

# VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

## Brief report

**Date:** 08/31/2009  
**Currency:** EUR

**Date of constitution**  
12/07/2005

**VAT Reg. no.**  
V84530526

**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**  
Banco Popular Español S.A

**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<br>ES0382745000 | 12/12/2005<br>9,095 | 59,343.92<br>539,732,952.40<br>59.34%  | 100,000.00<br>909,500,000.00 | Floating<br>3-M Euribor+0.140%<br>24.Jan/Apr/Jul/Oct | 1.0730%<br>10/26/2009<br>166.265179 Gross<br>136.337447 Net   | 01/24/2043<br>Quarterly<br>24.Jan/Apr/Jul/Oct | 10/26/2009<br>"Pass-Through"                                                     | AAA<br>Aaa      | AAA<br>Aaa   |
| Series B<br>ES0382745018 | 12/12/2005<br>212   | 100,000.00<br>21,200,000.00<br>100.00% | 100,000.00<br>21,200,000.00  | Floating<br>3-M Euribor+0.320%<br>24.Jan/Apr/Jul/Oct | 1.2530%<br>10/26/2009<br>327.172222 Gross<br>268.281222 Net   | 01/24/2043<br>Quarterly<br>24.Jan/Apr/Jul/Oct | To be determined<br>"Pass-Through"<br>Pro rata<br>deferred start /<br>Secuential | A+<br>A1        | A+<br>A1     |
| Series C<br>ES0382745026 | 12/12/2005<br>94    | 100,000.00<br>9,400,000.00<br>100.00%  | 100,000.00<br>9,400,000.00   | Floating<br>3-M Euribor+0.550%<br>24.Jan/Apr/Jul/Oct | 1.4830%<br>10/26/2009<br>387.227778 Gross<br>317.526778 Net   | 01/24/2043<br>Quarterly<br>24.Jan/Apr/Jul/Oct | To be determined<br>"Pass-Through"<br>Pro rata<br>deferred start /<br>Secuential | BBB+<br>Baa3    | BBB+<br>Baa3 |
| Series D<br>ES0382745034 | 12/12/2005<br>99    | 100,000.00<br>9,900,000.00<br>100.00%  | 100,000.00<br>9,900,000.00   | Floating<br>3-M Euribor+3.500%<br>24.Jan/Apr/Jul/Oct | 4.4330%<br>10/26/2009<br>1,157.505556 Gross<br>949.154556 Net | 01/24/2043<br>Quarterly<br>24.Jan/Apr/Jul/Oct | To be determined<br>Due to Cash<br>Reserve reduction                             | CCCR<br>2<br>Ca | CC-<br>Ca    |
| Total                    |                     | 580,232,952.40                         | 950,000,000.00               |                                                      |                                                               |                                               |                                                                                  |                 |              |

| Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR) |                               |                |       |                         |            |            |            |            |            |            |            |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------|-------|-------------------------|------------|------------|------------|------------|------------|------------|------------|
|                                                                                                                     |                               |                |       | % Monthly CPR (SMM)     |            |            |            |            |            |            |            |
|                                                                                                                     |                               |                |       | % Annual equivalent CPR |            |            |            |            |            |            |            |
|                                                                                                                     |                               |                |       |                         |            |            |            |            |            |            |            |
| Series A                                                                                                            | With optional redemption *    | Average life   | Years | 7.92                    | 6.91       | 6.10       | 5.40       | 4.83       | 4.34       | 3.94       | 3.59       |
|                                                                                                                     |                               | Final Maturity | Years | 14.91                   | 13.41      | 12.16      | 10.90      | 9.90       | 8.90       | 8.15       | 7.41       |
|                                                                                                                     |                               |                | Date  | 07/24/2024              | 01/24/2023 | 10/24/2021 | 07/24/2020 | 07/24/2019 | 07/24/2018 | 10/24/2017 | 01/24/2017 |
|                                                                                                                     | Without optional redemption * | Average life   | Years | 8.50                    | 7.53       | 6.71       | 6.03       | 5.44       | 4.95       | 4.52       | 4.15       |
|                                                                                                                     |                               | Final Maturity | Years | 30.67                   | 30.67      | 30.67      | 30.67      | 30.67      | 30.67      | 30.67      | 30.67      |
|                                                                                                                     |                               |                | Date  | 04/24/2040              | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 |
| Series B                                                                                                            | With optional redemption *    | Average life   | Years | 9.43                    | 8.25       | 7.27       | 6.45       | 5.77       | 5.18       | 4.71       | 4.28       |
|                                                                                                                     |                               | Final Maturity | Years | 14.91                   | 13.41      | 12.16      | 10.90      | 9.90       | 8.90       | 8.15       | 7.41       |
|                                                                                                                     |                               |                | Date  | 07/24/2024              | 01/24/2023 | 10/24/2021 | 07/24/2020 | 07/24/2019 | 07/24/2018 | 10/24/2017 | 01/24/2017 |
|                                                                                                                     | Without optional redemption * | Average life   | Years | 10.14                   | 9.00       | 8.03       | 7.22       | 6.53       | 5.93       | 5.42       | 4.96       |
|                                                                                                                     |                               | Final Maturity | Years | 30.67                   | 30.67      | 30.67      | 30.67      | 30.67      | 30.67      | 30.67      | 30.67      |
|                                                                                                                     |                               |                | Date  | 04/24/2040              | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 |
| Series C                                                                                                            | With optional redemption *    | Average life   | Years | 9.43                    | 8.25       | 7.27       | 6.45       | 5.78       | 5.18       | 4.71       | 4.28       |
|                                                                                                                     |                               | Final Maturity | Years | 14.91                   | 13.41      | 12.16      | 10.90      | 9.90       | 8.90       | 8.15       | 7.41       |
|                                                                                                                     |                               |                | Date  | 07/24/2024              | 01/24/2023 | 10/24/2021 | 07/24/2020 | 07/24/2019 | 07/24/2018 | 10/24/2017 | 01/24/2017 |
|                                                                                                                     | Without optional redemption * | Average life   | Years | 10.14                   | 9.00       | 8.03       | 7.22       | 6.53       | 5.93       | 5.42       | 4.96       |
|                                                                                                                     |                               | Final Maturity | Years | 30.67                   | 30.67      | 30.67      | 30.67      | 30.67      | 30.67      | 30.67      | 30.67      |
|                                                                                                                     |                               |                | Date  | 04/24/2040              | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 | 04/24/2040 |
| Series D                                                                                                            | With optional redemption *    | Average life   | Years | 10.35                   | 9.13       | 8.16       | 7.26       | 6.54       | 5.87       | 5.36       | 4.87       |
|                                                                                                                     |                               | Final Maturity | Years | 14.91                   | 13.41      | 12.16      | 10.90      | 9.90       | 8.90       | 8.15       | 7.41       |
|                                                                                                                     |                               |                | Date  | 07/24/2024              | 01/24/2023 | 10/24/2021 | 07/24/2020 | 07/24/2019 | 07/24/2018 | 10/24/2017 | 01/24/2017 |
|                                                                                                                     | Without optional redemption * | Average life   | Years | 18.31                   | 17.85      | 17.51      | 17.24      | 17.03      | 16.87      | 16.73      | 16.62      |
|                                                                                                                     |                               | Final Maturity | Years | 30.42                   | 30.42      | 30.42      | 30.42      | 30.42      | 30.42      | 30.42      | 30.42      |
|                                                                                                                     |                               |                | Date  | 01/24/2040              | 01/24/2040 | 01/24/2040 | 01/24/2040 | 01/24/2040 | 01/24/2040 | 01/24/2040 | 01/24/2040 |

\* 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                | 93.02% | 539,732,952.40 | 6.93%         | 95.74% | 909,500,000.00 |
| Series B                | 3.65%  | 21,200,000.00  | 3.22%         | 2.23%  | 21,200,000.00  |
| Series C                | 1.62%  | 9,400,000.00   | 1.57%         | 0.99%  | 9,400,000.00   |
| Series D                | 1.71%  | 9,900,000.00   | 1.04%         |        | 9,900,000.00   |
| Issue of Bonds          |        | 580,232,952.40 |               |        | 950,000,000.00 |
| Reserve Fund            | 1.57%  | 8,940,516.62   | 1.05%         |        | 9,900,000.00   |

| Other financial operations (current)          |           |               |          |
|-----------------------------------------------|-----------|---------------|----------|
| Assets                                        |           | Balance       | Interest |
| Treasury Account                              |           | 42,910,842.00 | 0.929%   |
| Service ppal collect not yet credited         |           | 194,759.58    |          |
| Service ints collect not yet credited         |           | 109,621.53    |          |
| Liabilities                                   |           |               |          |
| Start-up Loan                                 | Available | 282,074.44    | 2.933%   |
| Swap collateralized amount                    | Amount    |               | Credited |
| CSA *                                         | 0.00      |               |          |
| Cash                                          |           | 25,430,000.00 |          |
| Securities                                    |           | 0.00          |          |
| * Credit Support Amount in favour of the Fund |           |               |          |

