

VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

Brief report

Date: 09/30/2008
Currency: EUR

Date of constitution
12/07/2005

VAT Reg. no.
G84530526

Management Company
Europea de Titulización, S.G.F.T

Originator
Banco de Valencia

Service
Banco de Valencia

Lead Managers
Bancaja
Deutsche Bank

Bond Underwriters and Placement Agents
Bancaja
Deutsche Bank
Dexia
Fortis Bank

Bond Paying Agent
Bancaja

Market
AIAF Mercado de Renta Fija

Register of Book Securities
Iberclear

Treasury Account
Bancaja

Start-up Loan
Banco de Valencia

Swap
Banco de Valencia

Swap Collateral
Bancaja

Assets Custodian
Banco de Valencia

Fund Auditors
Ernst&Young

Issued securities: Mortgage-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)	Next	Fitch / Moody's			
		Current	Original	Payment Date				Current	Original		
Series A ES0382745000	12/12/2005 9,095	66,871.67 608,197,838.65 66.87%	100,000.00 909,500,000.00	Floating 3-M Euribor+0.140% 24.Jan/Apr/Jul/Oct	5.1010% 10/24/2008 871.731660 Gross 714.819961 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	10/24/2008 "Pass-Through"	AAA Aaa	AAA Aaa		
Series B ES0382745018	12/12/2005 212	100,000.00 21,200,000.00 100.00%	100,000.00 21,200,000.00	Floating 3-M Euribor+0.320% 24.Jan/Apr/Jul/Oct	5.2810% 10/24/2008 1,349.588899 Gross 1,106.662889 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Pro rata deferred start / Secuential	A+ A1	A+ A1		
Series C ES0382745026	12/12/2005 94	100,000.00 9,400,000.00 100.00%	100,000.00 9,400,000.00	Floating 3-M Euribor+0.550% 24.Jan/Apr/Jul/Oct	5.5110% 10/24/2008 1,408.366667 Gross 1,154.860667 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Pro rata deferred start / Secuential	BBB+ Baa3	BBB+ Baa3		
Series D ES0382745034	12/12/2005 99	100,000.00 9,900,000.00 100.00%	100,000.00 9,900,000.00	Floating 3-M Euribor+3.500% 24.Jan/Apr/Jul/Oct	8.4610% 10/24/2008 2,162.255556 Gross 1,773.049556 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined Due to Cash Reserve reduction	CCC- Ca	CCC- Ca		
Total		648,697,838.65	950,000,000.00								

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)																					
		% 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	Date	06/21/2017	08/05/2016	05/22/2015	08/14/2014	12/18/2013	07/06/2013	02/01/2013	03/08/2012									
		Final Maturity	Years	Date	16.26	14.76	13.26	12.01	10.75	9.75	9.01	8.01									
					01/24/2025	07/24/2023	01/24/2022	10/24/2020	07/24/2019	07/24/2018	10/24/2017	10/24/2016									
	Without optional redemption *	Average life	Years	Date	9.17	8.06	7.14	6.38	5.73	5.18	4.71	4.31									
		Final Maturity	Years	Date	12/23/2017	11/14/2016	12/14/2015	09/03/2015	07/16/2014	12/28/2013	10/07/2013	12/02/2013									
					31.02	31.02	31.02	31.02	31.02	31.02	31.02	31.02	31.02								
Series B	With optional redemption *	Average life	Years	Date	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039									
		Final Maturity	Years	Date	9.54	8.36	7.39	6.57	5.89	5.34	4.82										
					09/22/2019	06/05/2018	02/03/2017	03/14/2016	05/17/2015	12/09/2014	02/25/2014	08/17/2013									
	Without optional redemption *	Average life	Years	Date	16.26	14.76	13.26	12.01	10.75	9.75	9.01	8.01									
		Final Maturity	Years	Date	01/24/2025	07/24/2023	01/24/2022	10/24/2020	07/24/2019	07/24/2018	10/24/2017	10/24/2016									
					11.60	10.26	9.12	8.16	7.34	6.64	6.04	5.53									
Series C	With optional redemption *	Average life	Years	Date	05/27/2020	01/23/2019	05/12/2017	12/17/2016	02/23/2016	06/13/2015	05/11/2014	03/05/2014									
		Final Maturity	Years	Date	31.02	31.02	31.02	31.02	31.02	31.02	31.02	31.02	31.02								
					10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039								
	Without optional redemption *	Average life	Years	Date	10.92	9.54	8.36	7.39	6.57	5.89	5.34	4.82									
		Final Maturity	Years	Date	09/22/2019	06/05/2018	02/03/2017	03/15/2016	05/17/2015	12/09/2014	02/25/2014	08/17/2013									
					16.26	14.76	13.26	12.01	10.75	9.75	9.01	8.01									
Series D	With optional redemption *	Average life	Years	Date	01/24/2025	07/24/2023	01/24/2022	10/24/2020	07/24/2019	07/24/2018	10/24/2017	10/24/2016									
		Final Maturity	Years	Date	11.60	10.26	9.12	8.16	7.34	6.64	6.04	5.53									
					05/28/2020	01/24/2019	05/12/2017	12/18/2016	02/24/2016	06/13/2015	06/11/2014	03/05/2014									
	Without optional redemption *	Average life	Years	Date	31.02	31.02	31.02	31.02	31.02	31.02	31.02	31.02	31.02								
		Final Maturity	Years	Date	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039	10/24/2039								
					10.43	9.22	8.24	7.33	6.61	6.06	5.41										

