

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

20-Feb-12

**Loans**

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Outstanding Balance of Loans at Closing Date	214,240,314
Outstanding Balance of Loans @ start of immediately preceding calculation period	224,470,696
Accrued Interest @ start of Calculation Period	122,249,014

**Redemptions**

In Quarter

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation period	1,990,658	97,253,055
Principal Balance of Loans redeemed by cause:-		
Death	1,108,568	34,003,993
Borrower enters Long Term Care	609,063	8,516,284
Voluntary Repayment	249,501	71,570,140
Move to Lower Value Property	23,526	1,117,517
Substitution	-	17,954,878
Number of Loans redeemed in the immediately preceding Calculation period	60	2,836
Number of Loans redeemed by cause:-		
Death	33	936
Borrower enters Long Term Care	18	226
Voluntary Repayment	9	2,014
Move to Lower Value Property	2	122
Substitution	-	340
Redemption monies received	4,576,203	185,939,133
Equivalent Value Test this Calculation Period :-	N/A	
S&P model this Calculation Period :-	N/A	

**Substitution**

Substituted in the immediately preceding Calculation Period (amount)	-
Substituted in the immediately preceding Calculation Period as a % of aggregate	0.00%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	12.48%

**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 as after Year 10 IPD
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Weighted Averaged GIC Rate	N/A as after Year 10 IPD
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**Outstanding Balance of Loans**

Outstanding number of loans	3,151
Outstanding Accrued Interest	123,916,188
Outstanding Gross Balance	224,147,212

At Calculation date for this report

**Product Breakdown by Loan O/S**

At Closing

CAP %	20.4%	14.5%
Flexible %	79.6%	85.5%

Weighted Average Age of Borrowers @ Closing Date	72
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	81

**Age of Borrowers:-**

Single Female	83
Single Male	82
Joint Borrowers by Age of Younger	80

**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)	208
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	N/A
Shortfall as % of Mortgage Outstandings	N/A

**Properties in Possession**

Reposessed	2
Sold	2
Number Carried Forward	-

Average Time from Possession to Sale	210
Average Shortfall at Sale	-

**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	71,135
Weighted Average LTV	52.1%
Weighted Average Indexed LTV	32.9%

**Weighted Average Interest Rate**

Cap	2.91%
Flexi	7.88%

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

0 - 29.99%	31,100,623
30 - 34.99%	18,636,266
35 - 39.99%	19,098,335
40 - 44.99%	20,264,046
45 - 49.99%	16,504,155
50 - 54.99%	7,747,520
55 - 59.99%	28,897,989
60 - 64.99%	10,793,328
65 - 69.99%	43,054,206
70 - 74.99%	8,155,454
75 - 79.99%	1,108,355
80 - 84.99%	8,896,583
85 - 89.99%	7,458,210
90 - 94.99%	-
95 - 99.99%	1,062,741
100% +	1,369,421

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

0 - 30%	73,482,921
30 - 35%	60,037,825
35 - 40%	39,513,286
40 - 45%	17,033,349
45 - 50%	20,193,108
50 - 55%	7,048,619
55 - 60%	2,473,003
60 - 65%	2,096,176
65 - 70%	857,667
70 - 75%	987,791
75 - 80%	243,950
80 - 85%	179,516
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

**Equity Release Funding (No.1) plc**

Name of Issuer	Equity Release Funding (No.1) plc	
Date of Issue	36,980	
	<b>A1</b>	<b>A2</b>
Moody's Current Rating	Aaa	Aaa
S&P Current Rating	AAA	A+
Initial Note Balance	35,000,000	197,000,000.00
Note Principal @ start of period	-	197,000,000.00
Note Redemptions @ IPD	-	-
Outstanding Note Principal	-	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	28-May-2012	
Pool Factor	-	

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**Liquidity Facility Ledger**

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

**Liquidity Reserve Fund Ledger**

Initial Balance on Closing	17,500,000
Outstanding as at the date of this Quarterly Report	850,000
Accrued Interest to immediately succeeding interest payment date	1,806
Less Mortgage Registration Reserve	150,000
Available Liquidity Reserve Fund	701,806
Amount to be drawn at next IPD	-
Closing balance	150,000

**Deficiency Ledger**

Opening Balance	-	93
Losses this Quarter	-	-
Closing Balance	-	93

**Optional Guarantee Ledger**

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

CCA Reserve	-
UTCRR Reserve	1,000,000

**Start-up Loan Outstanding**

Commitment Rate (Note LIBOR + .50%)	1.53%
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Initial Balance	50,000
Outstanding as at date of this Quarterly Report	79,792
Accrued Interest to immediately succeeding interest payment date	312
Repayments Made	-
Closing Balance	80,104

**M Note Balance Outstanding**

Initial balance	12,500,000
Outstanding as at date of this Quarterly Report	32,270,617
Accrued Interest to immediately succeeding interest payment date	726,089
Repayments Made	-
Closing Balance	32,996,706

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

22,992,568

**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)

23,825,000

**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**

2.78%

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