

VALENCIA HIPOTECARIO 3 Fondo de Titulización de Activos

Brief report

Date: 12/31/2006
Currency: EUR

Date of constitution
11/15/2006

VAT Reg. no.
G84887579

Management Company
Europa de Titulización, S.G.F.T

Originator
Banco de Valencia

Servicer
Banco de Valencia

Lead Managers
Bancaja
Deutsche Bank

Bond Underwriters and Placement Agents
Bancaja
Deutsche Bank
DZ Bank AG
IXIS Cib

Bond Paying Agent
Bancaja

Market
AIAF Mercado de Renta Fija

Register of Book Securities
Iberclear

Treasury Account
Banco de Valencia

Start-up Loan
Banco de Valencia

Swap
Banco de Valencia

Swap Collateral
Bancaja

Assets Custodian
Banco de Valencia

Fund Auditors
Ernst&Young

Issued securities: Residential Mortgages Backed Bonds

Bonds issue									
Series ISIN Code	Issue date N° bonds	Principal outstanding (Bond Unit / Series Total / %Factor) Current Original		Interest type Reference rate and margin Payment Date	Interest Rate Next coupon	Redemption Final maturity (legal) Next		Rating Fitch / Moody's Current Original	
Series A1 ES0382476008	11/20/2006 900	100,000.00 90,000,000.00 100.00%	100,000.00 90,000,000.00	Floating 3-M Euribor+0.030% 22.Mar/Jun/Sep/Dec	3.6860% 03/22/2007 1,249.144444 Gross 1,024.298444 Net	09/22/2044 Quarterly 22.Mar/Jun/Sep/Dec	09/24/2007 "Pass-Through"	AAA Aaa	AAA Aaa
Series A2 ES0382476016	11/20/2006 7,807	100,000.00 780,700,000.00 100.00%	100,000.00 780,700,000.00	Floating 3-M Euribor+0.150% 22.Mar/Jun/Sep/Dec	3.8060% 03/22/2007 1,289.811111 Gross 1,057.645111 Net	09/22/2044 Quarterly 22.Mar/Jun/Sep/Dec	To Be Determined "Pass-Through" Secutorial / Pro rata under certain circumstances	AAA Aaa	AAA Aaa
Series B ES0382476024	11/20/2006 208	100,000.00 20,800,000.00 100.00%	100,000.00 20,800,000.00	Floating 3-M Euribor+0.320% 22.Mar/Jun/Sep/Dec	3.9760% 03/22/2007 1,347.422222 Gross 1,104.886222 Net	09/22/2044 Quarterly 22.Mar/Jun/Sep/Dec	To Be Determined "Pass-Through" Secutorial / Pro rata under certain circumstances	A+ A2	A+ A2
Series C ES0382476032	11/20/2006 91	100,000.00 9,100,000.00 100.00%	100,000.00 9,100,000.00	Floating 3-M Euribor+0.510% 22.Mar/Jun/Sep/Dec	4.1660% 03/22/2007 1,411.811111 Gross 1,157.685111 Net	09/22/2044 Quarterly 22.Mar/Jun/Sep/Dec	To Be Determined "Pass-Through" Secutorial / Pro rata under certain circumstances	BBB Baa3	BBB Baa3
Series D ES0382476040	11/20/2006 104	100,000.00 10,400,000.00 100.00%	100,000.00 10,400,000.00	Floating 3-M Euribor+3.500% 22.Mar/Jun/Sep/Dec	7.1560% 03/22/2007 2,425.088889 Gross 1,988.572889 Net	09/22/2044 Quarterly 22.Mar/Jun/Sep/Dec	To Be Determined Due to Cash Reserve reduction	CCC Ca	CCC Ca
Total		911,000,000.00 911,000,000.00							

