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SHIP Q2 2006 RESULTS TO 30 JUNE 2006 NUMBER OF CASES UP AS DRAWDOWN PLANS PERFORM STRONGLY

The twenty members* of UK equity release industry body, SHIP (Safe Home Income Plans), that represents over 90% of the Equity Release sector, today report second quarter figures to 30 June 2006 that show the increasing popularity of drawdown schemes.

Overall Business Figures

The total value of new business written in Q2 2006 was £262.8 million, a slight decrease of 5.8% on Q1 2006 (£279.0 million) but slightly (0.75%) ahead of Q2 2005 (£260.9 million). This contributes to an annual rolling year total figure of £1,133.0 million to 30 June 2006. However, year on year, the number of new cases has risen strongly from 5,745 in Q2 2005 to 6,417 in the latest figures- an increase of 12%.

This is explained primarily by the growing popularity of drawdown mortgages which have a lower average initial loan value than either lump sum mortgages or home reversions. The average amount drawn is £42,000 with lifetime mortgages, £47,000 with a home reversion scheme and £32,000 with a drawdown (as an initial payment). The number of drawdown plans sold is up 11.8% from 1,218 in Q1 2006 to 1,362 in the latest figures.

Year on year, the value of written lifetime mortgage business fell fractionally from £250.3 million to £249.2 million.

In contrast, home reversions continues to grow strongly, accounting for £13.6 million worth of new business, up 28.3% year on year (Q2 2005 £10.6 million).

Jon King, Chief Executive of SHIP said:

“The latest figures show how the equity release market continues to evolve. Whilst overall business value figures are flat, the number of cases is still climbing as more and more people consider using equity in their homes to fund retirement lifestyles.

Drawdown mortgages are proving particularly popular and are a welcome development in the industry as it means that clients are not burdened with unnecessary debt but are instead taking out a product that is suitable for their immediate needs with a reserve fund available, should they require it, to draw on in the future.”

-ENDS-

For further information, please contact:

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

Jon King
SHIP Chairman
Phone: 02920 371725

Notes to Editors:**SHIP new business figures:**

Period	Total SHIP £m
2006 Q2	262.8
2006 Q1	279
2005 Full Year (FY)	1103.5
2005 Q4	297.6
2005 Q3	293.6
2005 Q2	260.9
2005 Q1	251.4
2005 HI	512.3
2004 FY	1192.30
2003 FY	1161.40
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. It was launched in 1991 to promote safe schemes. At present, 90% of the equity release market (in volume terms) is represented by SHIP members.

SHIP's current 20 members* are: Bridgewater Equity Release, Bristol and West Mortgages, Ecclesiastical Life, GE Life, Hodge Equity Release, Home & Capital Trust, In Retirement Services, Just Retirement, Key Retirement Solutions, Mortgage Express, National Counties Building Society, New Life Mortgages, Northern Rock, Norwich Union, Partnership Home Loans, Portman Building Society, Prudential, Retirement Plus, Standard Life, Stroud and Swindon Building Society.