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SHIP HALF YEAR RESULTS TO 30 JUNE 2004

The eighteen members of UK equity release industry body, SHIP (Safe Home Income Plans), that represent 90% of the Equity Release sector, today report new business figures for the six months to 30 June 2004. The results reflect a continued strong performance by the sector in a year of regulatory change that is requiring enormous preparatory effort by product providers.

As expected, the value of new business written to 30 June 2004 was slightly lower than for the same period in 2003; 2004 H1: £503.7 million, (2003 H1: £582.2 million). Business written was slightly higher in Quarter 2 from Quarter 1, (2004 Q1: £243 million, 2004 Q2 £260 million).

Jon King, Chairman of SHIP said:

“The value of business written by SHIP members is on track to come close to last year’s exceptional total of £1.1 billion. This is a very strong performance by the sector considering the degree to which providers are having to focus their attention on preparations for regulatory change in October, and shows that Equity Release has become firmly established as an important mainstream product.

“Once regulatory change has taken place, indications are that Equity Release new business growth will resume strongly.”

Ends

For further information, please contact:

Laura O’Connell
The Wriglesworth Consultancy
Phone: 0207 845 7900

Jon King
SHIP Chairman
Phone: 02920 371725

Notes to Editors:

SHIP new business figures:

Year	Total SHIP £m
2004 H1	503.7
2003 H2	578.8
2003 H1	582.2
2002 FY	852
2001 FY	572

About SHIP:

Safe Home Income Plans (SHIP) is the UK's leading professional body for equity release product providers, representing the interests of its 18 members who provide home income and equity release plans. At present, 90% of the equity release market (in volume terms) is represented by SHIP members.

In 1991 SHIP was launched to promote safe schemes. The founder members were Allchurches Life, Hodge Equity Release, Home & Capital Trust and GE Life. SHIP's current 18 members are: Abbey, AMP, BPT Bridgewater, Ecclesiastical Life, GE Life, Hodge Equity Release, Home & Capital Trust, Key Retirement Solutions, Legal & General, Mortgage Express, National Counties Building Society, New Life Mortgages, Northern Rock, Norwich Union, Portman Building Society, Prudential, Standard Life, Stroud and Swindon Building Society.

Since 1991 SHIP has enabled the home income plan market to expand successfully and safely. Surveys carried out by member firms point to over 98% of plan holders being happy with their plans.

SHIP is dedicated entirely to the protection of planholders and promotion of safe home income and equity release plans. SHIP's aim is to reassure the general public that by appointing a SHIP member to represent them they will receive in return the highest level of integrity and service, combined with a fair, straightforward full presentation of their plans. Each SHIP member, is bound by a

vigorously enforced Code of Practice and adheres to professional Rules of Conduct. This code has been welcomed by Age Concern. Any scheme endorsed with the SHIP logo will be properly explained and safe. A SHIP plan guarantees that you cannot lose your home – whatever happens to the stock market or interest rates.

SHIP has played a vital role in the development of a safe equity release market in the UK to date and is best placed and committed to leading the market and protecting consumers interests going forward.

From 31 October, Lifetime Mortgages will be regulated by the FSA along with all other mortgages. However, FSA regulation will not cover product design, thus the SHIP Code will remain as valid as ever in providing comprehensive consumer protection.

SHIP welcomed the Government's decision (10th May) to regulate home reversion schemes, which will mean that all equity release products will be offered with the same market framework and consumer protection. The decision followed a lengthy consultation process, during which SHIP had argued for Government adoption of regulation on home reversion schemes as vital to ensure that consumers benefit from a fair choice of products and prevent unauthorised providers from entering the market.