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)																				
		% Monthly CPR (SMM)		0,51		0,69		0,87		1,06		1,25		1,44		1,64		1,84		
		% Annual equivalent CPR		6,00		8,00		10,00		12,00		14,00		16,00		18,00		20,00		
Series A1	With optional redemption *	Average life	Years	0,71	0,63	0,56	0,52	0,47	0,44	0,43	0,41	0,41	0,40	0,39	0,38	0,37	0,36	0,35	0,34	
		Final Maturity	Years	07/08/2007	07/07/2007	12/06/2007	05/27/2007	12/05/2007	01/05/2007	04/25/2007	04/19/2007	04/19/2007	04/19/2007	04/19/2007	04/19/2007	04/19/2007	04/19/2007	04/19/2007	04/19/2007	04/19/2007
	Without optional redemption *	Average life	Years	1,34	1,09	0,84	0,84	0,84	0,84	0,84	0,84	0,84	0,84	0,84	0,84	0,84	0,84	0,84	0,84	0,84
		Final Maturity	Years	03/24/2008	12/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007	09/24/2007
Series A2	With optional redemption *	Average life	Years	8,32	7,24	6,36	5,66	5,07	4,58	4,16	3,81	3,51	3,26	3,01	2,76	2,51	2,26	2,01	1,76	
		Final Maturity	Years	03/13/2015	02/14/2014	03/28/2013	07/16/2012	12/14/2011	06/20/2011	01/15/2011	10/09/2010	08/08/2010	06/08/2010	04/08/2010	02/08/2010	01/08/2010	11/07/2009	10/07/2009	09/07/2009	08/07/2009
	Without optional redemption *	Average life	Years	17,35	15,60	13,85	12,60	11,34	10,34	9,34	8,59	7,84	7,09	6,34	5,59	4,84	4,09	3,34	2,59	
		Final Maturity	Years	03/22/2024	06/22/2022	09/22/2020	06/24/2019	03/22/2018	03/22/2017	03/22/2016	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015
Series B	With optional redemption *	Average life	Years	12,27	10,77	9,49	8,48	7,60	6,88	6,24	5,72	5,20	4,68	4,16	3,64	3,12	2,60	2,08	1,56	
		Final Maturity	Years	02/23/2019	08/24/2017	05/14/2016	12/05/2015	06/26/2014	03/10/2013	02/13/2013	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012
	Without optional redemption *	Average life	Years	17,35	15,60	13,85	12,60	11,34	10,34	9,34	8,59	7,84	7,09	6,34	5,59	4,84	4,09	3,34	2,59	
		Final Maturity	Years	03/22/2024	06/22/2022	09/22/2020	06/24/2019	03/22/2018	03/22/2017	03/22/2016	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015
Series C	With optional redemption *	Average life	Years	13,04	11,56	10,31	9,26	8,36	7,59	6,93	6,36	5,79	5,22	4,65	4,08	3,51	2,94	2,37	1,80	
		Final Maturity	Years	01/12/2019	09/06/2018	10/03/2017	02/20/2016	03/29/2015	06/20/2014	10/24/2013	03/30/2013	03/30/2013	03/30/2013	03/30/2013	03/30/2013	03/30/2013	03/30/2013	03/30/2013	03/30/2013	03/30/2013
	Without optional redemption *	Average life	Years	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11	35,11
		Final Maturity	Years	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041	12/22/2041
Series D	With optional redemption *	Average life	Years	12,27	10,77	9,49	8,48	7,60	6,88	6,24	5,72	5,20	4,68	4,16	3,64	3,12	2,60	2,08	1,56	
		Final Maturity	Years	02/23/2019	08/24/2017	05/14/2016	12/05/2015	06/26/2014	03/10/2013	02/13/2013	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012	06/08/2012
	Without optional redemption *	Average life	Years	17,35	15,60	13,85	12,60	11,34	10,34	9,34	8,59	7,84	7,09	6,34	5,59	4,84	4,09	3,34	2,59	
		Final Maturity	Years	03/22/2024	06/22/2022	09/22/2020	06/24/2019	03/22/2018	03/22/2017	03/22/2016	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015	06/22/2015

* Optional clean up call when the amount of the outstanding balance of the securitised assets is less than 10 per 100 of the initial outstanding balance.
Hypothesis of delinquency and default assumptions of the securitised assets: 0%

