

## **Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report**

**Interest Payment Date**  
**18-Dec-2017**

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

**Interest Payment Date** 18-Dec-2017 **Report: 44**  
**Interest Payment Period from** 18-Sep-2017 **to** 18-Dec-2017  
**Determination Date** 13-Dec-2017  
**Record Date** 30-Nov-2017  
**No. days in Period** 91

| Note Classes                             | Balance @<br>18-Sep-17    | Interest Paid<br>in period | Interest<br>Shortfall | Cumulative Interest<br>Shortfall | Note Redemptions<br>in period | Balance @<br>18-Dec-17    |
|--|---------------------------|----------------------------|-----------------------|----------------------------------|-------------------------------|---------------------------|
| A Note (A1)<br>A1 Note Pool Factor       | € 0<br>-                  | € 0                        | € 0                   | € 0                              | € 0                           | € 0<br>-                  |
| A Note (A2)<br>A2 Note Pool Factor       | € 125,266,365<br>0.336060 | € 3,504                    | € 0                   | € 0                              | € 3,973,515                   | € 121,292,850<br>0.325400 |
| M1 Note principal<br>M1 Note Pool Factor | € 15,750,000<br>1.000000  | € 5,216                    | € 0                   | € 0                              | € 0                           | € 15,750,000<br>1.000000  |
| M2 Note principal<br>M2 Note Pool Factor | € 11,800,000<br>1.000000  | € 14,646                   | € 0                   | € 0                              | € 0                           | € 11,800,000<br>1.000000  |
| B Note principal<br>B Note Pool Factor   | € 19,700,000<br>1.000000  | € 62,295                   | € 0                   | € 0                              | € 0                           | € 19,700,000<br>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<br>18-Sep-17 | Principal<br>losses * | Excess Spread<br>Applied | Reserve Fund<br>Applied | Balance c/f<br>18-Dec-17 |
|-----------------------------------|--------------------------|-----------------------|--------------------------|-------------------------|--------------------------|
| 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                       | €1,341,666            | (€1,341,666)             | €0                      | €0                       |

\*Losses are Realised at the point of sale

## Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

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

| Other Balances          | Balance<br>18-Sep-2017 | Top ups due to<br>prefunding | Top ups in<br>quarter | Paid / Released in<br>quarter | Balance<br>18-Dec-2017 |
|-------------------------|------------------------|------------------------------|-----------------------|-------------------------------|------------------------|
| Reserve fund*           | €4,563,290             | €0                           | €0                    | €6,512                        | €4,569,802             |
| 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  | 31-Aug-2017 | 30-Nov-2017 |
|---|-------------|-------------|
| <b>Loans in arrears - 3 months and over per end of month reports as at:</b>                       |             |             |
| Total number of loans in LMS2   | 1,143       | 1,125       |
| - Total number of loans in arrears  | 448         | 364         |
| - Average months payments overdue (by number of loans)  | 59.00       | 34.64       |
| - Number of loans in arrears that made a payment equal to or greater than the subscription amount | 74          | 29          |
| - Number of loans in arrears that made a payment less than the subscription amount                | 169         | 136         |
| - Number of loans in arrears that made no payment   | 205         | 199         |

| Pool Performance   | Mnths in Arrears | No. of Loans | % of Total | Current Principal<br>Balance | % of Total |
|--|------------------|--------------|------------|------------------------------|------------|
| <b>Distribution of Loans Currently in Arrears</b>  |                  |              |            |                              |            |
| 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          | 704          | 62.58%     | €90,769,968                  | 53.86%     |
|  | > = 1 < 2        | 34           | 3.02%      | €5,263,070                   | 3.12%      |
|  | > = 2 < 3        | 23           | 2.04%      | €3,522,497                   | 2.09%      |
|  | > = 3 < 4        | 24           | 2.13%      | €3,864,065                   | 2.29%      |
|  | > = 4 < 5        | 26           | 2.31%      | €4,549,942                   | 2.70%      |
|  | > = 5 < 6        | 6            | 0.53%      | €757,911                     | 0.45%      |
|  | > = 6 < 7        | 17           | 1.51%      | €2,717,566                   | 1.61%      |
|  | > = 7 < 8        | 14           | 1.24%      | €2,579,610                   | 1.53%      |
|  | > = 8 < 9        | 15           | 1.33%      | €2,452,046                   | 1.45%      |
|  | > = 9            | 262          | 23.29%     | €52,060,612                  | 30.89%     |
| Revised figures for prior quarters are available on request.   |                  |              |            |                              |            |
|  | Total            | 1,125        | 100.00%    | €168,537,287                 | 100.00%    |

