As used in this report, "Quarter" means the period from (and including) the Calculation Date
immediately preceding the Calculation Date as at which this report is prepared to
(but excluding) the Calculation Date as at which this report is prepared, save that the first Quarter
shall mean the period from and including the Closing Date to but excluding the Calculation Date as at which the first report is prepared.
Loans £

| Outstanding Balance of Loans at Closing Date | $404,247,009$ |
| :--- | ---: | ---: |
| Outstanding Balance of Loans @ start of this Quarter | $440,057,329$ |
| Accrued Interest @ start of Calculation Period | $101,200,989$ |

Redemptions
Principal Balance of Loans redeemed in the immediately preceding Calculation period
Principal Balance of Loans redeemed by cause:-
Death
Borrower enters Long Term Care
Voluntary Repayment
Move to Lower Value Property
Substitutions
4,220,093

| $1,361,521$ |
| ---: |
| 257,176 |
| $2,485,380$ |
| 116,016 |

Number of Loans redeemed in the immediately preceding Calculation period


Number
Borrower enters Long Term Care
Voluntary Repayment
Move to Lower Value Property
Substitutions


5,633,559.58

| $14,533,162$ |
| ---: |
| $2,160,211$ |
| $30,446,586$ |
| 898,625 |
| 832,340 |

1,085

| 287 <br> 42 <br> 784 <br> 71 <br> 28 <br> $60,086,817$ |
| ---: |

Outstanding Balance of Loans
Outstanding Accrued Interest
Outstanding Gross Balance
Outstanding number of loans
108,879,712
443,515,959

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


## Repayment Rate



The "Repayments 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 repaid 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

Substitutions
Substituted in this Quarter ( $\mathrm{O} / \mathrm{S}$ amount @ Closing Date)
Substituted in this Quarter as a \% of aggregate Outstanding Balance of the Loans @ Closing Date
Substituted to date as a \% of aggregate Outstanding Balance of the Loans @ Closing Date

$\qquad$

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)

Weighted Averaged GIC Rate

Product Breakdown by Loan O/S
At Closing
ILCRP \%
FCRP \%


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

## Age of Borrowers:-

Single Female
Single Male
Joint Borrowers by Age of Younger


Properties Sold / repayments (case by case):-
Time to Sale (where available - time from death/assessment to repayment)
Initial Valuation
Indexed Valuation (Initial Valuation +Hpi )
Sale Price (where available)
Gross Mortgage Outstandings
Shortfall
Loan Outstandings as a \% of Sale Price
Claim Submitted to No Negative Equity
Claim Paid
Claim O/S

| N/A |
| :--- |
| N/A |
| N/A |
| N/A |
| N/A |
| N/A |
| N/A |
| N/A |
| N/A |
| N/A |

For all Mortgages repaid to the Calculation Date for this Quarterly Report:
Weighted Average:
Time to Sale (where available - time from death/assessment to repayment)
Sale Price as \% of Indexed Valuation (Initial Valuation + Hpi) (where available) Shortfall as \% of Mortgage Outstandings


Properties in Possession


## Optional Guarantee Ledger

Opening Balance on Closing
Claims Submitted as at the 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 $\square$

Surplus after payment of all payments set out paragraphs (a) to (k) of the Pre-Enforcemen $\qquad$ Priority of Payments (Excess Available Receipts)

Replenishment Amount as recorded in Replenishment Ledger

| Excess Available Receipts | N/A - A1 Notes O/S |
| :--- | :--- |
| Years 2003 to 2028 | N/A - A1 Notes O/S |
| The greater of :- |  |

The greater of :-
N/A - A1 Notes O/S
$10 \%$ of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ Interest Payment
Dae)
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 Notes (net of redemptions @ Interest Payment Date)

## Years 2028 onward <br> The greater of:-

N/A
$10 \%$ of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ Interest Payment Date),
aggregate of all scheduled payments of interest and principal on the Notes which are 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 Notes (net of redemptions @ Interest Payment Date)

Voluntary Repayment Rate (Replenishment Amount)


Annualised value of the ratio expressed as a percentage calculated by dividing
(x) the aggregate of the Outstanding Balance as at the Closing Date of all Loans prepaid up to the
relevant Calculation Date by
(y) the aggregate Outstanding Balance of all Loans on the Closing Date.

