Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

Interest Payment Date
19-Mar-2019

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	**19-Mar-2019**			**Report: 49**
Interest Payment Period from	**17-Dec-2018**	**to**	**19-Mar-2019**	
Determination Date	**14-Mar-2019**			
Record Date	**28-Feb-2019**			
No. days in Period	**92**			

Note Classes	**Balance @ 17-Dec-18**	**Interest Paid in period**	**Interest Shortfall**	**Cumulative Interest Shortfall**	**Note Redemptions in period**	**Balance @ 19-Mar-19**
A Note (A1)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
A1 Note Pool Factor	-					-
A Note (A2)	€ 109,342,485	€ 8,126	€ 0	€ 0	€ 2,728,530	€ 106,613,955
A2 Note Pool Factor	0.293340					0.286020
M1 Note principal	€ 15,750,000	€ 5,998	€ 0	€ 0	€ 0	€ 15,750,000
M1 Note Pool Factor	1.000000					1.000000
M2 Note principal	€ 11,800,000	€ 15,349	€ 0	€ 0	€ 0	€ 11,800,000
M2 Note Pool Factor	1.000000					1.000000
B Note principal	€ 19,700,000	€ 63,887	€ 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 17-Dec-18**	**Principal losses ***	**Excess Spread Applied**	**Reserve Fund Applied**	**Balance c/f 19-Mar-19**
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	€305,894	(€305,894)	€0	€0

*Losses are Realised at the point of sale

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C Notes	Face Value	Balance @ 17-Dec-2018	Charged in period	Top ups due to prefunding	Paid in period	Balance @ 19-Mar-2019
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 17-Dec-2018	Top ups due to prefunding	Top ups in quarter	Paid / Released in quarter	Balance 19-Mar-2019
Reserve fund*	€5,250,000	€0	€0	€0	€5,250,000
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	€2,922,662	n/a	n/a	€522,694	€3,445,356

* 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-2018	28-Feb-2019
Total number of loans in LMS2	1,057	1,043
- Total number of loans in arrears	309	296
- Average months payments overdue (by number of loans)	46.57	39.70
- Number of loans in arrears that made a payment equal to or greater than the subscription amount	50	44
- Number of loans in arrears that made a payment less than the subscription amount	108	88
- Number of loans in arrears that made no payment	152	165

Pool Performance
Distribution of Loans Currently in Arrears

Months in arrears is calculated as Arrears Balance divided by Current Monthly Instalment. Arrears Balance is the total payments due to date less total payments received, excluding fees applied to the account.

During April 2010 it was established that there was an error in the calculation of arrears in prior months as a result of which reported arrears were overstated. This error has been corrected.

Revised figures for prior quarters are available on request.

Mnths in Arrears	No. of Loans	% of Total	Current Principal Balance	% of Total
Current	709	67.98%	€89,360,682	58.08%
> = 1< 2	27	2.59%	€3,806,566	2.47%
> = 2 < 3	11	1.05%	€2,013,069	1.31%
> = 3 < 4	14	1.34%	€2,383,831	1.55%
> = 4 < 5	4	0.38%	€764,580	0.50%
> = 5 < 6	5	0.48%	€1,259,701	0.82%
> = 6 < 7	3	0.29%	€608,249	0.40%
> = 7< 8	10	0.96%	€1,995,189	1.30%
> = 8 < 9	9	0.86%	€1,242,747	0.81%
> = 9	251	24.07%	€50,424,504	32.77%
Total	1,043	100.00%	€153,859,118	100.00%

Pool Performance	This Period	Last Period	Since Issue
Excess Spread after Principal Losses (€)	€522,694	€409,144	n/a
Excess Spread after Principal Losses (Annualised %)	1.3401%	1.0342%	n/a
Annualised Forclosure Frequency by % of original pool	0.0000%	0.0000%	0.4635%
Cumulative Forclosure Frequency by % of original pool	n/a	n/a	5.6394%
Gross Losses (Principal + Interest + Arrears + Fees - Mercs)	€258,629	€529,900	€34,801,348
Gross Losses (% of original deal)	0.0493%	0.1009%	6.6288%
Weighted Average Loss Severity *	27.2521%	68.4610%	0.0000%