* 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
Series A	93.76%	608,197,838.65	6.34%	95.74%	909,500,000.00
Series B	3.27%	21,200,000.00	3.02%	2.23%	21,200,000.00
Series C	1.45%	9,400,000.00	1.55%	0.99%	9,400,000.00
Series D	1.53%	9,900,000.00	1.04%		9,900,000.00
Issue of Bonds		648,697,838.65			950,000,000.00
Reserve Fund	1.55%	9,900,000.00	1.05%		9,900,000.00

Other financial operations (current)			
Assets		Balance	Interest
Treasury Account		30,486,156.63	4.918%
Service ppal collect not yet credited		414,947.28	
Service ints collect not yet credited		136,109.70	
Liabilities	Available	Balance	Interest
Start-up Loan		470,124.04	6.961%

Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	9,258	12,241	
Principal			
Principal outstanding	624,846,177.01	940,242,690.85	
Average loan	67,492.57	76,810.94	
Minimum	72.14	3,356.13	
Maximum	462,745.91	496,461.58	
Interest rate			
Weighted average (wac)	5.59%	3.11%	
Minimum	3.50%	1.00%	
Maximum	7.50%	5.25%	
Final maturity			
Weighted average (WARM) (months)	213	239	
Minimum	10/02/2008	01/04/2007	
Maximum	07/12/2039	11/05/2035	
Index (principal outstanding distribution)			
3-month EURIBOR/MIBOR	0.01%	0.01%	
1-year EURIBOR/MIBOR	2.39%	2.19%	
1-year EURIBOR/MIBOR (Mortgage Market)	97.57%	97.78%	
Mortgage Market: Banks	0.00%	0.01%	
Mortgage Market: All Institutions	0.03%	0.02%	

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	0.74	7.15	0.29	7.77
10.01 - 20%	3.30	15.87	1.93	15.83
20.01 - 30%	6.97	25.54	3.82	25.38
30.01 - 40%	10.81	35.32	6.58	35.62
40.01 - 50%	14.25	45.31	10.97	45.35
50.01 - 60%	19.62	55.24	15.89	55.36
60.01 - 70%	28.33	65.22	22.49	65.47
70.01 - 80%	15.88	72.47	38.04	75.26
80.01 - 90%	0.09	83.43		
90.01 - 100%	0.02	95.20		
Weighted average (WALT)	53.54		60.76	
Minimum	0.02		2.08	
Maximum	95.20		80.00	

Additional information

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Fortis Bank

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Ernst&Young

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.52%	0.57%	0.56%	0.66%	0.80%
Annual Percentage Rate (CPR)	6.08%	6.59%	6.54%	7.64%	9.23%

Geographic distribution		
	Current	At constitution date
Andalucia	4.69%	4.64%
Aragon	6.45%	6.24%
Asturias		0.00%
Balearic Islands	0.47%	0.41%
Basque Country	0.01%	0.04%
Canary Islands	0.01%	0.01%
Castilla-La Mancha	0.31%	0.36%
Castilla-Leon	0.02%	0.03%
Catalonia	0.76%	0.77%
Ceuta	0.03%	0.03%
Extremadura	0.01%	0.01%
Galicia		0.01%
La Rioja	0.84%	0.83%
Madrid	7.08%	7.40%
Murcia	13.68%	13.14%
Navarra	0.42%	0.43%
Valencia	65.23%	65.64%

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	420	103,264.89	119,707.71	0.00	222,972.60	18.98	28,859,357.59	29,082,330.19	51.59	47.65
from > 1 to ≤ 2 months	155	79,130.55	99,121.83	0.00	178,252.38	15.17	10,952,428.12	11,130,680.50	19.75	51.67
from > 2 to ≤ 3 months	97	71,057.05	101,259.94	0.00	172,316.99	14.67	7,345,188.42	7,517,505.41	13.34	46.53
from > 3 to ≤ 6 months	19	18,458.26	21,539.64	0.00	39,997.90	3.40	1,270,826.62	1,310,824.52	2.33	49.34
from > 6 to < 12 months	56	99,402.86	139,384.56	0.00	238,787.42	20.33	4,077,974.64	4,316,762.06	7.66	51.63
from ≥ 12 to < 18 months	27	54,319.30	92,609.51	0.00	146,928.81	12.51	1,761,976.16	1,908,904.97	3.39	61.06
from ≥ 18 to < 24 months	11	52,873.59	61,911.74	0.00	114,785.33	9.77	650,371.18	765,156.51	1.36	49.62
from ≥ 2 years	3	25,940.36	34,837.23	0.00	60,777.59	5.17	275,099.81	335,877.40	0.60	71.53
Subtotal	788	504,446.86	670,372.16	0.00	1,174,819.02	100.00	55,193,222.54	56,368,041.56	100.00	49.06
<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	788	504,446.86	670,372.16	0.00	1,174,819.02		55,193,222.54	56,368,041.56		49.06

Additional information