

# VALENCIA HIPOTECARIO 3 Fondo de Titulización de Activos

## Brief report

**Date:** 07/31/2011  
**Currency:** EUR

**Date of constitution**  
11/15/2006

**VAT Reg. no.**  
V84887579

**Management Company**  
Europea 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**  
Banco Cooperativo

**Market**  
AIAF Mercado de Renta Fija

**Register of Book Securities**  
Iberclear

**Treasury Account**  
Banco Popular Español S.A

**Start-up Loan**  
Banco de Valencia

**Swap**  
Banco de Valencia

**Assets Custodian**  
Banco de Valencia

**Fund Auditors**  
Deloitte (ejercicios 2009 a actual)  
Ernst & Young (hasta ejercicio 2008)

## Issued securities: Residential Mortgages Backed Bonds

| Bonds issue               |                     |                                        |                              |                                                      |                                                                 |                                               |                                                                                                  |                 |             |
|---------------------------|---------------------|----------------------------------------|------------------------------|------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------|-------------|
| Series                    | Issue date          | Principal outstanding                  |                              | Interest type                                        | Interest Rate                                                   | Redemption                                    |                                                                                                  | Rating          |             |
| ISIN Code                 | Nº bonds            | (Bond Unit / Series Total / %Factor)   |                              | Reference rate and margin                            | Next coupon                                                     | Final maturity (legal)                        |                                                                                                  | Fitch / Moody's |             |
|                           |                     | Current                                | Original                     | Payment Date                                         |                                                                 |                                               | Next                                                                                             | Current         | Original    |
| Series A1<br>ES0382476008 | 11/20/2006<br>900   | 0.00<br>0.00<br>0.00%                  | 100,000.00<br>90,000,000.00  | Floating<br>3-M Euribor+0.030%<br>22.Mar/Jun/Sep/Dec |                                                                 | 09/22/2044<br>Quarterly<br>22.Mar/Jun/Sep/Dec | Amortized                                                                                        | AAA<br>Aaa      |             |
| Series A2<br>ES0382476016 | 11/20/2006<br>7,807 | 65,977.80<br>515,088,684.60<br>65.98%  | 100,000.00<br>780,700,000.00 | Floating<br>3-M Euribor+0.150%<br>22.Mar/Jun/Sep/Dec | 1.6600%<br>09/22/2011<br>279.892489 Gross<br>226.712916 Net     | 09/22/2044<br>Quarterly<br>22.Mar/Jun/Sep/Dec | 09/22/2011<br>"Pass-Through"<br>Secuential /<br>Pro rata under<br>certain<br>circumstances       | AAA<br>Aa1sf    | AAA<br>Aaa  |
| Series B<br>ES0382476024  | 11/20/2006<br>208   | 100,000.00<br>20,800,000.00<br>100.00% | 100,000.00<br>20,800,000.00  | Floating<br>3-M Euribor+0.320%<br>22.Mar/Jun/Sep/Dec | 1.8300%<br>09/22/2011<br>467.666667 Gross<br>378.810000 Net     | 09/22/2044<br>Quarterly<br>22.Mar/Jun/Sep/Dec | To Be Determined<br>"Pass-Through"<br>Secuential /<br>Pro rata under<br>certain<br>circumstances | A+<br>Baa1sf    | A+<br>A2    |
| Series C<br>ES0382476032  | 11/20/2006<br>91    | 100,000.00<br>9,100,000.00<br>100.00%  | 100,000.00<br>9,100,000.00   | Floating<br>3-M Euribor+0.510%<br>22.Mar/Jun/Sep/Dec | 2.0200%<br>09/22/2011<br>516.222222 Gross<br>418.140000 Net     | 09/22/2044<br>Quarterly<br>22.Mar/Jun/Sep/Dec | To Be Determined<br>"Pass-Through"<br>Secuential /<br>Pro rata under<br>certain<br>circumstances | BBB<br>Baa3sf   | BBB<br>Baa3 |
| Series D<br>ES0382476040  | 11/20/2006<br>104   | 100,000.00<br>10,400,000.00<br>100.00% | 100,000.00<br>10,400,000.00  | Floating<br>3-M Euribor+3.500%<br>22.Mar/Jun/Sep/Dec | 5.0100%<br>09/22/2011<br>1,280.333333 Gross<br>1,037.070000 Net | 09/22/2044<br>Quarterly<br>22.Mar/Jun/Sep/Dec | To Be Determined<br>Due to Cash<br>Reserve reduction                                             | CCCR<br>3 Csf   | CCC<br>Ca   |
| Total                     |                     | 555,388,684.60                         | 911,000,000.00               |                                                      |                                                                 |                                               |                                                                                                  |                 |             |

| Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR) |                               |                         |       |            |            |            |            |            |            |            |            |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------|-------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                                                                                                     |                               | % Monthly CPR (SMM)     |       |            |            |            |            |            |            |            |            |
|                                                                                                                     |                               | % Annual equivalent CPR |       |            |            |            |            |            |            |            |            |
|                                                                                                                     |                               | Average life            | Years | 0.17       | 0.34       | 0.51       | 0.69       | 0.87       | 1.06       | 1.25       | 1.44       |
|                                                                                                                     |                               | Final Maturity          | Years | 2.00       | 4.00       | 6.00       | 8.00       | 10.00      | 12.00      | 14.00      | 16.00      |
| Series A2                                                                                                           | With optional redemption *    | Average life            | Years | 7.88       | 6.81       | 5.98       | 5.29       | 4.70       | 4.25       | 3.83       | 3.49       |
|                                                                                                                     |                               |                         | Date  | 05/08/2019 | 04/12/2018 | 06/13/2017 | 10/03/2016 | 03/02/2016 | 09/20/2015 | 04/21/2015 | 12/17/2014 |
|                                                                                                                     |                               | Final Maturity          | Years | 15.51      | 13.76      | 12.51      | 11.26      | 10.01      | 9.26       | 8.26       | 7.51       |
|                                                                                                                     | Without optional redemption * | Average life            | Years | 12.22/2026 | 03/22/2025 | 12/22/2023 | 09/22/2022 | 06/22/2021 | 09/22/2020 | 09/22/2019 | 12/22/2018 |
|                                                                                                                     |                               |                         | Date  | 7.07       | 6.22       | 5.46       | 4.45       | 3.70       | 3.05       | 2.50       | 2.00       |
|                                                                                                                     |                               | Final Maturity          | Years | 07/28/2019 | 07/15/2018 | 09/09/2017 | 12/28/2016 | 05/30/2016 | 12/05/2015 | 07/08/2015 | 03/03/2015 |
| Series B                                                                                                            | With optional redemption *    | Average life            | Years | 19.76      | 18.52      | 17.27      | 16.01      | 14.76      | 13.51      | 12.51      | 11.51      |
|                                                                                                                     |                               |                         | Date  | 03/22/2031 | 12/22/2029 | 09/22/2028 | 06/22/2027 | 03/22/2026 | 12/22/2024 | 12/22/2023 | 12/22/2022 |
|                                                                                                                     |                               | Final Maturity          | Years | 15.51      | 13.76      | 12.51      | 11.26      | 10.01      | 9.26       | 8.26       | 7.51       |
|                                                                                                                     | Without optional redemption * | Average life            | Years | 15.51      | 13.76      | 12.51      | 11.26      | 10.01      | 9.26       | 8.26       | 7.51       |
|                                                                                                                     |                               |                         | Date  | 12/22/2026 | 03/22/2025 | 12/22/2023 | 09/22/2022 | 06/22/2021 | 09/22/2020 | 09/22/2019 | 12/22/2018 |
|                                                                                                                     |                               | Final Maturity          | Years | 15.51      | 13.76      | 12.51      | 11.26      | 10.01      | 9.26       | 8.26       | 7.51       |
| Series C                                                                                                            | With optional redemption *    | Average life            | Years | 12/22/2026 | 03/22/2025 | 12/22/2023 | 09/22/2022 | 06/22/2021 | 09/22/2020 | 09/22/2019 | 12/22/2018 |
|                                                                                                                     |                               |                         | Date  | 21.37      | 19.90      | 18.61      | 17.40      | 16.18      | 15.01      | 13.90      | 12.90      |
|                                                                                                                     |                               | Final Maturity          | Years | 10/30/2032 | 05/09/2031 | 01/25/2030 | 11/09/2028 | 08/24/2027 | 06/20/2026 | 05/11/2025 | 05/13/2024 |
|                                                                                                                     | Without optional redemption * | Average life            | Years | 23.02      | 21.52      | 20.01      | 18.76      | 17.76      | 16.51      | 15.26      | 14.26      |
|                                                                                                                     |                               |                         | Date  | 06/22/2034 | 12/22/2032 | 06/22/2031 | 03/22/2030 | 03/22/2029 | 12/22/2027 | 09/22/2026 | 09/22/2025 |
|                                                                                                                     |                               | Final Maturity          | Years | 15.51      | 13.76      | 12.51      | 11.26      | 10.01      | 9.26       | 8.26       | 7.51       |
| Series D                                                                                                            | With optional redemption *    | Average life            | Years | 15.51      | 13.76      | 12.51      | 11.26      | 10.01      | 9.26       | 8.26       | 7.51       |
|                                                                                                                     |                               |                         | Date  | 12/22/2026 | 03/22/2025 | 12/22/2023 | 09/22/2022 | 06/22/2021 | 09/22/2020 | 09/22/2019 | 12/22/2018 |
|                                                                                                                     |                               | Final Maturity          | Years | 15.51      | 13.76      | 12.51      | 11.26      | 10.01      | 9.26       | 8.26       | 7.51       |
|                                                                                                                     | Without optional redemption * | Average life            | Years | 12/22/2026 | 03/22/2025 | 12/22/2023 | 09/22/2022 | 06/22/2021 | 09/22/2020 | 09/22/2019 | 12/22/2018 |
|                                                                                                                     |                               |                         | Date  | 24.23      | 48.20      | 69.53      | 88.57      | 105.52     | 120.59     | 134.24     | 146.20     |
|                                                                                                                     |                               | Final Maturity          | Years | 09/09/2035 | 08/22/2059 | 12/14/2080 | 12/25/2099 | 12/01/2116 | 12/25/2131 | 08/17/2145 | 07/29/2157 |

