

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

21-Aug-06

Loans

£

Outstanding Balance of Loans at Closing Date	214,240,314
Outstanding Balance of Loans @ start of immediately preceding calculation period	225,298,171
Accrued Interest @ start of Calculation Period	73,625,664

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period	3,435,758
Principal Balance of Loans redeemed by cause:-	
Death	913,400
Borrower enters Long Term Care	261,228
Voluntary Repayment	2,263,020
Move to Lower Value Property	-
Substitution	1,890
	-

Since Inception

49,264,428
14,757,618
2,591,165
49,234,008
638,136
17,956,499

Number of Loans redeemed in the immediately preceding Calculation period	87
Number of Loans redeemed by cause:-	
Death	21
Borrower enters Long Term Care	7
Voluntary Repayment	60
Move to Lower Value Property	-
Substitution	1
	-

1,498
382
68
1,390
73
342

Redemption monies received	6,171,432
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94,569,918

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

Substitution

Substituted in the immediately preceding Calculation Period (amount)	36,920
Substituted in the immediately preceding Calculation Period as a % of aggregate Outstanding Balance of the Loans @ Closing Date	0.02%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	12.56%

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 as Scheduled Payments outstanding
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Weighted Averaged GIC Rate	N/A as Scheduled Payments outstanding
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Outstanding Balance of Loans

Number of loans	4,488
Outstanding Accrued Interest	75,716,038
Outstanding Gross Balance	223,952,787

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	80
Single Male	79
Joint Borrowers by Age of Younger	76

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)	249
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	N/A
Shortfall as % of Mortgage Outstandings	N/A

Properties in Possession	-
Repossessed	-
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	£49,900
Weighted Average LTV	39.3%
Weighted Average Indexed LTV	21.1%

Weighted Average Interest Rate	
Cap	2.91%
Flexi	7.92%

LTV Levels Breakdown (based on original valuation using P+I at date of report)	
0 - 29.99%	58,025,139
30 - 34.99%	16,065,621
35 - 39.99%	40,384,176
40 - 44.99%	43,946,226
45 - 49.99%	26,791,955
50 - 54.99%	18,761,741
55 - 59.99%	13,215,192
60 - 64.99%	6,762,737
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%	207,833,245
30 - 35%	12,052,898
35 - 40%	2,894,551
40 - 45%	890,598
45 - 50%	281,496
50 - 55%	-
55 - 60%	-
60 - 65%	-
65 - 70%	-
70 - 75%	-
75 - 80%	-
80 - 85%	-
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 30-Mar-2001

Moody's Current Rating	A1	A2
S&P Current Rating	Aaa	Aaa
	AAA	AAA

Initial Note Balance	35,000,000.00	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	27-Nov-2006

Pool Factor	-
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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	£153,320

Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£13,088,320

Amount to be drawn at next IPD	£153,320
Closing balance	£13,085,000

Deficiency Ledger

Opening Balance	£ 6,461
Losses this Quarter	-£ 0
Closing Balance	£ 6,461

Optional Guarantee Ledger

Opening Balance on Closing Date	£1,000,000
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	£0
UTCCR Reserve	£1,000,000

Start-up Loan Outstanding

Commitment Rate (Note LIBOR + .50%)	5.20%
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Initial Balance	£50,000
Outstanding as at date of this Quarterly Report	£64,331
Accrued Interest to immediately succeeding interest payment date	£871
Repayments Made	£0
Closing Balance	£65,202

M Note Balance Outstanding

Initial Balance	£ 12,500,000
Outstanding as at date of this Quarterly Report	£ 19,779,454
Accrued Interest to immediately succeeding interest payment date	445,038
Repayments Made	-
Closing Balance	£ 20,224,492

Surplus after payment of all payments due in the Waterfall (a) to (h)	£3,293,494
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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

4.69%

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	£0
Deferred Consideration paid to Originator during the calculation period	£0
Total Deferred Consideration paid to Originator.	£0