	€4,841,368
Contingency Ledger	€150,000	n/a	n/a	€0	€150,000
Further Advances Ledger	€0	n/a	€0	€0	€0
Liquidity Facility**	€0	n/a	n/a	€0	€0
Deferred Consideration	€2,460,043	n/a	n/a	€0	€2,460,043

* maximum reserve fund €5,250,000
** original liquidity facility €36,750,000

Pool Performance Loans in arrears - 3 months and over per end of month reports as at:	30-Nov-2017	28-Feb-2018
Total number of loans in LMS2	1,125	1,111
- Total number of loans in arrears	364	358
- Average months payments overdue (by number of loans)	34.64	41.22
- Number of loans in arrears that made a payment equal to or greater than the subscription amount	29	36
- Number of loans in arrears that made a payment less than the subscription amount	136	132
- Number of loans in arrears that made no payment	199	190

Pool Performance Distribution of Loans Currently in Arrears	Mnths in Arrears	No. of Loans	% of Total	Current Principal Balance	% of Total
Months in arrears is calculated as Arrears Balance divided by	Current	698	62.83%	€89,414,965	53.93%
Current Monthly Instalment. Arrears Balance is the total	> = 1< 2	37	3.33%	€5,052,085	3.05%
payments due to date less total payments received, excluding	> = 2 < 3	18	1.62%	€2,967,846	1.79%
fees applied to the account.	> = 3 < 4	15	1.35%	€2,589,123	1.56%
	> = 4 < 5	15	1.35%	€2,086,432	1.26%
During April 2010 it was established that there was an error in	> = 5 < 6	19	1.71%	€3,426,306	2.07%
the calculation of arrears in prior months as a result of which	> = 6 < 7	11	0.99%	€1,852,824	1.12%
reported arrears were overstated. This error has been corrected.	> = 7< 8	13	1.17%	€2,563,765	1.55%
	> = 8 < 9	7	0.63%	€948,067	0.57%
Revised figures for prior quarters are available on request.	> = 9	278	25.02%	€54,894,140	33.11%
	Total	1,111	100.00%	€165,795,553	100.00%

Pool Performance	This Period	Last Period	Since Issue
Excess Spread after Principal Losses (€)	€271,566	€6,512	n/a
Excess Spread after Principal Losses (Annualised %)	0.1624%	0.0000%	n/a
Annualised Forclosure Frequency by % of original pool	0.2629%	0.1577%	0.5050%
Cumulative Forclosure Frequency by % of original pool	n/a	n/a	5.6394%
Gross Losses (Principal + Interest + Arrears + Fees - Mercs)	€937,165	€1,411,882	€32,216,030
Gross Losses (% of original deal)	0.1785%	0.2689%	6.1364%
Weighted Average Loss Severity *	81.3546%	58.8247%	0.0000%

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

Pool Performance Possessions	Balance @ No. of Loans	30-Nov-2017 Value	This Period No. of Loans	This Period Value	Balance @ No. of Loans	28-Feb-2018 Value
Repossessions						
Properties in Possession	7	€1,663,980	1	€345,000	7	€1,837,980
Sold Repossessions						
Total Sold Repossessions	127	€27,597,781	1	€171,000	128	€27,768,781
Losses on Sold Repossessions*	125	€25,041,343	1	€163,947	126	€25,205,289
Write-offs on Loans Redeemed at a Loss**	57	€6,485,761	6	€802,139	63	€7,287,900
Recoveries***	41	€248,260	4	€28,920	45	€277,180
Total Losses****	181	€31,278,864	7	€937,165	188	€32,216,030

* 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 crystalises.
** 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	This Period Value	Since Issue No. of Loans	Since Issue Value
Opening mortgage principal balance	@	30-Nov-2017	1,125	€168,537,287	2,862	€492,124,935
Prefunding principal balance				€0	190	€32,874,349
Unscheduled Prepayments			(14)	(€1,782,911)	(1,941)	(€338,577,982)
Loans resold to originator				€0		€0
Substitutions*				€0		€0
Further advances/retentions released **				€0		€13,350,168
Scheduled Repayments				(€958,823)		(€33,975,917)
Closing mortgage principal balance	@	28-Feb-2018	1,111	€165,795,553	1,111	€165,795,553
Annualised CPR				**4.3%**		**8.2%**