\* 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                 | 92.74%  | 515,088,684.60 | 7.39%         | 95.58% | 870,700,000.00 |
| Series A1               | 0.00%   | 0.00           | 9.88%         |        | 90,000,000.00  |
| Series A2               | 92.74%  | 515,088,684.60 | 85.70%        |        | 780,700,000.00 |
| Series B                | 3.75%   | 20,800,000.00  | 3.58%         | 2.28%  | 20,800,000.00  |
| Series C                | 1.64%   | 9,100,000.00   | 1.91%         | 1.00%  | 9,100,000.00   |
| Series D                | 1.87%   | 10,400,000.00  | 1.14%         |        | 10,400,000.00  |
| Issue of Bonds          |         | 555,388,684.60 |               |        | 911,000,000.00 |
| Reserve Fund            | 1.91%   | 10,400,000.00  | 1.14%         |        | 10,400,000.00  |

| Other financial operations (current)          |               |               |          |
|-----------------------------------------------|---------------|---------------|----------|
| Assets                                        | Balance       | Interest      |          |
| Treasury Account                              | 53,042,224.16 | 2.160%        |          |
| Servicer ppal collect not yet credited        | 257,686.41    |               |          |
| Servicer ints collect not yet credited        | 29,349.12     |               |          |
| Liabilities                                   | Available     | Balance       | Interest |
| Start-up Loan L/P                             |               | 91,706.66     | 3.510%   |
| Start-up Loan C/P                             |               | 0.00          |          |
| Swap collateralized amount                    | Amount        | Credited      |          |
| CSA *                                         | 0.00          |               |          |
| Cash                                          |               | 27,230,000.00 |          |
| Securities                                    |               | 0.00          |          |
| * Credit Support Amount in favour of the Fund |               |               |          |

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Fund Auditors  
Deloitte (ejercicios 2009 a actual)  
Ernst & Young (hasta ejercicio 2008)

Collateral: Residential mortgage loans

| General                                    |                |                      |
|--------------------------------------------|----------------|----------------------|
|                                            | Current        | At constitution date |
| Count                                      | 7,098          | 9,544                |
| Principal                                  |                |                      |
| Principal outstanding                      | 543,668,003.69 | 900,711,214.30       |
| Average loan                               | 76,594.53      | 94,374.60            |
| Minimum                                    | 47.45          | 161.55               |
| Maximum                                    | 694,337.03     | 944,147.00           |
| Interest rate                              |                |                      |
| Weighted average (wac)                     | 2.42%          | 3.83%                |
| Minimum                                    | 1.58%          | 2.17%                |
| Maximum                                    | 6.23%          | 7.00%                |
| Final maturity                             |                |                      |
| Weighted average (WARM) (months)           | 219            | 263                  |
| Minimum                                    | 08/03/2011     | 01/01/2007           |
| Maximum                                    | 09/05/2041     | 09/05/2041           |
| Index (principal outstanding distribution) |                |                      |
| 1-year EURIBOR/MIBOR                       | 1.32%          | 1.59%                |
| 1-year EURIBOR/MIBOR (Mortgage Market)     | 98.68%         | 98.41%               |

| Prepayments                  |               |               |               |                |            |
|------------------------------|---------------|---------------|---------------|----------------|------------|
|                              | Current month | Last 3 months | Last 6 months | Last 12 months | Historical |
| Single month. mort. (SMM)    | 0.22%         | 0.21%         | 0.25%         | 0.33%          | 0.51%      |
| Annual Percentage Rate (CPR) | 2.63%         | 2.51%         | 3.00%         | 3.93%          | 5.90%      |

