

Brief report

Date: 02/28/2011  
 Currency: EUR

Date of constitution  
 11/15/2006

VAT Reg. no.  
 V84887579

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  
 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	ISIN Code	Issue date	Nº bonds	Principal outstanding		Interest type	Reference rate and margin	Interest Rate	Redemption		Rating	
				(Bond Unit / Series Total / %Factor)					Next	Final maturity (legal)		
				Current	Original		Payment Date	Next coupon			Current	Original
Series A1	ES0382476008	11/20/2006	900	0.00	100,000.00	Floating	3-M Euribor+0.030%		09/22/2044	Amortized	AAA	Aaa
				0.00	90,000,000.00		22.Mar/Jun/Sep/Dec		Quarterly			
				0.00%					22.Mar/Jun/Sep/Dec			
Series A2	ES0382476016	11/20/2006	7,807	69,338.93	100,000.00	Floating	3-M Euribor+0.150%	1.1720%	03/22/2011	03/22/2011	AAA	AAA
				541,329,026.51	780,700,000.00		22.Mar/Jun/Sep/Dec	203.163065 Gross	22.Mar/Jun/Sep/Dec	"Pass-Through" Secuential / Pro rata under certain circumstances	Aaa	Aaa
				69.34%				164.562083 Net				
Series B	ES0382476024	11/20/2006	208	100,000.00	100,000.00	Floating	3-M Euribor+0.320%	1.3420%	03/22/2011	To Be Determined "Pass-Through" Secuential / Pro rata under certain circumstances	A+	A+
				20,800,000.00	20,800,000.00		22.Mar/Jun/Sep/Dec	335.500000 Gross	22.Mar/Jun/Sep/Dec		A2	A2
				100.00%				271.755000 Net				
Series C	ES0382476032	11/20/2006	91	100,000.00	100,000.00	Floating	3-M Euribor+0.510%	1.5320%	03/22/2011	To Be Determined "Pass-Through" Secuential / Pro rata under certain circumstances	BBB	BBB
				9,100,000.00	9,100,000.00		22.Mar/Jun/Sep/Dec	383.000000 Gross	22.Mar/Jun/Sep/Dec		Baa3	Baa3
				100.00%				310.230000 Net				
Series D	ES0382476040	11/20/2006	104	100,000.00	100,000.00	Floating	3-M Euribor+3.500%	4.5220%	03/22/2011	To Be Determined Due to Cash Reserve reduction	CCCR	CCC
				10,400,000.00	10,400,000.00		22.Mar/Jun/Sep/Dec	1,130.500000 Gross	22.Mar/Jun/Sep/Dec		3	Ca
				100.00%				915.705000 Net			Ca	Ca
Total				581,629,026.51	911,000,000.00							

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 A2	With optional redemption *	Average life	Years	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44	6.44	
		Final Maturity	Years	05/28/2017	05/28/2017	05/28/2017	05/28/2017	05/28/2017	05/28/2017	05/28/2017	05/28/2017	05/28/2017	
		Date	Years	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	
	Without optional redemption *	Average life	Years	6.67	6.67	6.67	6.67	6.67	6.67	6.67	6.67	6.67	
		Final Maturity	Years	08/20/2017	08/20/2017	08/20/2017	08/20/2017	08/20/2017	08/20/2017	08/20/2017	08/20/2017	08/20/2017	
		Date	Years	18.26	18.26	18.26	18.26	18.26	18.26	18.26	18.26	18.26	
Series B	With optional redemption *	Average life	Years	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	
		Final Maturity	Years	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	
		Date	Years	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	
	Without optional redemption *	Average life	Years	19.77	19.77	19.77	19.77	19.77	19.77	19.77	19.77	19.77	
		Final Maturity	Years	09/23/2030	09/23/2030	09/23/2030	09/23/2030	09/23/2030	09/23/2030	09/23/2030	09/23/2030	09/23/2030	
		Date	Years	22.02	22.02	22.02	22.02	22.02	22.02	22.02	22.02	22.02	
Series C	With optional redemption *	Average life	Years	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	
		Final Maturity	Years	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	06/22/2024	
		Date	Years	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	13.51	
	Without optional redemption *	Average life	Years	23.64	23.64	23.64	23.64	23.64	23.64	23.64	23.64	23.64	
		Final Maturity	Years	08/08/2034	08/08/2034	08/08/2034	08/08/2034	08/08/2034	08/08/2034	08/08/2034	08/08/2034	08/08/2034	
		Date	Years	30.52	30.52	30.52	30.52	30.52	30.52	30.52	30.52	30.52	
Series D	With optional redemption *	Average life	Years	16.01	14.26	12.76	11.51	10.51	9.51	8.50	8.01	12/22/2018	
		Final Maturity	Years	12/22/2026	03/22/2025	09/22/2023	06/22/2022	06/22/2021	06/22/2020	06/22/2019	06/22/2018	12/22/2018	
		Date	Years	16.01	14.26	12.76	11.51	10.51	9.51	8.50	8.01	12/22/2018	
	Without optional redemption *	Average life	Years	30.52	30.52	30.52	30.52	30.52	30.52	30.52	30.52	30.52	
		Final Maturity	Years	06/22/2041	06/22/2041	06/22/2041	06/22/2041	06/22/2041	06/22/2041	06/22/2041	06/22/2041	06/22/2041	
		Date	Years	30.52	30.52	30.52	30.52	30.52	30.52	30.52	30.52	30.52	

