

Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

Interest Payment Date
16-Sep-2020

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-Sep-2020 **Report: 57**
Interest Payment Period from 16-Jun-2020 **to** 16-Sep-2020
Determination Date 11-Sep-2020
Record Date 31-Aug-2020
No. days in Period 92

Note Classes	Balance @ 16-Jun-20	Interest Paid in period	Interest Shortfall	Cumulative Interest Shortfall	Note Redemptions in period	Balance @ 16-Sep-20
A Note (A1) A1 Note Pool Factor	€ 0 -	€ 0	€ 0	€ 0	€ 0	€ 0 -
A Note (A2) A2 Note Pool Factor	€ 96,534,795 0.258980	€ 0	€ 0	€ 0	€ 2,012,850	€ 94,521,945 0.253580
M1 Note principal M1 Note Pool Factor	€ 15,750,000 1.000000	€ 3,783	€ 0	€ 0	€ 0	€ 15,750,000 1.000000
M2 Note principal M2 Note Pool Factor	€ 11,800,000 1.000000	€ 13,690	€ 0	€ 0	€ 0	€ 11,800,000 1.000000
B Note principal B Note Pool Factor	€ 19,700,000 1.000000	€ 61,117	€ 0	€ 0	€ 0	€ 19,700,000 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 16-Jun-20	Principal losses *	Excess Spread Applied	Reserve Fund Applied	Balance c/f 16-Sep-20
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	€757,991	(€757,991)	€0	€0

*Losses are Realised at the point of sale

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C Notes	Face Value	Balance @ 16-Jun-2020	Charged in period	Top ups due to prefunding	Paid in period	Balance @ 16-Sep-2020
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 16-Jun-2020	Top ups due to prefunding	Top ups in quarter	Paid / Released in quarter	Balance 16-Sep-2020
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	€4,995,161	n/a	n/a	€21,214	€5,016,376

* maximum reserve fund €5,250,000

** original liquidity facility €36,750,000

Pool Performance	31-May-2020	31-Aug-2020
Loans in arrears - 3 months and over per end of month reports as at:		
Total number of loans in LMS2	996	987
- Total number of loans in arrears	288	282
- Average months payments overdue (by number of loans)	88.20	74.63
- Number of loans in arrears that made a payment equal to or greater than the subscription amount	34	47
- Number of loans in arrears that made a payment less than the subscription amount	86	73
- Number of loans in arrears that made no payment	172	165

Pool Performance	Mnths in Arrears	No. of Loans	% of Total	Current Principal Balance	% of Total
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.	Current	672	68.09%	€83,909,310	59.18%
	> = 1 < 2	22	2.23%	€3,148,666	2.22%
	> = 2 < 3	11	1.11%	€1,906,087	1.34%
	> = 3 < 4	10	1.01%	€1,870,445	1.32%
	> = 4 < 5	10	1.01%	€1,062,153	0.75%
	> = 5 < 6	7	0.71%	€1,170,309	0.83%
	> = 6 < 7	6	0.61%	€838,745	0.59%
	> = 7 < 8	8	0.81%	€929,038	0.66%
	> = 8 < 9	7	0.71%	€1,232,848	0.87%
	> = 9	234	23.71%	€45,715,243	32.24%
Revised figures for prior quarters are available on request.					
	Total	987	100.00%	€141,782,843	100.00%

Pool Performance	This Period	Last Period	Since Issue
Excess Spread after Principal Losses (€)	€21,214	€9,268	n/a
Excess Spread after Principal Losses (Annualised %)	0.0149%	0.0064%	n/a
Annualised Forclosure Frequency by % of original pool	-0.0610%	0.4834%	0.4428%
Cumulative Forclosure Frequency by % of original pool	n/a	n/a	6.0522%
Gross Losses (Principal + Interest + Arrears + Fees - Mercs)	€843,411	€476,074	€37,592,967
Gross Losses (% of original deal)	0.1606%	0.0907%	7.1606%
Weighted Average Loss Severity *	65.0157%	74.8078%	0.0000%

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

Pool Performance	Balance @ No. of Loans	31-May-2020 Value	This Period No. of Loans	Value	Balance @ No. of Loans	31-Aug-2020 Value
Possessions						
<u>Repossessions</u>						
Properties in Possession	11	€2,672,986	(1)	(€80,000)	7	€1,965,469
<u>Sold Repossessions</u>						
Total Sold Repossessions	133	€29,180,777	3	€627,517	136	€29,808,294
Losses on Sold Repossessions*	131	€26,284,986	3	€511,524	134	€26,796,510
Write-offs on Loans Redeemed at a Loss**	108	€10,891,979	4	€334,411	112	€11,226,390
Recoveries***	80	€427,429	1	€2,525	81	€429,953
Total Losses****	238	€36,749,556	7	€843,411	245	€37,592,967

* 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	No. of Loans	This Period Value	Since Issue No. of Loans	Value
Mortgage Principal Analysis				
Opening mortgage principal balance	@ 31-May-2020	996	€143,789,536	€492,124,935
Prefunding principal balance			€0	€32,874,349
Unscheduled Prepayments		(9)	(€1,096,227)	(€352,810,657)
Loans resold to originator			€0	€0
Substitutions*			€0	€0
Further advances/retentions released **			€0	€13,350,168
Scheduled Repayments			(€910,466)	(€43,755,951)
Closing mortgage principal balance	@ 31-Aug-2020	987	€141,782,843	€141,782,843
Annualised CPR			3.0%	7.3%