| LTV Distribution         |         |       |                      |
|--------------------------|---------|-------|----------------------|
|                          | Current |       | At constitution date |
|                          | % Pool  | % LTV | % LTV                |
| 0.01 - 10%               | 0.96    | 7.02  | 0.31                 |
| 10.01 - 20%              | 3.67    | 15.55 | 1.71                 |
| 20.01 - 30%              | 6.28    | 25.52 | 3.60                 |
| 30.01 - 40%              | 9.35    | 35.37 | 6.22                 |
| 40.01 - 50%              | 14.22   | 45.28 | 9.44                 |
| 50.01 - 60%              | 21.41   | 55.30 | 13.46                |
| 60.01 - 70%              | 30.88   | 65.37 | 18.97                |
| 70.01 - 80%              | 12.20   | 72.38 | 37.84                |
| 80.01 - 90%              | 1.02    | 83.47 | 6.61                 |
| 90.01 - 100%             |         |       | 1.84                 |
| 110.01 - 120%            |         |       | 0.01                 |
| Weighted average (WALTV) | 53.70   |       | 63.48                |
| Minimum                  | 0.15    |       | 0.24                 |
| Maximum                  | 88.90   |       | 119.54               |

| Geographic distribution |         |                      |
|-------------------------|---------|----------------------|
|                         | Current | At constitution date |
| Andalucia               | 3.62%   | 3.72%                |
| Aragon                  | 5.05%   | 5.21%                |
| Asturias                | 0.01%   | 0.01%                |
| Balearic Islands        | 0.76%   | 0.69%                |
| Basque Country          | 0.03%   | 0.02%                |
| Canary Islands          | 0.05%   | 0.04%                |
| Cantabria               | 0.03%   | 0.02%                |
| Castilla-La Mancha      | 0.26%   | 0.31%                |
| Castilla-Leon           | 0.07%   | 0.08%                |
| Catalonia               | 2.98%   | 2.82%                |
| Extremadura             | 0.00%   | 0.01%                |
| Galicia                 | 0.00%   | 0.01%                |
| La Rioja                | 0.99%   | 0.95%                |
| Madrid                  | 5.75%   | 6.10%                |
| Murcia                  | 10.14%  | 9.57%                |
| Navarra                 | 0.39%   | 0.52%                |
| Valencia                | 69.87%  | 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                    | 261    | 98,585.67    | 32,721.58  | 0.00  | 131,307.25   | 7.73   | 22,790,839.50    | 22,922,146.75 | 41.06  | 46.56                          |
| from > 1 to ≤ 2 months           | 109    | 77,366.57    | 29,321.80  | 0.00  | 106,688.37   | 6.28   | 9,006,238.21     | 9,112,926.58  | 16.32  | 49.47                          |
| from > 2 to ≤ 3 months           | 125    | 143,869.09   | 66,424.85  | 0.00  | 210,293.94   | 12.38  | 11,958,523.72    | 12,168,817.66 | 21.80  | 50.34                          |
| from > 3 to ≤ 6 months           | 13     | 26,776.01    | 14,764.90  | 0.00  | 41,540.91    | 2.45   | 1,642,000.05     | 1,683,540.96  | 3.02   | 56.13                          |
| from > 6 to < 12 months          | 14     | 56,559.13    | 33,313.86  | 0.00  | 89,872.99    | 5.29   | 1,788,456.80     | 1,878,329.79  | 3.36   | 54.61                          |
| from ≥ 12 to < 18 months         | 22     | 114,294.66   | 63,609.73  | 0.00  | 177,904.39   | 10.47  | 2,169,812.16     | 2,347,716.55  | 4.21   | 61.44                          |
| from ≥ 18 to < 24 months         | 10     | 62,496.38    | 42,944.10  | 0.00  | 105,440.48   | 6.21   | 903,453.96       | 1,008,894.44  | 1.81   | 73.45                          |
| from ≥ 2 years                   | 36     | 415,332.79   | 420,389.97 | 0.00  | 835,722.76   | 49.20  | 3,867,342.43     | 4,703,065.19  | 8.42   | 67.21                          |
| Subtotal                         | 590    | 995,280.30   | 703,490.79 | 0.00  | 1,698,771.09 | 100.00 | 54,126,666.83    | 55,825,437.92 | 100.00 | 50.54                          |
| <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                            | 590    | 995,280.30   | 703,490.79 | 0.00  | 1,698,771.09 |        | 54,126,666.83    | 55,825,437.92 |        | 50.54                          |