

# VALENCIA HIPOTECARIO 1 Fondo de Titulización de Activos

## Brief report

Date: 09/30/2006  
Currency: EUR

Date of constitution  
04/23/2004

VAT Reg. no.  
G83975060

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

Originator  
Banco de Valencia

Servicer  
Banco de Valencia

Lead Managers  
Bancaja  
JP Morgan

Bond Paying Agent  
Bancaja

Market  
AIAF Mercado de Renta Fija

Register of Book Securities  
Iberclear

Treasury Account  
Bancaja

Subordinated Loan  
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 Nº bonds	Principal outstanding (Bond Unit / Series Total / %Factor)		Interest type Reference rate and margin Payment Date	Interest Rate Next coupon	Redemption		Rating Fitch / Moody's		
		Current	Original			Final maturity (legal)	Next	Current	Original	
Series A ES0382744003	04/28/2004 4,543	68,348.66 310,507,962.38 68.35%	100,000.00 454,300,000.00	Floating 3-M Euribor + 0.185% 24.Feb/May/Aug/Nov	3.4340% 11/24/2006 599.812652 Gross 509.840754 Net	02/24/2036 Quarterly 24.Feb/May/Aug/Nov	11/24/2006 "Pass-Through"	AAA Aaa	AAA Aaa	
Series B ES0382744011	04/28/2004 118	100,000.00 11,800,000.00 100.00%	100,000.00 11,800,000.00	Floating 3-M Euribor + 0.530% 24.Feb/May/Aug/Nov	3.7790% 11/24/2006 965.744444 Gross 820.882777 Net	02/24/2036 Quarterly 24.Feb/May/Aug/Nov	To be determined "Pass-Through" Pro rata deferred start / Sequential	A+ A2	A+ A2	
Series C ES0382744029	04/28/2004 59	100,000.00 5,900,000.00 100.00%	100,000.00 5,900,000.00	Floating 3-M Euribor + 1.050% 24.Feb/May/Aug/Nov	4.2990% 11/24/2006 1,098.633333 Gross 933.838333 Net	02/24/2036 Quarterly 24.Feb/May/Aug/Nov	To be determined "Pass-Through" Pro rata deferred start / Sequential	BBB+ Baa	BBB+ Baa	
Total		328,207,962.38		472,000,000.00						

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)											
Series	With optional redemption *	Average life Years	Date	% Monthly CPR (SMM)							
				0.00	0.43	0.51	0.60	0.69	0.78	0.87	0.97
Series A	With optional redemption *	Average life	7.71	5.76	5.45	5.17	4.91	4.66	4.43	4.24	
		Final Maturity	06/14/2014	06/30/2012	03/12/2012	11/29/2011	08/25/2011	05/27/2011	03/03/2011	12/25/2010	
	Without optional redemption *	Average life	8.13	6.21	5.90	5.62	5.37	5.12	4.90	4.69	
		Final Maturity	11/12/2014	12/12/2012	08/23/2012	05/14/2012	02/09/2012	11/13/2011	08/22/2011	06/07/2011	
	Series B	With optional redemption *	Average life	10.07	7.61	7.23	6.85	6.51	6.18	5.87	5.63
			Final Maturity	10/22/2016	05/09/2014	12/19/2013	08/05/2013	03/31/2013	12/04/2012	08/11/2012	05/16/2012
Without optional redemption *		Average life	10.66	8.25	7.87	7.50	7.16	6.85	6.54	6.27	
		Final Maturity	05/25/2017	12/28/2014	08/10/2014	03/29/2014	11/24/2013	08/02/2013	04/14/2013	01/04/2013	
Series C		With optional redemption *	Average life	10.07	7.61	7.23	6.85	6.51	6.18	5.87	5.63
			Final Maturity	10/22/2016	05/09/2014	12/19/2013	08/05/2013	03/31/2013	12/04/2012	08/11/2012	05/16/2012
	Without optional redemption *	Average life	10.66	8.25	7.87	7.50	7.16	6.85	6.54	6.27	
		Final Maturity	05/25/2017	12/28/2014	08/10/2014	03/29/2014	11/24/2013	08/02/2013	04/14/2013	01/04/2013	