| Pool Performance   | This<br>Period | Last<br>Period | Since<br>Issue |
|--|----------------|----------------|----------------|
| Excess Spread after Principal Losses (€)                     | €6,512         | €0             | n/a            |
| Excess Spread after Principal Losses (Annualised %)          | 0.0000%        | 0.0000%        | n/a            |
| Annualised Forclosure Frequency by % of original pool        | 0.1577%        | 0.0000%        | 0.5106%        |
| Cumulative Forclosure Frequency by % of original pool        | n/a            | n/a            | 5.5737%        |
| Gross Losses (Principal + Interest + Arrears + Fees - Mercs) | €1,411,882     | €2,923,052     | €31,278,864    |
| Gross Losses (% of original deal)                            | 0.2689%        | 0.5568%        | 5.9579%        |
| Weighted Average Loss Severity *                             | 58.8247%       | 71.9637%       | 0.0000%        |

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

| Pool Performance                         | Balance @<br>No. of Loans | 31-Aug-2017<br>Value | This Period<br>No. of Loans | Value      | Balance @<br>No. of Loans | 30-Nov-2017<br>Value |
|--|---------------------------|----------------------|-----------------------------|------------|---------------------------|----------------------|
| <b>Possessions</b>                       |                           |                      |                             |            |                           |                      |
| <u>Repossessions</u>                     |                           |                      |                             |            |                           |                      |
| Properties in Possession                 | 10                        | €2,313,530           | 1                           | €207,000   | 7                         | €1,663,980           |
| <u>Sold Repossessions</u>                |                           |                      |                             |            |                           |                      |
| Total Sold Repossessions                 | 123                       | €26,741,231          | 4                           | €856,550   | 127                       | €27,597,781          |
| Losses on Sold Repossessions*            | 121                       | €24,551,878          | 4                           | €489,465   | 125                       | €25,041,343          |
| Write-offs on Loans Redeemed at a Loss** | 50                        | €5,538,991           | 7                           | €946,771   | 57                        | €6,485,761           |
| Recoveries***                            | 37                        | €223,907             | 4                           | €24,353    | 41                        | €248,260             |
| Total Losses****                         | 170                       | €29,866,982          | 11                          | €1,411,882 | 181                       | €31,278,864          |

\* 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<br>Value | Since Issue<br>Value |
|---|---------------|----------------------|----------------------|
| <b>Mortgage Principal Analysis</b>      |               |                      |                      |
| Opening mortgage principal balance      | @ 31-Aug-2017 | 1,143                | €172,513,751         |
| Prefunding principal balance            |               | €0                   | €32,874,349          |
| Unscheduled Prepayments                 | (18)          | (€3,092,661)         | (€336,795,071)       |
| Loans resold to originator              |               | €0                   | €0                   |
| Substitutions*                          |               | €0                   | €0                   |
| Further advances/retentions released ** |               | €0                   | €13,350,168          |
| Scheduled Repayments                    |               | (€883,803)           | (€33,017,094)        |
| Closing mortgage principal balance      | @ 30-Nov-2017 | 1,125                | €168,537,287         |
| <b>Annualised CPR</b>                   |               | <b>7.0%</b>          | <b>8.3%</b>          |

