

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

19-May-06

Loans

£

| | |
|--|-------------|
| Outstanding Balance of Loans at Closing Date | 214,240,314 |
| Outstanding Balance of Loans @ start of immediately preceding calculation period | 223,435,057 |
| Accrued Interest @ start of Calculation Period | 73,274,255 |

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period
Principal Balance of Loans redeemed by cause:-

| | |
|--------------------------------|-----------|
| Death | 1,199,503 |
| Borrower enters Long Term Care | - |
| Voluntary Repayment | 1,449,186 |
| Move to Lower Value Property | 35,100 |
| Substitution | 4,195,495 |

Since Inception

| |
|------------|
| 45,525,670 |
| 13,844,218 |
| 2,329,937 |
| 46,970,988 |
| 638,136 |
| 17,954,609 |

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

| | |
|--------------------------------|----|
| Death | 28 |
| Borrower enters Long Term Care | - |
| Voluntary Repayment | 47 |
| Move to Lower Value Property | 3 |
| Substitution | 40 |

1,411

| |
|-------|
| 361 |
| 61 |
| 1,330 |
| 73 |
| 341 |

Redemption monies received

4,155,912

88,398,485.85

Equivalent Value Test this Calculation Period :-

PASS

S&P model this Calculation Period :-

PASS

Substitution

Substituted in the immediately preceding Calculation Period (amount)

4,922,598

Substituted in the immediately preceding Calculation Period as a % of aggregate Outstanding Balance of the Loans @ Closing Date

2.30%

Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date

10.25%

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 Scheduled Payments outstanding

Weighted Averaged GIC Rate

N/A as Scheduled Payments outstanding

Outstanding Balance of Loans

| | |
|------------------------------|-------------|
| Number of loans | 4,575 |
| Outstanding Accrued Interest | 73,625,664 |
| Outstanding Gross Balance | 225,296,171 |

Product Breakdown by Loan O/S

At Closing

| | |
|------------|-------|
| CAP % | 20.4% |
| Flexible % | 79.6% |

At Calculation date
for this report

| |
|-------|
| 17.4% |
| 82.6% |

Weighted Average Age of Borrowers @ Closing Date

72

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

77

Age of Borrowers:-

| | |
|-----------------------------------|----|
| Single Female | 79 |
| Single Male | 78 |
| Joint Borrowers by Age of Younger | 75 |

Properties Sold / repayments (case by case):-

Time to Sale (where available - time from death/assessment to repayment)(Days)

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)

242

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

£49,246

Weighted Average LTV

38.6%

Weighted Average Indexed LTV

21.4%

Weighted Average Interest Rate

Cap

2.91%

Flexi

7.93%

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

| | |
|-------------|------------|
| 0 - 29.99% | 60,507,550 |
| 30 - 34.99% | 14,288,060 |
| 35 - 39.99% | 40,952,228 |
| 40 - 44.99% | 45,082,157 |
| 45 - 49.99% | 26,949,586 |
| 50 - 54.99% | 26,180,764 |
| 55 - 59.99% | 4,209,139 |
| 60 - 64.99% | 7,128,686 |
| 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%
30 - 35%
35 - 40%
40 - 45%
45 - 50%
50 - 55%
55 - 60%
60 - 65%
65 - 70%
70 - 75%
75 - 80%
80 - 85%
85 - 90%
90 - 95%
95 - 100%
100% +

| | |
|--|-------------|
| | 211,200,502 |
| | 11,497,349 |
| | 1,621,155 |
| | 702,968 |
| | 276,197 |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |

Equity Release Funding (No.1) plc

Name of Issuer
Date of Issue

Equity Release Funding (No.1) plc
30-Mar-2001

Moody's Current Rating
S&P Current Rating

A1
Aaa
AAA

A2
Aaa
AAA

Initial Note Balance
Note Principal @ start of period
Note Redemptions @ IPD
Outstanding Note Principal

| | |
|---------------|----------------|
| 35,000,000.00 | 197,000,000.00 |
| 1,511,650.00 | 197,000,000.00 |
| 1,511,650.00 | - |
| - | 197,000,000.00 |

Note Interest Margins
Step Up Dates
Step Up Margins

Fixed Rate (5.70%)
N/A
N/A

Interest Payment Cycle
Interest Payment Date
Next Interest Payment Date

Quarterly
26th or Next Business Day
29-Aug-2006

Pool Factor

| |
|---|
| - |
|---|

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Liquidity Facility Ledger

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

| |
|-------------|
| £0 |
| £0 |
| £70,000,000 |
| £0 |

Liquidity Reserve Fund Ledger

Initial Balance on Closing
Outstanding as at the date of this Quarterly Report
Accrued Interest to immediately succeeding interest payment date

| |
|-------------|
| £25,000,000 |
| £13,085,000 |
| £138,059 |

Less Mortgage Registration Reserve

£150,000

Available Liquidity Reserve Fund
Amount to be drawn at next IPD
Closing balance

£13,073,059
£138,059
£13,085,000

Deficiency Ledger

Opening Balance
Losses this Quarter
Closing Balance

| | |
|---|-------|
| £ | 6,461 |
| £ | 0 |
| £ | 6,461 |

Optional Guarantee Ledger

Opening Balance on Closing Date
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

| |
|------------|
| £1,500,000 |
| £0 |
| £0 |
| £0 |
| £0 |

CCA Reserve
UTCRR Reserve

| |
|------------|
| £0 |
| £1,000,000 |

Start-up Loan Outstanding

Commitment Rate (Note LIBOR + .50%)

5.08%

Initial Balance
Outstanding as at date of this Quarterly Report
Accrued Interest to immediately succeeding interest payment date
Repayments Made
Closing Balance

| |
|---------|
| £50,000 |
| £63,553 |
| £778 |
| £0 |
| £64,331 |

M Note Balance Outstanding

Initial Balance
Outstanding as at date of this Quarterly Report
Accrued Interest to immediately succeeding interest payment date
Repayments Made
Closing Balance

| | |
|---|------------|
| £ | 12,500,000 |
| £ | 19,344,209 |
| £ | 435,245 |
| £ | 19,779,454 |

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)

| |
|--------------------------------|
| A1 notes redeemed |
| Swap agreements terminated |
| Scheduled Payments outstanding |

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

| |
|-------|
| 5.09% |
|-------|

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 |