* Substitutions limited Breach of Reps and Warranties
** Further Advances limited to 15% of Original Deal size : €78,750,000

Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

Pro Rata Trigger

		Required	Current
Trigger Ratio (X/Y is less than P/2Q * see below)	Less than or equal to	5.06	2.57
90+ Days Arrears	Less than	15.00%	41.23%
Principal Deficiency Ledgers	Must be	€0	€0
Reserve Fund (Subject to Dynamic Reserve Fund)	Must be Target Reserve Fund	€5,250,000	€4,841,368
Liquidity Facility Drawn Amount	Must be	€0	€0
Pro Rata Trigger 'on' ?			N

X - Principal amount outstanding of the A Notes on the previous Determination date
Y - Principal amount outstanding of the M and B Notes on the previous Determination date
P - Principal amount outstanding of the A Notes on the Initial issue date
Q - Principal amount outstanding of the M and B Notes on the Initial issue date

Dynamic Reserve Fund

		Required	Current
Reserve Fund	Greater than or equal to	2.00%	2.92%
Principal Deficiency Ledgers	Must be	€0	€0
Liquidity Facility Drawn Amount	Must be	€0	€0
90+ Days Arrears	Less than	15.00%	41.23%
Foreclosures	Less than or equal to	1.75%	5.64%
Losses	Less than	0.90%	6.14%
Minimum Reserve Fund Required Amount :	Greater of	€2,625,000	€4,841,368
	&	2.00%	2.92%

Amortising Liquidity Facility

	Required	Current
Liquidity Facility as a proportion of Class A, M and B Notes	The liquidity Facility has been cancelled and the Liquidity Facility Agreement has been terminated as per the noteholder resolution on the 22-Jan-2015.	
Liquidity Facility Drawn Amount		
Minimum Liquidity Facility Amount		

Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

Priority of Payments	Actual Redemption Funds	€2,747,297
1	A1 Note Principal	€0
2	A2 Note Principal	€2,743,440
3	M1 Note Principal	€0
4	M2 Note Principal	€0
5	B Note Principal	€0
	n.b. Pro rata 'off'	Y
		€3,857

Priority of Payments	Available Revenue Funds	€1,643,907
1	Trustee Fees	€5,134
2	3rd Party Expenses	€170,396
3	Mortgage Administrator Fees	€152,496
3	Mortgage Manager Fees	€12,190
3	Cash Manager Fees	€11,573
3	Standby Cash Manager Fees	€7,500
3	Paying Agent Fees	€2,000
4	Liquidity Facility Fees	€0
5	A Note Interest	€2,684
5	X Note Interest	€0
5	Euribor Basis Swap	€6,921
5	Fixed Swap Costs	€0
6	Class A PDL	€0
7	M1 Note Interest	€4,968
8	Class M1 PDL	€0
9	M2 Note Interest	€14,106
10	Class M2 PDL	€0
11	B Note Interest	€60,148
12	Class B PDL	€922,225
15	Reserve Ledger	€271,566
16	Fixed Rate/Discount Collateral Ledger	€0
17	C Note Interest	€0
18	C Note Principal	€0
19	Hedge Subordinated Amounts	€0
20	Deferred Consideration	€0
		€0

Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

Issuer	
Name	Lansdowne Mortgage Securities 2 Plc
Pricing Date	29-Nov-2006
Issue Closing Date	6-Dec-2006
Address	1 Adelaide Court, Adelaide Road, Dublin 2
Web address	https://www.kensingtonmbs.com
Contact Email Address	cbaqueries@northviewgroup.com

Listing	
Stock Exchange	Dublin
Address	28 Anglesea Street, Dublin 2
Web address	http://www.ise.ie

Lead Manager(s)	
Name	Barclays Capital

Issuer Counsel as to English Law	
Name	White & Case
Web address	www.whitecase.com

Issuer Counsel	
Name	McCann FitzGerald
Web address	www.mccannfitzgerald.ie/

Lead Manager Counsel	
Name	Matheson Ormsby Prentice
Web address	www.mop.ie

Trustee	
Name	Link Asset Services
Web address	www.linkassetservices.com

Mortgage Administrator	
Name	Computershare Limited
Web address	www.computershare.com

