

**Brief report**

**Date:** 07/31/2012  
**Currency:** EUR

**Date of constitution**  
 04/23/2004

**VAT Reg. no.**  
 V83975060

**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**  
 Barclays Bank PLC

**Market**  
 AIAF Mercado de Renta Fija

**Register of Book Securities**  
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**Treasury Account**  
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**Subordinated Loan**  
 Banco de Valencia

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**Swap**  
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**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	ISIN Code	Issue date	Principal outstanding		Interest type	Interest Rate	Redemption		Rating	
			(Bond Unit / Series Total / %Factor)				Final maturity (legal)	Next	Fitch / Moody's	
			Current	Original	Reference rate and margin	Next coupon			Current	Original
Series A	ES0382744003	04/28/2004	28,664.05	100,000.00	Floating	0.8660%	02/24/2036	08/24/2012	AA-sf	AAA
		4,543	130,220,779.15	454,300,000.00	3-M Euribor+0.185%	63.436728 Gross	Quarterly	"Pass-Through"	A3sf	Aaa
			28.66%		24.Feb/May/Aug/Nov	51.383750 Net	24.Feb/May/Aug/Nov			
Series B	ES0382744011	04/28/2004	59,652.22	100,000.00	Floating	1.2110%	02/24/2036	To be determined	AA-	A+
		118	7,038,961.96	11,800,000.00	3-M Euribor+0.530%	184.610365 Gross	Quarterly	"Pass-Through"	A3sf	A2
			59.65%		24.Feb/May/Aug/Nov	149.534396 Net	24.Feb/May/Aug/Nov	Pro rata		
								deferred start /		
								Secutorial		
Series C	ES0382744029	04/28/2004	59,652.22	100,000.00	Floating	1.7310%	02/24/2036	To be determined	BBB+	BBB+
		59	3,519,480.98	5,900,000.00	3-M Euribor+1.050%	263.881537 Gross	Quarterly	"Pass-Through"	Baa3	Baa3
			59.65%		24.Feb/May/Aug/Nov	213.744045 Net	24.Feb/May/Aug/Nov	Pro rata		
								deferred start /		
								Secutorial		
Total			140,779,222.09	472,000,000.00						

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)													
Series	Option	Average life	Years	% Monthly CPR (SMM)									
				0.17	0.34	0.51	0.69	0.87	1.06	1.25	1.44		
				% Annual equivalent CPR									
				2.00	4.00	6.00	8.00	10.00	12.00	14.00	16.00		
Series A	With optional redemption *	Average life	Years	4.15	3.79	3.46	3.15	2.87	2.68	2.51	2.35		
		Final Maturity	Years	09/24/2016	05/14/2016	01/15/2016	09/25/2015	06/13/2015	06/04/2015	02/02/2015	04/12/2014		
		Date		02/24/2019	08/24/2018	02/24/2018	08/24/2017	02/24/2017	11/24/2016	08/24/2016	05/24/2016		
	Without optional redemption *	Average life	Years	5.28	4.88	4.52	4.20	3.92	3.66	3.43	3.22		
		Final Maturity	Years	09/11/2017	06/16/2017	06/02/2017	12/10/2016	08/30/2016	03/27/2016	02/01/2016	10/17/2015		
		Date		02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034		
Series B	With optional redemption *	Average life	Years	4.15	3.79	3.46	3.15	2.87	2.68	2.51	2.35		
		Final Maturity	Years	09/24/2016	05/14/2016	01/15/2016	09/25/2015	06/13/2015	06/04/2015	02/02/2015	04/12/2014		
		Date		02/24/2019	08/24/2018	02/24/2018	08/24/2017	02/24/2017	11/24/2016	08/24/2016	05/24/2016		
	Without optional redemption *	Average life	Years	5.28	4.88	4.52	4.20	3.92	3.66	3.43	3.22		
		Final Maturity	Years	09/11/2017	06/16/2017	06/02/2017	12/10/2016	08/30/2016	03/27/2016	02/01/2016	10/17/2015		
		Date		02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034		
Series C	With optional redemption *	Average life	Years	4.15	3.79	3.46	3.15	2.87	2.68	2.51	2.35		
		Final Maturity	Years	09/24/2016	05/14/2016	01/15/2016	09/25/2015	06/13/2015	06/04/2015	02/02/2015	04/12/2014		
		Date		02/24/2019	08/24/2018	02/24/2018	08/24/2017	02/24/2017	11/24/2016	08/24/2016	05/24/2016		
	Without optional redemption *	Average life	Years	5.28	4.88	4.52	4.20	3.92	3.66	3.43	3.22		
		Final Maturity	Years	09/11/2017	06/16/2017	06/02/2017	12/10/2016	08/30/2016	03/27/2016	02/01/2016	10/17/2015		
		Date		02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034	02/24/2034		