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

Pool Performance Possessions	Balance @ 30-Nov-2018 No. of Loans	Balance @ 30-Nov-2018 Value	This Period No. of Loans	This Period Value	Balance @ 28-Feb-2019 No. of Loans	Balance @ 28-Feb-2019 Value
Repossessions						
Properties in Possession	5	€1,321,384	0	€0	5	€1,321,384
Sold Repossessions						
Total Sold Repossessions	130	€28,285,377	0	€0	130	€28,285,377
Losses on Sold Repossessions*	128	€25,629,662	0	€0	128	€25,629,662
Write-offs on Loans Redeemed at a Loss**	89	€9,264,859	5	€305,894	94	€9,570,753
Recoveries***	63	€351,821	9	€47,265	72	€399,086
Total Losses****	216	€34,542,719	5	€258,629	221	€34,801,348

* 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-2018	1,057	€156,586,755	2,862	€492,124,935
Prefunding principal balance				€0	190	€32,874,349
Unscheduled Prepayments			(14)	(€1,826,885)	(2,009)	(€346,657,067)
Loans resold to originator				€0		€0
Substitutions*				€0		€0
Further advances/retentions released **				€0		€13,350,168
Scheduled Repayments				(€900,752)		(€37,833,266)
Closing mortgage principal balance	@	28-Feb-2019	1,043	€153,859,118	1,043	€153,859,118
Annualised CPR				**4.5%**		**7.9%**

* 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	2.31
90+ Days Arrears	Less than	15.00%	38.14%
Principal Deficiency Ledgers	Must be	€0	€0
Reserve Fund (Subject to Dynamic Reserve Fund)	Must be Target Reserve Fund	€5,250,000	€5,250,000
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%	3.41%
Principal Deficiency Ledgers	Must be	€0	€0
Liquidity Facility Drawn Amount	Must be	€0	€0
90+ Days Arrears	Less than	15.00%	38.14%
Foreclosures	Less than or equal to	1.75%	5.64%
Losses	Less than	0.90%	6.63%
Minimum Reserve Fund Required Amount :	Greater of	€2,625,000	€5,250,000
	&	2.00%	3.41%

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	€2,733,367
1	A1 Note Principal	€0
2	A2 Note Principal	€2,728,530
3	M1 Note Principal	€0
4	M2 Note Principal	€0
5	B Note Principal	€0
	n.b. Pro rata 'off'	Y
		€4,837

Priority of Payments	Available Revenue Funds	€1,473,950
1	Trustee Fees	€564
2	3rd Party Expenses	€322,390
3	Mortgage Administrator Fees	€193,687
3	Mortgage Manager Fees	€11,841
3	Cash Manager Fees	€12,099
3	Standby Cash Manager Fees	€7,500
3	Paying Agent Fees	€0
4	Liquidity Facility Fees	€0
5	A Note Interest	€8,126
5	X Note Interest	€0
5	Euribor Basis Swap	€3,922
5	Fixed Swap Costs	€0
6	Class A PDL	€0
7	M1 Note Interest	€5,998
8	Class M1 PDL	€0
9	M2 Note Interest	€15,349
10	Class M2 PDL	€0
11	B Note Interest	€63,887
12	Class B PDL	€305,894
15	Reserve Ledger	€0
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	€522,694
		€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	€ 153,859,118
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%	-0.311000%	-0.151000%	Act/360	Mar-2014	0.16%
A2	XS0277482443	Sep-2048	€ 372,750,000	€ 266,136,045	€ 50,000	3M Euribor	0.34%	-0.311000%	0.029000%	Act/360	Mar-2014	0.34%
M1	XS0277482526	Sep-2048	€ 15,750,000	€ 0	€ 50,000	3M Euribor	0.46%	-0.311000%	0.149000%	Act/360	Mar-2014	0.46%
M2	XS0277482955	Sep-2048	€ 11,800,000	€ 0	€ 50,000	3M Euribor	0.82%	-0.311000%	0.509000%	Act/360	Mar-2014	0.82%
B	XS0277483417	Sep-2048	€ 19,700,000	€ 0	€ 50,000	3M Euribor	1.58%	-0.311000%	1.269000%	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%	34.12%	AAA	B-	Aaa	Caa2	AAA	B	n/a	n/a	n/a
M1	XS0277482526	5.26	7.00%	23.88%	AA	CCC	Aa3	C	AA	B-	n/a	n/a	n/a
M2	XS0277482955	5.26	4.75%	16.22%	A+	CCC	A2	C	A	CC	n/a	n/a	n/a
B	XS0277483417	5.26	1.00%	3.41%	BBB	CCC-	Baa2	C	BBB	CC	n/a	n/a	n/a