\* 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	% CE	% CE
Series A	94.61%	310,507,962.38	7.34%	96.25%	454,300,000.00
Series B	3.60%	11,800,000.00	3.74%	2.50%	11,800,000.00
Series C	1.80%	5,900,000.00	1.94%	1.25%	5,900,000.00
Issue of Bonds		328,207,962.38			472,000,000.00
Reserve Fund	1.94%	6,372,000.00	1.35%		6,372,000.00

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	10,863,754.89	3.209%	
Servicer ppal collect not yet credited	1,207,253.67		
Servicer ints collect not yet credited	293,350.39		
Liabilities	Available	Balance	Interest
Subordinated Loan		6,372,000.00	8.349%
Start-up Loan		532,041.87	5.249%

### Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	6,835	8,531	
Principal			
Principal outstanding	323,598,717.96	472,014,960.65	
Average loan	47,344.36	55,329.38	
Minimum	287.80	15,204.47	
Maximum	276,401.86	294,287.37	
Interest rate			
Weighted average (wac)	3.82%	3.35%	
Minimum	2.62%	2.08%	
Maximum	6.25%	6.50%	
Final maturity			
Weighted average (WARM) (months)	178	201	
Minimum	01/05/2007	05/28/2004	
Maximum	03/06/2033	03/06/2033	
Index (distribution)			
3-month EURIBOR/MIBOR	0.01	0.00	
6-month EURIBOR/MIBOR	0.00	0.00	
1-year EURIBOR/MIBOR	22.47	18.17	
1-year EURIBOR/MIBOR (Mortgage Market)	62.70	66.44	
Mortgage Market: Banks	1.32	0.01	
Mortgage Market: All Institutions	13.51	15.38	

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	0.42	7.25	0.06	8.04
10.01 - 20%	3.13	16.06	0.96	16.55
20.01 - 30%	7.27	25.63	3.66	25.48
30.01 - 40%	11.40	35.15	7.60	35.40
40.01 - 50%	18.04	45.30	11.69	45.44
50.01 - 60%	23.50	55.21	19.11	55.31
60.01 - 70%	30.21	64.94	27.17	65.27
70.01 - 80%	6.04	71.41	29.75	74.12
Weighted average (WALTV)	51.48		59.45	
Minimum	0.39		5.82	
Maximum	74.21		79.28	

#### Additional information

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### Prepayments

	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.41%	0.60%	0.72%	0.80%	0.78%
Annual Percentage Rate (CPR)	4.85%	7.00%	8.30%	9.21%	8.98%

### Geographic distribution

	Current	At constitution date
Andalucia	5.35%	5.81%
Aragon	3.82%	3.32%
Balearic Islands	0.00%	0.01%
Basque Country	0.01%	0.03%
Canary Islands	0.02%	0.01%
Castilla-La Mancha	0.21%	0.21%
Castilla-Leon	0.00%	0.01%
Catalonia	0.21%	0.22%
La Rioja	0.37%	0.40%
Madrid	6.29%	6.59%
Murcia	20.19%	20.53%
Navarra	0.53%	0.45%
Valencia	63.00%	62.40%

### Current delinquency

Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%		%		
Up to 1 month	258	66,479.49	40,495.14	0.00	106,974.63	47.18	13,433,795.04	13,540,769.67	76.06	48.98
1 to 2 months	42	22,866.66	12,486.18	0.00	35,352.84	15.59	2,183,796.53	2,219,149.37	12.46	47.99
2 to 3 months	24	20,778.83	12,755.29	0.00	33,534.12	14.79	1,368,080.75	1,401,614.87	7.87	53.65
3 to 6 months	5	4,655.31	3,599.38	0.00	8,254.69	3.64	182,130.41	190,385.10	1.07	46.79
6 to 12 months	4	9,743.86	7,263.50	0.00	17,007.36	7.50	230,999.10	248,006.46	1.39	67.62
12 to 18 months	2	7,526.34	5,690.09	0.00	13,216.43	5.83	116,070.10	129,286.53	0.73	51.32
18 to 24 months	2	4,346.99	1,648.25	0.00	5,995.24	2.64	25,982.20	31,977.44	0.18	48.23
Over 2 years	1	2,818.85	3,568.08	0.00	6,386.93	2.82	35,776.83	42,163.76	0.24	76.25
<b>Total</b>	<b>338</b>	<b>139,216.33</b>	<b>87,505.91</b>	<b>0.00</b>	<b>226,722.24</b>		<b>17,576,630.96</b>	<b>17,803,353.20</b>		<b>49.41</b>

#### Additional information