Credit enhancement and financial operations

Credit enhancement (CE)					
Current			At issue date		
		% CE			% CE
Class A	95.58%	870,700,000.00	4.47%	95.58%	870,700,000.00
Series A1	9.88%	90,000,000.00	9.88%	9.88%	90,000,000.00
Series A2	85.70%	780,700,000.00	85.70%	85.70%	780,700,000.00
Series B	2.28%	20,800,000.00	2.17%	2.28%	20,800,000.00
Series C	1.00%	9,100,000.00	1.15%	1.00%	9,100,000.00
Series D	1.14%	10,400,000.00	1.14%	1.14%	10,400,000.00
Issue of Bonds		911,000,000.00			911,000,000.00
Reserve Fund	1.15%	10,400,000.00	1.14%		10,400,000.00

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	32,448,615.41	3.895%	
Servicer ppal collect not yet credited	2,619,488.36		
Servicer ints collect not yet credited	211,793.98		
Liabilities	Available	Balance	Interest
Start-up Loan		1,300,000.00	5.895%

Additional information

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Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	9,379	9,544	
Principal			
Principal outstanding	878,198,462.15	900,711,214.30	
Average loan	93,634.55	94,374.60	
Minimum	72.58	161.55	
Maximum	939,686.93	944,147.00	
Interest rate			
Weighted average (wac)	4.00%	3.83%	
Minimum	2.20%	2.17%	
Maximum	7.00%	7.00%	
Final maturity			
Weighted average (WARM) (months)	262	263	
Minimum	01/01/2007	01/01/2007	
Maximum	09/05/2041	09/05/2041	
Index (principal outstanding distribution)			
1-year EURIBOR/MIBOR	1.57%	1.59%	
1-year EURIBOR/MIBOR (Mortgage Market)	98.43%	98.41%	

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.83%				0.87%
Annual Percentage Rate (CPR)	9.49%				9.99%

LTV Distribution			
	Current		At constitution date
	% Pool	% LTV	% LTV
0.01 - 10%	0.33	7.09	0.31
10.01 - 20%	1.84	16.13	1.71
20.01 - 30%	3.76	25.53	3.60
30.01 - 40%	6.35	35.17	6.22
40.01 - 50%	9.42	45.33	9.44
50.01 - 60%	13.43	55.26	13.46
60.01 - 70%	19.45	65.23	18.97
70.01 - 80%	37.24	75.65	37.84
80.01 - 90%	6.46	84.61	6.61
90.01 - 100%	1.72	93.40	1.84
110.01 - 120%			0.01
Weighted average (WALTV)	63.14		63.48
Minimum	0.10		0.24
Maximum	99.42		119.54

Geographic distribution		
	Current	At constitution date
Andalucia	3.75%	3.72%
Aragon	5.27%	5.21%
Asturias	0.01%	0.01%
Balearic Islands	0.71%	0.69%
Basque Country	0.02%	0.02%
Canary Islands	0.04%	0.04%
Cantabria	0.02%	0.02%
Castilla-La Mancha	0.30%	0.31%
Castilla-Leon	0.08%	0.08%
Catalonia	2.85%	2.82%
Extremadura	0.01%	0.01%
Galicia	0.01%	0.01%
La Rioja	0.95%	0.95%
Madrid	6.11%	6.10%
Murcia	9.62%	9.57%
Navarra	0.53%	0.52%
Valencia	69.73%	69.94%

Current delinquency										
Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%			%	
<i>Delinquencies</i>										
Up to 1 month	119	32,246.62	30,825.97	0.00	63,072.59	87.82	10,283,715.98	10,346,788.57	95.10	57.01
1 to 2 months	8	5,561.41	3,185.82	0.00	8,747.23	12.18	524,446.37	533,193.60	4.90	54.70
Subtotal	127	37,808.03	34,011.79	0.00	71,819.82	100.00	10,808,162.35	10,879,982.17	100.00	56.89
<i>Doubt debts (subjectives)</i>										
	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Subtotal	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	127	37,808.03	34,011.79	0.00	71,819.82		10,808,162.35	10,879,982.17		56.89

Each range includes the beginning but not the ending time