

Brief report

Date: 05/31/2011  
 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	Interest Rate	Redemption		Rating	
				(Bond Unit / Series Total / %Factor)				Reference rate and margin	Next coupon		Final maturity (legal)
				Current	Original	Payment Date				Current	Original
Series A1	ES0382476008	11/20/2006	900	0.00	100,000.00	Floating		09/22/2044		AAA	
				0.00	90,000,000.00	3-M Euribor+0.030%		Quarterly	Amortized	Aaa	
				0.00%		22.Mar/Jun/Sep/Dec		22.Mar/Jun/Sep/Dec			
Series A2	ES0382476016	11/20/2006	7,807	67,396.18	100,000.00	Floating	1.3220%	09/22/2044	06/22/2011	AAA	AAA
				526,161,977.26	780,700,000.00	3-M Euribor+0.150%	06/22/2011	Quarterly	"Pass-Through"	Aa1sf	Aaa
				67.40%		22.Mar/Jun/Sep/Dec	227.694250 Gross	22.Mar/Jun/Sep/Dec	Pro rata under certain circumstances		
							184.432342 Net				
Series B	ES0382476024	11/20/2006	208	100,000.00	100,000.00	Floating	1.4920%	09/22/2044	To Be Determined	A+	A+
				20,800,000.00	20,800,000.00	3-M Euribor+0.320%	06/22/2011	Quarterly	"Pass-Through"	Baa1sf	A2
				100.00%		22.Mar/Jun/Sep/Dec	381.288889 Gross	22.Mar/Jun/Sep/Dec	Secutorial / Pro rata under certain circumstances		
							308.844000 Net				
Series C	ES0382476032	11/20/2006	91	100,000.00	100,000.00	Floating	1.6820%	09/22/2044	To Be Determined	BBB	BBB
				9,100,000.00	9,100,000.00	3-M Euribor+0.510%	06/22/2011	Quarterly	"Pass-Through"	Baa3sf	Baa3
				100.00%		22.Mar/Jun/Sep/Dec	429.844444 Gross	22.Mar/Jun/Sep/Dec	Secutorial / Pro rata under certain circumstances		
							348.174000 Net				
Series D	ES0382476040	11/20/2006	104	100,000.00	100,000.00	Floating	4.6720%	09/22/2044	To Be Determined	CCCR	CCC
				10,400,000.00	10,400,000.00	3-M Euribor+3.500%	06/22/2011	Quarterly	Due to Cash Reserve reduction	3	Ca
				100.00%		22.Mar/Jun/Sep/Dec	1,193.955556 Gross	22.Mar/Jun/Sep/Dec		Csf	
							967.104000 Net				
Total				566,461,977.26	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)							Final Maturity	Date			
				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	7.97	6.90	6.07	5.38	4.79	4.31	3.92	3.59				
		Final Maturity	Years	03/09/2019	02/11/2018	04/14/2017	08/04/2016	01/03/2016	07/12/2015	02/21/2015	10/20/2014	10/20/2014			
		Date		15.76	14.01	12.76	11.51	10.26	9.26	8.51	7.76	7.76			
	Without optional redemption *	Average life	Years	8.19	7.15	6.30	5.60	5.02	4.53	4.13	3.78				
		Final Maturity	Years	05/26/2019	05/13/2018	07/07/2017	10/24/2016	03/27/2016	10/02/2015	05/05/2015	12/29/2014	12/29/2014			
		Date		20.01	18.77	17.52	16.28	14.76	13.76	12.76	11.76	11.76			
Series B	With optional redemption *	Average life	Years	15.76	14.01	12.76	11.51	10.26	9.26	8.51	7.76				
		Final Maturity	Years	12/22/2026	03/22/2025	12/22/2023	09/22/2022	06/22/2021	06/22/2020	09/22/2019	12/22/2018	12/22/2018			
		Date		15.76	14.01	12.76	11.51	10.26	9.26	8.51	7.76	7.76			
	Without optional redemption *	Average life	Years	21.61	20.12	18.83	17.61	16.35	15.15	14.07	13.07				
		Final Maturity	Years	10/25/2032	05/01/2031	01/13/2030	10/25/2028	07/25/2027	05/13/2026	04/13/2025	04/13/2024	04/13/2024			
		Date		23.27	21.77	20.27	19.01	17.77	16.76	15.52	14.52	14.52			
Series C	With optional redemption *	Average life	Years	15.76	14.01	12.76	11.51	10.26	9.26	8.51	7.76				
		Final Maturity	Years	12/22/2026	03/22/2025	12/22/2023	09/22/2022	06/22/2021	06/22/2020	09/22/2019	12/22/2018	12/22/2018			
		Date		15.76	14.01	12.76	11.51	10.26	9.26	8.51	7.76	7.76			
	Without optional redemption *	Average life	Years	24.49	48.77	70.32	89.51	107.23	123.05	136.65	148.64				
		Final Maturity	Years	09/11/2035	12/15/2059	06/28/2081	09/02/2100	05/20/2118	03/10/2134	10/11/2147	10/05/2159	10/05/2159			
		Date		30.27	23.27	21.52	20.27	19.01	18.01	16.76	15.76	15.76			
Series D	With optional redemption *	Average life	Years	15.76	14.01	12.76	11.51	10.26	9.26	8.51	7.76				
		Final Maturity	Years	12/22/2026	03/22/2025	12/22/2023	09/22/2022	06/22/2021	06/22/2020	09/22/2019	12/22/2018	12/22/2018			
		Date		15.76	14.01	12.76	11.51	10.26	9.26	8.51	7.76	7.76			
	Without optional redemption *	Average life	Years	30.27	30.27	30.27	30.27	30.27	30.27	30.27	30.27	30.27			
		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	06/22/2041		
		Date		30.27	30.27	30.27	30.27	30.27	30.27	30.27	30.27	30.27	30.27		