\* 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       | 2.65       |
| 90+ Days Arrears   | Less than                   | 15.00%     | 40.93%     |
| Principal Deficiency Ledgers   | Must be                     | €0         | €0         |
| Reserve Fund (Subject to Dynamic Reserve Fund)   | Must be Target Reserve Fund | €5,250,000 | €4,569,802 |
| 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<br>Y - Principal amount outstanding of the M and B Notes on the previous Determination date<br>P - Principal amount outstanding of the A Notes on the Initial issue date<br>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%      | 2.71%      |
| Principal Deficiency Ledgers           | Must be                  | €0         | €0         |
| Liquidity Facility Drawn Amount        | Must be                  | €0         | €0         |
| 90+ Days Arrears                       | Less than                | 15.00%     | 40.93%     |
| Foreclosures                           | Less than or equal to    | 1.75%      | 5.57%      |
| Losses                                 | Less than                | 0.90%      | 5.96%      |
| Minimum Reserve Fund Required Amount : | Greater of               | €2,625,000 | €4,569,802 |
|  | &                        | 2.00%      | 2.71%      |

| 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 | €3,979,078           |
|----------------------|-------------------------|----------------------|
| 1                    | A1 Note Principal       | €0                   |
| 2                    | A2 Note Principal       | €3,973,515           |
| 3                    | M1 Note Principal       | €0                   |
| 4                    | M2 Note Principal       | €0                   |
| 5                    | B Note Principal        | €0                   |
|                      | n.b. Pro rata 'off'     | Y                    |
|                      |                         | <u><u>€5,563</u></u> |

| Priority of Payments | Available Revenue Funds               | €1,753,601       |
|----------------------|---------------------------------------|------------------|
| 1                    | Trustee Fees                          | €12,823          |
| 2                    | 3rd Party Expenses                    | €120,772         |
| 3                    | Mortgage Administrator Fees           | €154,842         |
| 3                    | Mortgage Manager Fees                 | €12,903          |
| 3                    | Cash Manager Fees                     | €11,967          |
| 3                    | Standby Cash Manager Fees             | €0               |
| 3                    | Paying Agent Fees                     | €0               |
| 4                    | Liquidity Facility Fees               | €0               |
| 5                    | A Note Interest                       | €3,504           |
| 5                    | X Note Interest                       | €0               |
| 5                    | Euribor Basis Swap                    | €6,454           |
| 5                    | Fixed Swap Costs                      | €0               |
| 6                    | Class A PDL                           | €0               |
| 7                    | M1 Note Interest                      | €5,216           |
| 8                    | Class M1 PDL                          | €0               |
| 9                    | M2 Note Interest                      | €14,646          |
| 10                   | Class M2 PDL                          | €0               |
| 11                   | B Note Interest                       | €62,295          |
| 12                   | Class B PDL                           | €1,341,666       |
| 15                   | Reserve Ledger                        | €6,512           |
| 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               |
|                      |                                       | <u><u>€0</u></u> |

