

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

19-May-08

Loans

£

| | |
|--|-------------|
| Outstanding Balance of Loans at Closing Date | 214,240,314 |
| Outstanding Balance of Loans @ start of immediately preceding calculation period | 222,808,390 |
| Accrued Interest @ start of Calculation Period | 89,655,554 |

Redemptions

| | | Since Inception |
|---|-----------|-----------------|
| Principal Balance of Loans redeemed in the immediately preceding Calculation period | 1,652,495 | 65,970,136 |
| Principal Balance of Loans redeemed by cause:- | | |
| Death | 680,374 | 19,717,717 |
| Borrower enters Long Term Care | 102,350 | 3,876,150 |
| Voluntary Repayment | 867,260 | 59,669,109 |
| Move to Lower Value Property | 2,511 | 663,659 |
| Substitution | - | 17,956,499 |
| | | - |
| Number of Loans redeemed in the immediately preceding Calculation period | 54 | 1,959 |
| Number of Loans redeemed by cause:- | | |
| Death | 23 | 527 |
| Borrower enters Long Term Care | 3 | 102 |
| Voluntary Repayment | 28 | 1,672 |
| Move to Lower Value Property | 1 | 79 |
| Substitution | - | 342 |
| | | - |
| Redemption monies received | 3,145,761 | 123,593,121 |
| 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 Outstanding Balance of the Loans @ Closing Date | 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 Scheduled Payments outstanding |
| Weighted Averaged GIC Rate | N/A as Scheduled Payments outstanding |

Outstanding Balance of Loans

| | |
|------------------------------|-------------|
| Outstanding number of loans | 4,041 |
| Outstanding Accrued Interest | 92,400,413 |
| Outstanding Gross Balance | 223,900,754 |

Product Breakdown by Loan O/S

| | At Closing | At Calculation date for this report |
|---|------------|-------------------------------------|
| CAP % | 20.4% | 16.2% |
| Flexible % | 79.6% | 83.8% |
| Weighted Average Age of Borrowers @ Closing Date | 72 | |
| Weighted Average Age of borrowers - at Calculation date for this Quarterly report | 78 | |

Age of Borrowers:-

| | |
|-----------------------------------|----|
| Single Female | 81 |
| Single Male | 80 |
| Joint Borrowers by Age of Younger | 77 |

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) | 248 |
| 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

| | |
|-------------------------------------|---------|
| Weighted Average LTV | £55,407 |
| Weighted Average Indexed LTV | 44.0% |
| | 22.6% |

Weighted Average Interest Rate

| | |
|-------|-------|
| Cap | 2.91% |
| Flexi | 7.91% |

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

| | |
|-------------|------------|
| 0 - 29.99% | 33,733,939 |
| 30 - 34.99% | 32,286,496 |
| 35 - 39.99% | 13,562,356 |
| 40 - 44.99% | 39,272,361 |
| 45 - 49.99% | 25,885,053 |
| 50 - 54.99% | 37,755,558 |
| 55 - 59.99% | 12,808,735 |
| 60 - 64.99% | 28,596,257 |
| 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% | 203,042,155 |
| 30 - 35% | 14,005,804 |
| 35 - 40% | 4,991,331 |
| 40 - 45% | 877,128 |
| 45 - 50% | 718,990 |
| 50 - 55% | 265,347 |
| 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 | 26-Aug-2008 | |
| Pool Factor | - | |

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19-Feb-08

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 | £17,500,000 |
| Outstanding as at the date of this Quarterly Report | £13,085,000 |
| Accrued Interest to immediately succeeding interest payment date | £176,849 |
| Less Mortgage Registration Reserve | £150,000 |
| Available Liquidity Reserve Fund | £13,111,849 |
| Amount to be drawn at next IPD | £176,849 |
| Closing balance | £13,085,000 |

Deficiency Ledger

| | | |
|---------------------|----|-----|
| Opening Balance | -£ | 584 |
| Losses this Quarter | -£ | 10 |
| Closing Balance | -£ | 594 |

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%) | 6.18% |
|-------------------------------------|-------|

| | |
|--|---------|
| Initial Balance | £50,000 |
| Outstanding as at date of this Quarterly Report | £71,576 |
| Accrued Interest to immediately succeeding interest payment date | £1,103 |
| Repayments Made | £0 |
| Closing Balance | £72,679 |

M Note Balance Outstanding

| | | |
|--|---|------------|
| Initial Balance | £ | 12,500,000 |
| Outstanding as at date of this Quarterly Report | £ | 23,633,108 |
| Accrued Interest to immediately succeeding interest payment date | | 531,745 |
| Repayments Made | £ | - |
| Closing Balance | £ | 24,164,853 |

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

| |
|-------|
| 6.32% |
|-------|

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 |