

**Equity Release Funding (No. 1) plc**  
**Report for the immediately preceding interest period**

21-Feb-05

**Loans**

£

Outstanding Balance of Loans at Closing Date	214,240,314
Outstanding Balance of Loans @ start of immediately preceding calculation period	218,806,989
Accrued Interest @ start of Calculation Period	67,443,507

**Redemptions**

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,087,308	48,225,004
<u>Principal Balance of Loans redeemed by cause:-</u>		
Death	346,670	9,995,586.39
Borrower enters Long Term Care	231,200	1,824,406.50
Voluntary Repayment	1,935,005	37,229,504.50
Move to Lower Value Property	-	506,929.03
Substitution	425,567	1,331,422.42
	-	-
Number of Loans redeemed in the immediately preceding Calculation period	65	1,325
<u>Number of Loans redeemed by cause:-</u>		
Death	10	257
Borrower enters Long Term Care	5	46
Voluntary Repayment	53	1,048
Move to Lower Value Property	-	62
Substitution	3	26
	-	-
Redemption monies received	4,213,209.32	65,903,806.39

Equivalent Value Test this Calculation Period :-  
S&P model this Calculation Period :-

PASS
PASS

**Substitution**

Substituted in the immediately preceding Calculation Period (amount)	778,463
Substituted in the immediately preceding Calculation Period as a % of aggregate Outstanding Balance of the Loans @ Closing Date	0.36%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	1.56%

**Early Amortisation Test**

Aggregate Loan Amount (in respect of all Outstanding Loans, the Outstanding Balance as at the Closing Date and in respect of substitute Loans, the Outstanding Balance as at the Loan Entry date)

N/A - A1 notes O/S
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Weighted Averaged GIC Rate

N/A - A1 notes O/S
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**Outstanding Balance of Loans**

Number of loans	4,662
Outstanding Accrued Interest	70,361,946
Outstanding Gross Balance	219,638,120

At Calculation date  
for this report

**Product Breakdown by Loan O/S**

	At Closing	At Calculation date for this report
CAP %	20.4%	18.3%
Flexible %	79.6%	81.7%

Weighted Average Age of Borrowers @ Closing Date

72
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Weighted Average Age of borrowers - at Calculation date for this Quarterly report

76
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**Age of Borrowers:-**

Single Female	78
Single Male	78
Joint Borrowers by Age of Younger	74

**Properties Sold / repayments (case by case):-**

Time to Sale (where available - time from death/assessment to repayment)(Days)	N/A
Initial Valuation	N/A

Indexed Valuation (Initial Valuation + Hpi)	N/A
Sale Price (where available)	N/A
Gross Mortgage Outstandings	N/A
Shortfall	N/A
Loan Outstandings as a % of Sale Price	N/A
Claim Submitted to No Negative Equity	N/A
Claim Paid	N/A
Claim O/S	N/A

**For all Mortgages repaid to date:-**

**Weighted Average:-**

Time to Sale (where available - time from death/assessment to repayment)(Days)	210
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	N/A
Shortfall as % of Mortgage Outstandings	N/A

Properties in Possession	-
Reposessed	-
Sold	-
Number Carried Forward	-

Average Time from Possession to Sale	N/A
Average Shortfall at Sale	N/A

**Insurance**

No Negative Equity Claims made total	-
Claims Paid	-
Claims O/S	-
Claims not settled in full by number	-
Claims not settled in full by amount of shortfall	-
Average Time from Claim to Payment	N/A

Local Search Claims made (number)	-
Claims Paid	-
Claims O/S	-
Claims not settled in full by number	-
Claims not settled in full by amount of shortfall	-
Average Time from Claim to Payment	N/A

Contingent Building Insurance claims made (number)	-
Claims Paid	-
Claims O/S	-
Claims not settled in full by number	-
Claims not settled in full by amount of shortfall	-
Average Time from Claim to Payment	N/A

**Average Loan Outstanding**

<b>Weighted Average LTV</b>	£47,112
<b>Weighted Average Indexed LTV</b>	37.1%
	19.7%