* Substitutions limited Breach of Reps and Warranties

** Further Advances limited to 15% of Original Deal size : €78,750,000

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Pro Rata Trigger			
		Required	Current
Trigger Ratio (X/Y is less than P/2Q * see below)	Less than or equal to	5.06	2.04
90+ Days Arrears	Less than	15.00%	37.25%
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%	3.70%
Principal Deficiency Ledgers	Must be	€0	€0
Liquidity Facility Drawn Amount	Must be	€0	€0
90+ Days Arrears	Less than	15.00%	37.25%
Foreclosures	Less than or equal to	1.75%	6.05%
Losses	Less than	0.90%	7.16%
Minimum Reserve Fund Required Amount :	Greater of	€2,625,000	€5,250,000
	&	2.00%	3.70%

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		

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Priority of Payments	Actual Redemption Funds	€2,014,505
1	A1 Note Principal	€0
2	A2 Note Principal	€2,012,850
3	M1 Note Principal	€0
4	M2 Note Principal	€0
5	B Note Principal	€0
	n.b. Pro rata 'off'	Y
		€1,655

Priority of Payments	Available Revenue Funds	€1,216,055
1	Trustee Fees	€0
2	3rd Party Expenses	€156,271
3	Mortgage Administrator Fees	€136,831
3	Mortgage Manager Fees	€10,872
3	Cash Manager Fees	€12,099
3	Standby Cash Manager Fees	€0
3	Paying Agent Fees	€0
4	Liquidity Facility Fees	€0
5	A Note Interest	€0
5	X Note Interest	€0
5	Euribor Basis Swap	€42,185
5	Fixed Swap Costs	€0
6	Class A PDL	€0
7	M1 Note Interest	€3,783
8	Class M1 PDL	€0
9	M2 Note Interest	€13,690
10	Class M2 PDL	€0
11	B Note Interest	€61,117
12	Class B PDL	€757,991
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	€21,214
		€0

Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

Issuer		Listing	
Name	Lansdowne Mortgage Securities 2 Plc	Stock Exchange	Dublin
Pricing Date	29-Nov-2006	Address	28 Anglesea Street, Dublin 2
Issue Closing Date	6-Dec-2006	Web address	http://www.lse.ie
Address	1 Adelaide Court, Adelaide Road, Dublin 2		
Web address	https://www.kensingtonmbs.com		
Contact Email Address	chaqueries@kensingtonmortgages.co.uk		
Lead Manager(s)		Issuer Counsel as to English Law	
Name	Barclays Capital	Name	White & Case
		Web address	www.whitecase.com
Issuer Counsel		Lead Manager Counsel	
Name	McCann FitzGerald	Name	Matheson Ormsby Prentice
Web address	www.mccannfitzgerald.ie/	Web address	www.mop.ie
Trustee		Mortgage Administrator	
Name	Link Asset Services	Name	Computershare Limited
Web address	www.linkassetservices.com	Web address	www.computershare.com
Account Bank / GIC Provider		Mortgage Manager	
Name	Barclays Bank	Name	Start Mortgages Limited
Web address	www.barclays.co.uk	Web address	www.start.ie
Cash Manager		Euribor Basis Swap Provider	
Name	Kensington Mortgages Limited	Name	Barclays Bank
Web address	https://www.kensingtonmbs.com	Original Notional	€ 525,000,000
Contact Email Address	chaqueries@kensingtonmortgages.co.uk	Current Notional	€ 141,782,843
		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		Interest Rate Swap Provider	
Name	Barclays Bank	Name	Barclays Bank
Original Facility Amount	€ 36,750,000	Current Ratings (S&P/Fitch/Moodys)	A-1 / F1 / P-1
Amount Outstanding at Beginning of period	€ 0	Ratings Trigger (S&P/Fitch/Moodys)	A-1 / F1 / P1
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.		First Interest Rate Cap Provider	
Paying Agent / Common Depositary		Name	Barclays Bank
Name	HSBC	Current Ratings (S&P/Fitch/Moodys)	A-1 / F1 / P-1
Web address	www.hsbc.com	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

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%	-0.366000%	-0.206000%	Act/360	Mar-2014	0.16%
A2	XS0277482443	Sep-2048	€ 372,750,000	€ 278,228,055	€ 50,000	3M Euribor	0.34%	-0.366000%	-0.026000%	Act/360	Mar-2014	0.34%
M1	XS0277482526	Sep-2048	€ 15,750,000	€ 0	€ 50,000	3M Euribor	0.46%	-0.366000%	0.094000%	Act/360	Mar-2014	0.46%
M2	XS0277482955	Sep-2048	€ 11,800,000	€ 0	€ 50,000	3M Euribor	0.82%	-0.366000%	0.454000%	Act/360	Mar-2014	0.82%
B	XS0277483417	Sep-2048	€ 19,700,000	€ 0	€ 50,000	3M Euribor	1.58%	-0.366000%	1.214000%	Act/360	Mar-2014	1.58%

Tranche	ISIN No.	Original WAL	Original Credit	Current Credit	S&P		Ratings Moody's		Fitch		Rating Watch		
					Original	Current	Original	Current	Original	Current	S&P	Moody's	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%	37.03%	AAA	B-	Aaa	Caa2	AAA	B	n/a	n/a	n/a
M1	XS0277482526	5.26	7.00%	25.92%	AA	CCC	Aa3	C	AA	B-	n/a	n/a	n/a
M2	XS0277482955	5.26	4.75%	17.60%	A+	CCC	A2	C	A	CC	n/a	n/a	n/a
B	XS0277483417	5.26	1.00%	3.70%	BBB	CCC-	Baa2	C	BBB	CC	n/a	n/a	n/a