Class B Notes Payment Test
Asset / Liabilty Ratio @ next IPD
Class B Notes Required Ratio @ next IPD
Pass / Fail

Prior to Year 10 IPD
Prior to Year 10 IPD
Deemed Pass

Substitution Voluntary Repayment Rate
Aggregate Outstanding Balance (as at the Closing Date or Loan Entry Date) of all Loans prepaid up
the Substitution Date /
Aggregate Outstanding Balance (as at the Closing Date or Loan Entry Date) of all Loans

Subordinated Loan Ledger
Opening Balance on Closing Date
Opening Balance at start of Quarter
Payments this Quarter
Interest Accrued this Quarter
Closing Balance

## Indexation Ledger (April and October IPD's only)

Class A3 Note Interest Amount / principal due on next IPD (prior to adjustment)
Limited Index Factor to be applied on next IPD
Class A3 Note Interest Amount / principal post adjustment due on next IPD


Deferred Consideration released to Originato
Deferred Consideration paid to Originator prior to the date of this Quarterly Report date
Deferred Consideration paid to Originator during the Quarter
Total Deferred Consideration paid to Originator. $\square$
Equity Release Funding (No.3) plc

Name of Issuer

Date of Issue

Moody's Current Rating
S\&P Current Rating
Initial Note Balance
Note Principal @ start of period
Note Redemptions @ IPD
Outstanding Note Principal

Note Interest Margins
Step Up Dates
Step Up Rate
Interest Payment Cycle

Interest Payment Date
Next Interest Payment Date

Equity Release Funding
(No.3) plc
27-Jun-2003

| $\begin{aligned} & \frac{\mathrm{A} 1}{\mathrm{Aaa}} \\ & \text { AAA } \end{aligned}$ | $\begin{aligned} & \frac{\mathrm{A} 2}{\mathrm{Aaa}} \\ & \mathrm{AAA} \end{aligned}$ | $\begin{aligned} & \frac{\mathrm{A} 3}{\mathrm{Aaa}} \\ & \mathrm{AAA} \end{aligned}$ | $\begin{gathered} \text { B } \\ \text { Aa3 } \\ \text { AA } \end{gathered}$ |
| :---: | :---: | :---: | :---: |
| 60,000,000.00 | 310,000,000.00 | 50,000,000.00 | 42,000,000.00 |
| 55,086,000.00 | 310,000,000.00 | 50,000,000.00 | 42,000,000.00 |
| 738,000.00 | -0, - | - | - |
| 54,348,000.00 | 310,000,000.00 | 50,000,000.00 | 42,000,000.00 |


| $\begin{aligned} & \hline \text { LIBOR + 0.52\% } \\ & \text { IPD Apr 2013 } \\ & \text { LIBOR + } 1.50 \% \end{aligned}$ | Fixed Rate (5.05\%) N/A N/A | Fixed Rate (2.45\%) <br> N/A <br> N/A | $\begin{aligned} & \hline \text { LIBOR + 1.4\% } \\ & \text { IPD Apr 2010 } \\ & \text { LIBOR + 3.5\% } \\ & \hline \end{aligned}$ |
| :---: | :---: | :---: | :---: |
| Quarterly <br> 26th Jan, Apr, Jul \& Oct or Next Business Day 26 -Oct-2006 | $\|$Quarterly <br> 26th Jan, Apr, Jul \& Oct or <br> Next Business Day <br> 26-Oct-2006 | Semi Annually 26th Apr \& Oct or Next Business Day 26-Oct-2006 | Quarterly 26th Jan, Apr, Jul \& Oct or Next Business Day 26-Oct-2006 |