\* 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)						
Class	Current	% CE	At issue date			
			% CE		% CE	
Class A	93.07%	541,329,026.51	7.01%	95.58%	870,700,000.00	5.56%
Series A1	0.00%	0.00		9.88%	90,000,000.00	
Series A2	93.07%	541,329,026.51		85.70%	780,700,000.00	
Series B	3.58%	20,800,000.00	3.37%	2.28%	20,800,000.00	3.28%
Series C	1.56%	9,100,000.00	1.77%	1.00%	9,100,000.00	2.28%
Series D	1.79%	10,400,000.00		1.14%	10,400,000.00	1.14%
Issue of Bonds		581,629,026.51			911,000,000.00	
Reserve Fund	1.77%	10,130,274.06		1.14%	10,400,000.00	

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	65,240,682.27	1.026%	
Servicer ppal collect not yet credited	150,203.97		
Servicer ints collect not yet credited	42,020.78		
Liabilities	Available	Balance	Interest
Start-up Loan L/P			0.00
Start-up Loan C/P		183,413.32	
Swap collateralized amount	Amount	Credited	
CSA *	0.00		
Cash	41,448,561.00		
Securities		0.00	

\* Credit Support Amount in favour of the Fund

# VALENCIA HIPOTECARIO 3 Fondo de Titulización de Activos

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### Collateral: Residential mortgage loans

General		
	Current	At constitution date
Count	7,221	9,544
Principal		
Principal outstanding	564,577,699.80	900,711,214.30
Average loan	78,185.53	94,374.60
Minimum	1.65	161.55
Maximum	704,975.05	944,147.00
Interest rate		
Weighted average (wac)	2.17%	3.83%
Minimum	1.53%	2.17%
Maximum	6.23%	7.00%
Final maturity		
Weighted average (WARM) (months)	223	263
Minimum	03/05/2011	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%

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	0.87	7.03	0.31	7.06
10.01 - 20%	3.66	15.75	1.71	16.20
20.01 - 30%	5.82	25.41	3.60	25.53
30.01 - 40%	9.22	35.25	6.22	35.18
40.01 - 50%	13.37	45.25	9.44	45.31
50.01 - 60%	20.24	55.24	13.46	55.30
60.01 - 70%	30.21	65.45	18.97	65.21
70.01 - 80%	15.12	72.57	37.84	75.74
80.01 - 90%	1.46	83.22	6.61	84.62
90.01 - 100%	0.03	90.03	1.84	93.37
110.01 - 120%			0.01	119.54
Weighted average (WALTV)	54.58			63.48
Minimum	0.00			0.24
Maximum	90.03			119.54

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.34%	0.41%	0.42%	0.38%	0.53%
Annual Percentage Rate (CPR)	3.98%	4.83%	4.98%	4.46%	6.19%

Geographic distribution		
	Current	At constitution date
Andalucia	3.62%	3.72%
Aragon	5.09%	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	2.93%	2.82%
Extremadura	0.00%	0.01%
Galicia	0.00%	0.01%
La Rioja	0.96%	0.95%
Madrid	5.79%	6.10%
Murcia	10.08%	9.57%
Navarra	0.39%	0.52%
Valencia	69.93%	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	250	94,310.06	28,618.65	0.00	122,928.71	6.83	19,569,479.51	19,692,408.22	36.26	46.97
from > 1 to ≤ 2 months	100	67,277.21	29,837.90	0.00	97,115.11	5.40	9,095,824.39	9,192,939.50	16.92	51.37
from > 2 to ≤ 3 months	122	155,999.91	67,307.96	0.00	223,307.87	12.41	12,513,276.42	12,736,584.29	23.45	50.80
from > 3 to ≤ 6 months	10	19,428.68	11,956.31	0.00	31,384.99	1.74	1,430,526.70	1,461,911.69	2.69	64.44
from > 6 to < 12 months	29	102,740.10	55,745.46	0.00	158,485.56	8.81	2,906,926.68	3,005,412.24	5.64	61.77
from ≥ 12 to < 18 months	14	82,695.60	41,565.13	0.00	124,260.73	6.91	1,320,264.18	1,444,524.91	2.66	57.91
from ≥ 18 to < 24 months	12	98,662.51	71,371.00	0.00	170,033.51	9.45	1,227,601.09	1,397,634.60	2.57	65.49
from ≥ 2 years	37	394,385.39	477,144.14	0.00	871,529.53	48.44	4,452,909.86	5,324,439.39	9.80	70.67
Subtotal	574	1,015,499.46	783,546.55	0.00	1,799,046.01	100.00	52,516,808.83	54,315,854.84	100.00	52.04
<i>Doubt debts (subjectives)</i>										
	0	0.00	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	574	1,015,499.46	783,546.55	0.00	1,799,046.01		52,516,808.83	54,315,854.84		52.04