\* 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	92.50%	130,220,779.15	10.85%	96.25%	454,300,000.00
Series B	5.00%	7,038,961.96	5.85%	2.50%	11,800,000.00
Series C	2.50%	3,519,480.98	3.35%	1.25%	5,900,000.00
Issue of Bonds		140,779,222.09			472,000,000.00
Reserve Fund	3.35%	4,720,000.00		1.35%	6,372,000.00

Other financial operations (current)			
Assets		Balance	
		Interest	
Treasury Account		17,602,271.82	0.451%
Servicer ppal collect not yet credited		58,690.88	
Servicer ints collect not yet credited		12,896.60	
Liabilities			
		Available	Balance
Subordinated Loan L/T			4,720,000.00
Subordinated Loan S/T			0.00
Start-up Loan L/T			0.00
Start-up Loan S/T			0.00
Swap collateralized amount			
		Amount	Credited
CSA *		0.00	
Cash			4,650,000.00
Securities			0.00

\* Credit Support Amount in favour of the Fund

**Collateral: Residential mortgage loans**

General			
		Current	
		At constitution date	
Count		4,425	8,531
Principal			
Principal outstanding		136,690,203.39	472,014,960.65
Average loan		30,890.44	55,329.38
Minimum		9.27	15,204.47
Maximum		230,734.82	294,287.37
Interest rate			
Weighted average (wac)		3.01%	3.35%
Minimum		1.50%	2.08%
Maximum		99.00%	6.50%
Final maturity			
Weighted average (WARM) (months)		129	201
Minimum		08/01/2012	05/28/2004
Maximum		02/26/2034	03/06/2033
Index (principal outstanding distribution)			
3-month EURIBOR/MIBOR		0.07%	0.00%
1-year EURIBOR/MIBOR		21.96%	18.17%
1-year EURIBOR/MIBOR (Mortgage Market)		63.37%	66.44%
Mortgage Market: Banks		1.47%	0.01%
Mortgage Market: All Institutions		13.13%	15.38%

LTV Distribution			
		Current	
		At constitution date	
		% Pool	% LTV
0.01 - 10%		2.70	6.92
10.01 - 20%		9.31	15.60
20.01 - 30%		15.85	25.44
30.01 - 40%		24.77	35.25
40.01 - 50%		27.65	44.88
50.01 - 60%		18.56	54.17
60.01 - 70%		1.16	61.27
70.01 - 80%			29.75
Weighted average (WALTV)		37.58	59.45
Minimum		0.00	5.82
Maximum		62.84	79.28

# VALENCIA HIPOTECARIO 1 Fondo de Titulización de Activos

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Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.36%	0.27%	0.23%	0.27%	0.59%
Annual Percentage Rate (CPR)	4.28%	3.22%	2.72%	3.17%	6.90%

Geographic distribution		
	Current	At constitution date
Andalucia	5.33%	5.81%
Aragon	4.40%	3.32%
Balearic Islands		0.01%
Basque Country	0.01%	0.03%
Canary Islands	0.03%	0.01%
Castilla-La Mancha	0.30%	0.21%
Castilla-Leon		0.01%
Catalonia	0.27%	0.22%
La Rioja	0.38%	0.40%
Madrid	5.95%	6.59%
Murcia	21.20%	20.53%
Navarra	0.60%	0.45%
Valencia	61.53%	62.40%

Current delinquency										
Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%		Total	%	
<i>Delinquencies</i>										
Up to 1 month	173	46,428.91	11,697.60	0.00	58,126.51	21.56	5,987,988.30	6,046,114.81	57.40	32.62
from > 1 to ≤ 2 months	49	26,622.42	7,154.73	0.00	33,777.15	12.53	1,568,407.93	1,602,185.08	15.21	35.42
from > 2 to ≤ 3 months	50	47,247.63	14,095.08	0.00	61,342.71	22.76	1,897,520.10	1,958,862.81	18.60	36.63
from > 3 to ≤ 6 months	5	7,414.70	3,527.59	0.00	10,942.29	4.06	282,291.25	293,233.54	2.78	51.41
from > 6 to < 12 months	8	15,471.91	4,199.07	0.00	19,670.98	7.30	206,194.12	225,865.10	2.14	35.44
from ≥ 12 to < 18 months	3	12,089.63	6,092.26	0.00	18,181.89	6.75	188,617.00	186,798.89	1.77	54.76
from ≥ 18 to < 24 months	2	9,133.92	2,701.65	0.00	11,835.57	4.39	53,782.23	65,617.80	0.62	40.24
from ≥ 2 years	5	38,181.33	17,500.21	0.00	55,681.54	20.66	98,096.11	153,777.65	1.46	49.38
Subtotal	295	202,590.45	66,968.19	0.00	269,558.64	100.00	10,262,897.04	10,532,455.68	100.00	34.61
<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	295	202,590.45	66,968.19	0.00	269,558.64		10,262,897.04	10,532,455.68		34.61

### Additional information