## Lansdowne Mortgage Securities 2 plc (LMS2) Investor Report

|   |  |   |  |
|---|--|---|--|
| <b>Issuer</b>   |  | <b>Listing</b>                          |  |
| 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                             | <a href="http://www.lse.ie">http://www.lse.ie</a>                |
| Address   | 1 Adelaide Court, Adelaide Road, Dublin 2                                      |   |  |
| Web address   | <a href="https://www.kensingtonmbs.com">https://www.kensingtonmbs.com</a>      |   |  |
| Contact Email Address   | <a href="mailto:cbquiries@northviewgroup.com">cbquiries@northviewgroup.com</a> |   |  |
| <b>Lead Manager(s)</b>  |  | <b>Issuer Counsel as to English Law</b> |  |
| Name  | Barclays Capital   | Name                                    | White & Case   |
|   |  | Web address                             | <a href="http://www.whitecase.com">www.whitecase.com</a>         |
| <b>Issuer Counsel</b>   |  | <b>Lead Manager Counsel</b>             |  |
| Name  | McCann Fitzgerald  | Name                                    | Matheson Ormsby Prentice   |
| Web address   | <a href="http://www.mccannfitzgerald.ie/">www.mccannfitzgerald.ie/</a>         | Web address                             | <a href="http://www.mop.ie">www.mop.ie</a>                       |
| <b>Trustee</b>  |  | <b>Mortgage Administrator</b>           |  |
| Name  | Link Asset Services  | Name                                    | Computershare Limited  |
| Web address   | <a href="http://www.linkassetservices.com">www.linkassetservices.com</a>       | Web address                             | <a href="http://www.computershare.com">www.computershare.com</a> |
| <b>Account Bank / GIC Provider</b>  |  | <b>Mortgage Manager</b>                 |  |
| Name  | Barclays Bank  | Name                                    | Start Mortgages Limited  |
| Web address   | <a href="http://www.barclays.co.uk">www.barclays.co.uk</a>                     | Web address                             | <a href="http://www.start.ie">www.start.ie</a>                   |
| <b>Cash Manager</b>   |  | <b>Euribor Basis Swap Provider</b>      |  |
| Name  | Kensington Mortgages Limited   | Name                                    | Barclays Bank  |
| Web address   | <a href="https://www.kensingtonmbs.com">https://www.kensingtonmbs.com</a>      | Original Notional                       | € 525,000,000  |
| Contact Email Address   | <a href="mailto:cbquiries@northviewgroup.com">cbquiries@northviewgroup.com</a> | Current Notional                        | € 168,537,287  |
|   |  | 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  |
| <b>Liquidity Facility Provider</b>  |  | <b>Interest Rate Swap Provider</b>      |  |
| 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. |  | <b>First Interest Rate Cap Provider</b> |  |
| <b>Paying Agent / Common Depositary</b>   |  | Name                                    | Barclays Bank  |
| Name  | HSBC   | Current Ratings (S&P/Fitch/Moodys)      | A-1 / F1 / P-1   |
| Web address   | <a href="http://www.hsbc.com">www.hsbc.com</a>                                 | 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%  | -0.329000%     | -0.169000% | Act/360              | Mar-2014                   | 0.16%          |
| A2      | XS0277482443 | Sep-2048       | € 372,750,000    | € 251,457,150                      | € 50,000            | 3M Euribor | 0.34%  | -0.329000%     | 0.011000%  | Act/360              | Mar-2014                   | 0.34%          |
| M1      | XS0277482526 | Sep-2048       | € 15,750,000     | € 0                                | € 50,000            | 3M Euribor | 0.46%  | -0.329000%     | 0.131000%  | Act/360              | Mar-2014                   | 0.46%          |
| M2      | XS0277482955 | Sep-2048       | € 11,800,000     | € 0                                | € 50,000            | 3M Euribor | 0.82%  | -0.329000%     | 0.491000%  | Act/360              | Mar-2014                   | 0.82%          |
| B       | XS0277483417 | Sep-2048       | € 19,700,000     | € 0                                | € 50,000            | 3M Euribor | 1.58%  | -0.329000%     | 1.251000%  | 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%          | 30.75%         | AAA      | B-      | Aaa             | Caa2    | AAA      | CCC     | n/a          | n/a     | n/a   |
| M1      | XS0277482526 | 5.26         | 7.00%           | 21.40%         | AA       | CCC     | Aa3             | C       | AA       | CC      | n/a          | n/a     | n/a   |
| M2      | XS0277482955 | 5.26         | 4.75%           | 14.40%         | A+       | CCC     | A2              | C       | A        | CC      | n/a          | n/a     | n/a   |
| B       | XS0277483417 | 5.26         | 1.00%           | 2.71%          | BBB      | CCC-    | Baa2            | C       | BBB      | CC      | n/a          | n/a     | n/a   |