**Weighted Average Interest Rate**

Cap	2.91%
Flexi	8.19%

**LTV Levels Breakdown (based on original valuation using P+I at date of report)**

0 - 29.99%	45,230,832
30 - 34.99%	51,586,306
35 - 39.99%	52,583,542
40 - 44.99%	29,459,090
45 - 49.99%	28,571,702
50 - 54.99%	4,475,397
55 - 59.99%	6,107,674
60 - 64.99%	1,623,577
65 - 69.99%	-
70 - 74.99%	-
75 - 79.99%	-
80 - 84.99%	-
85 - 89.99%	-
90 - 94.99%	-
95 - 99.99%	-

100% +

-

**LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)**

0 - 30%	211,341,660
30 - 35%	7,148,868
35 - 40%	650,625
40 - 45%	261,542
45 - 50%	235,425
50 - 55%	-
55 - 60%	-
60 - 65%	-
65 - 70%	-
70 - 75%	-
75 - 80%	-
80 - 85%	-
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

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**Liquidity Facility Ledger**

Initial Balance	£0
Last Calculation Period Closing Outstanding	£0
Available @ next IPD	£70,000,000
Amount to be drawn at next IPD	£0

**Liquidity Reserve Fund Ledger**

Initial Balance on Closing	£25,000,000
Outstanding as at the date of this Quarterly Report	£13,085,000
Accrued Interest to immediately succeeding interest payment date	£156,824
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£13,091,824
Amount to be drawn at next IPD	£156,824
Closing balance	£13,085,000

**Deficiency Ledger**

Opening Balance	£6,341
Losses this Quarter	
Closing Balance	£6,341

**Optional Guarantee Ledger**

Opening Balance on Closing Date	£1,500,000
Claims Submitted as at date of this Quarterly Report	£0
Claims Paid as at date of this Quarterly Report	£0
Claims Not recovered from NULAP this calculation period	£0
Total Claims not recovered from NULAP as at date of this Quarterly Report	£0

CCA Reserve	£500,000
UTCCR Reserve	£1,000,000

**Start-up Loan Outstanding**

Commitment Rate (Note LIBOR + .50%)	5.35%
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Initial Balance	£50,000
Outstanding as at date of this Quarterly Report	£59,509
Accrued Interest to immediately succeeding interest payment date	£821
Repayments Made	£0
Closing Balance	£60,330

Surplus after payment of all payments due in the Waterfall (a) to (h)

£0

**Replenishment Amount as recorded in Replenishment Ledger**

**Years 2001 to 2025**

The greater of :-

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ IPD)  
and

the amount (if any) necessary to maintain the Required Ratio of  
(a) the sum of the Aggregate Portfolio Amount and Adjusted Cash, and  
(b) the Principal Amount Outstanding of the Class A Notes  
(net of redemptions @ IPD)

N/A - A1 Notes O/S

**Years 2026 to 2030**

The greater of:-

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ IPD),

aggregate of all scheduled payments of interest and principal on the Class A Notes payable on the 4 immediately succeeding IPD's, and

the amount (if any) necessary to maintain the Required Ratio of  
(a) the sum of the Aggregate Portfolio Amount and Adjusted Cash, and  
(b) the Principal Amount Outstanding of the Class A Notes  
(net of redemptions @ IPD).

N/A

**Voluntary Repayment Rate**

5.11%

The "Voluntary Prepayments Rate" is the [annualised value of the ratio expressed as a percentage] calculated by dividing:-

- (x) the aggregate of the initial outstanding balances of the Loans prepaid up to the relevant Calculation Date by
- (y) the aggregate of the initial outstanding balances of all Loans in the Portfolio on the Closing Date.

**Deferred Consideration released to Originator**

Deferred Consideration paid to Originator prior to the date of this Quarterly Report date  
Deferred Consideration paid to Originator during the calculation period  
Total Deferred Consideration paid to Originator.

£0

£0

£0

Moody's Current Rating

**A1**

Aaa

**A2**

Aaa

S&P Current Rating

AAA

AAA

Initial Note Balance

35,000,000.00

197,000,000.00

Note Principal @ start of period

11,192,650.00

197,000,000.00

Note Redemptions @ IPD

1,690,500.00

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Outstanding Note Principal

9,502,150.00

197,000,000.00

Note Interest Margins

LIBOR + 0.45%

Fixed Rate (5.70%)

Step Up Dates

28-Feb-11

N/A

Step Up Margins

LIBOR + 2.50%

N/A

Interest Payment Cycle

Quarterly

Interest Payment Date

26th or Next Business Day

Next Interest Payment Date

26-May-2005

Pool Factor

0.271490