\* 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	Amount	% CE	
Class A	92.89%	526,161,977.26	7.25%	95.58%	870,700,000.00	5.56%
Series A1	0.00%	0.00		9.88%	90,000,000.00	
Series A2	92.89%	526,161,977.26		85.70%	780,700,000.00	
Series B	3.67%	20,800,000.00	3.51%	2.28%	20,800,000.00	3.28%
Series C	1.61%	9,100,000.00	1.87%	1.00%	9,100,000.00	2.28%
Series D	1.84%	10,400,000.00		1.14%	10,400,000.00	1.14%
Issue of Bonds		566,461,977.26			911,000,000.00	
Reserve Fund	1.87%	10,400,000.00		1.14%	10,400,000.00	

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	54,040,284.83	1.822%	
Servicer ppal collect not yet credited	47,092.63		
Servicer ints collect not yet credited	11,899.43		
Liabilities	Available	Balance	Interest
Start-up Loan L/P		137,559.99	3.172%
Start-up Loan C/P		0.00	
Swap collateralized amount	Amount	Credited	
CSA *	0.00		
Cash	25,180,000.00		
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	7,160	9,544
Principal		
Principal outstanding	552,293,575.31	900,711,214.30
Average loan	77,135.97	94,374.60
Minimum	26.53	161.55
Maximum	698,604.36	944,147.00
Interest rate		
Weighted average (wac)	2.29%	3.83%
Minimum	1.53%	2.17%
Maximum	6.23%	7.00%
Final maturity		
Weighted average (WARM) (months)	221	263
Minimum	06/01/2011	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%	0.94	7.08	0.31	7.06
10.01 - 20%	3.72	15.74	1.71	16.20
20.01 - 30%	5.97	25.50	3.60	25.53
30.01 - 40%	9.25	35.26	6.22	35.18
40.01 - 50%	13.97	45.25	9.44	45.31
50.01 - 60%	21.09	55.32	13.46	55.30
60.01 - 70%	30.49	65.40	18.97	65.21
70.01 - 80%	13.35	72.43	37.84	75.74
80.01 - 90%	1.23	83.29	6.61	84.62
90.01 - 100%			1.84	93.37
110.01 - 120%			0.01	119.54
Weighted average (WALTV)	54.05		63.48	
Minimum	0.05		0.24	
Maximum	89.35		119.54	

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.08%	0.21%	0.31%	0.34%	0.51%
Annual Percentage Rate (CPR)	0.92%	2.47%	3.66%	4.04%	5.99%

Geographic distribution		
	Current	At constitution date
Andalucia	3.61%	3.72%
Aragon	5.04%	5.21%
Asturias	0.01%	0.01%
Balearic Islands	0.77%	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	2.96%	2.82%
Extremadura	0.00%	0.01%
Galicia	0.00%	0.01%
La Rioja	0.98%	0.95%
Madrid	5.73%	6.10%
Murcia	10.10%	9.57%
Navarra	0.39%	0.52%
Valencia	69.97%	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	219	79,523.94	24,621.97	0.00	104,145.91	5.98	18,370,436.82	18,474,582.73	35.09	45.38
from > 1 to ≤ 2 months	120	92,310.30	37,711.43	0.00	130,021.73	7.47	11,280,801.85	11,410,823.58	21.67	50.25
from > 2 to ≤ 3 months	119	133,831.85	60,453.23	0.00	194,285.08	11.16	10,974,102.75	11,168,387.83	21.21	50.34
from > 3 to ≤ 6 months	11	33,165.97	15,038.68	0.00	48,204.65	2.77	1,469,937.52	1,518,142.17	2.88	47.02
from > 6 to < 12 months	12	37,664.23	28,327.16	0.00	65,991.39	3.79	1,523,711.94	1,589,703.33	3.02	69.96
from ≥ 12 to < 18 months	25	149,287.13	68,490.44	0.00	217,777.57	12.51	2,255,093.08	2,472,870.65	4.70	56.32
from ≥ 18 to < 24 months	13	97,054.51	65,544.50	0.00	162,599.01	9.34	1,236,582.81	1,399,181.82	2.66	66.37
from ≥ 24 months	35	385,251.05	431,902.03	0.00	817,153.08	46.96	3,803,553.97	4,620,707.05	8.78	68.91
Subtotal	554	1,008,088.98	732,089.44	0.00	1,740,178.42	100.00	50,914,220.74	52,654,399.16	100.00	50.48
<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	554	1,008,088.98	732,089.44	0.00	1,740,178.42		50,914,220.74	52,654,399.16		50.48