Account Bank / GIC Provider	
Name	Barclays Bank
Web address	www.barclays.co.uk

Mortgage Manager	
Name	Start Mortgages Limited
Web address	www.start.ie

Cash Manager	
Name	Kensington Mortgages Limited
Web address	https://www.kensingtonmbs.com
Contact Email Address	cbaqueries@northviewgroup.com

Euribor Basis Swap Provider	
Name	Barclays Bank
Original Notional	€ 525,000,000
Current Notional	€ 165,795,553
Maturity	16-Sep-2048
Current Ratings (S&P/Fitch/Moodys)	A-1 / F1 / P-1
Ratings Trigger (S&P/Fitch/Moodys)	A-1 / F1 / P1

Liquidity Facility Provider	
Name	Barclays Bank
Original Facility Amount	€ 36,750,000
Amount Outstanding at Beginning of period	€ 0
Amount Undrawn at Beginning of period	€ 0
Drawings	€ 0
Repayment of Drawings	€ 0
Interest Accrued	€ 0
Amount outstanding at End of period	€ 0
Amount Undrawn at End of period	€ 0
Current Ratings (S&P/Fitch/Moodys)	A-1 / F1 / P-1
Ratings Trigger (S&P/Fitch/Moodys)	A-1+ / F1+ / P1

The Liquidity Facility has been cancelled and Agreement terminated as per the noteholder resolution on the 22-Jan-2015.

Interest Rate Swap Provider	
Name	Barclays Bank
Current Ratings (S&P/Fitch/Moodys)	A-1 / F1 / P-1
Ratings Trigger (S&P/Fitch/Moodys)	A-1 / F1 / P1

First Interest Rate Cap Provider	
Name	Barclays Bank
Current Ratings (S&P/Fitch/Moodys)	A-1 / F1 / P-1
Ratings Trigger (S&P/Fitch/Moodys)	A-1 / F1 / P1
Notional	€ 105,000,000
Strike Rate	7.00%
Maturity	5-Dec-2010
Net Receipts	€ 0

Paying Agent / Common Depositary	
Name	HSBC
Web address	www.hsbc.com

Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

Tranche	ISIN No.	Legal Maturity	Original Balance	Cumulative Principal Distributions	Original Face Value	Index Rate	Margin	Reference Rate	Coupon	Interest Calculation	Step Up / Call Option Date	Step Up Margin
A1	XS0277481718	Sep-2020	€ 105,000,000	€ 105,000,000	€ 50,000	3M Euribor	0.16%	-0.331000%	-0.171000%	Act/360	Mar-2014	0.16%
A2	XS0277482443	Sep-2048	€ 372,750,000	€ 254,200,590	€ 50,000	3M Euribor	0.34%	-0.331000%	0.009000%	Act/360	Mar-2014	0.34%
M1	XS0277482526	Sep-2048	€ 15,750,000	€ 0	€ 50,000	3M Euribor	0.46%	-0.331000%	0.129000%	Act/360	Mar-2014	0.46%
M2	XS0277482955	Sep-2048	€ 11,800,000	€ 0	€ 50,000	3M Euribor	0.82%	-0.331000%	0.489000%	Act/360	Mar-2014	0.82%
B	XS0277483417	Sep-2048	€ 19,700,000	€ 0	€ 50,000	3M Euribor	1.58%	-0.331000%	1.249000%	Act/360	Mar-2014	1.58%

					Ratings						Rating Watch		
					S&P		Moodys		Fitch				
Tranche	ISIN No.	Original WAL	Original Credit	Current Credit	Original	Current	Original	Current	Original	Current	S&P	Moodys	Fitch
A1	XS0277481718	1.05	10.00%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A2	XS0277482443	4.19	10.00%	31.42%	AAA	B-	Aaa	Caa2	AAA	CCC	n/a	n/a	n/a
M1	XS0277482526	5.26	7.00%	21.92%	AA	CCC	Aa3	C	AA	CC	n/a	n/a	n/a
M2	XS0277482955	5.26	4.75%	14.80%	A+	CCC	A2	C	A	CC	n/a	n/a	n/a
B	XS0277483417	5.26	1.00%	2.92%	BBB	CCC-	Baa2	C	BBB	CC	n/a	n/a	n/a