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### Assets Custodian

Banco de Valencia

### Fund Auditors

Ernst&Young

### Collateral: Residential mortgage loans

| General                                    |                |                      |  |  |
|--------------------------------------------|----------------|----------------------|--|--|
|                                            | Current        | At constitution date |  |  |
| Count                                      | 8,725          | 12,241               |  |  |
| Principal                                  |                |                      |  |  |
| Principal outstanding                      | 567,191,335.50 | 940,242,690.85       |  |  |
| Average loan                               | 65,007.60      | 76,810.94            |  |  |
| Minimum                                    | 125.56         | 3,356.13             |  |  |
| Maximum                                    | 453,243.08     | 496,461.58           |  |  |
| Interest rate                              |                |                      |  |  |
| Weighted average (wac)                     | 3.93%          | 3.11%                |  |  |
| Minimum                                    | 1.82%          | 1.00%                |  |  |
| Maximum                                    | 7.63%          | 5.25%                |  |  |
| Final maturity                             |                |                      |  |  |
| Weighted average (WARM) (months)           | 205            | 239                  |  |  |
| Minimum                                    | 09/01/2009     | 01/04/2007           |  |  |
| Maximum                                    | 01/05/2040     | 11/05/2035           |  |  |
| Index (principal outstanding distribution) |                |                      |  |  |
| 3-month EURIBOR/MIBOR                      | 0.01%          | 0.01%                |  |  |
| 1-year EURIBOR/MIBOR                       | 2.27%          | 2.19%                |  |  |
| 1-year EURIBOR/MIBOR (Mortgage Market)     | 97.69%         | 97.78%               |  |  |
| Mortgage Market: Banks                     | 0.00%          | 0.01%                |  |  |
| Mortgage Market: All Institutions          | 0.03%          | 0.02%                |  |  |

| Prepayments                  |               |               |               |                |            |
|------------------------------|---------------|---------------|---------------|----------------|------------|
|                              | Current month | Last 3 months | Last 6 months | Last 12 months | Historical |
| Single month. mort. (SMM)    | 0.29%         | 0.43%         | 0.46%         | 0.48%          | 0.73%      |
| Annual Percentage Rate (CPR) | 3.48%         | 5.05%         | 5.34%         | 5.57%          | 8.37%      |

| LTV Distribution         |         |       |                      |       |
|--------------------------|---------|-------|----------------------|-------|
|                          | Current |       | At constitution date |       |
|                          | % Pool  | % LTV | % Pool               | % LTV |
| 0.01 - 10%               | 0.81    | 6.87  | 0.29                 | 7.77  |
| 10.01 - 20%              | 3.91    | 15.81 | 1.93                 | 15.83 |
| 20.01 - 30%              | 7.61    | 25.53 | 3.82                 | 25.38 |
| 30.01 - 40%              | 11.17   | 35.35 | 6.58                 | 35.62 |
| 40.01 - 50%              | 15.38   | 45.25 | 10.97                | 45.35 |
| 50.01 - 60%              | 21.40   | 55.43 | 15.89                | 55.36 |
| 60.01 - 70%              | 29.24   | 65.23 | 22.49                | 65.47 |
| 70.01 - 80%              | 10.48   | 72.11 | 38.04                | 75.26 |
| Weighted average (WALTV) | 52.02   |       | 60.76                |       |
| Minimum                  | 0.09    |       | 2.08                 |       |
| Maximum                  | 79.99   |       | 80.00                |       |

| Geographic distribution |         |                      |
|-------------------------|---------|----------------------|
|                         | Current | At constitution date |
| Andalucia               | 4.73%   | 4.64%                |
| Aragon                  | 6.57%   | 6.24%                |
| Asturias                |         | 0.00%                |
| Balearic Islands        | 0.50%   | 0.41%                |
| Basque Country          | 0.01%   | 0.04%                |
| Canary Islands          | 0.01%   | 0.01%                |
| Castilla-La Mancha      | 0.29%   | 0.36%                |
| Castilla-Leon           | 0.02%   | 0.03%                |
| Catalonia               | 0.76%   | 0.77%                |
| Ceuta                   | 0.03%   | 0.03%                |
| Extremadura             | 0.02%   | 0.01%                |
| Galicia                 |         | 0.01%                |
| La Rioja                | 0.87%   | 0.83%                |
| Madrid                  | 6.92%   | 7.40%                |
| Murcia                  | 13.76%  | 13.14%               |
| Navarra                 | 0.38%   | 0.43%                |
| Valencia                | 65.14%  | 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                    | 400    | 117,381.30   | 80,125.65  | 0.00  | 197,506.95   | 11.40  | 26,170,598.37    | 26,368,105.32 | 41.40  | 45.18                          |
| from > 1 to ≤ 2 months           | 150    | 89,676.19    | 78,179.94  | 0.00  | 167,856.13   | 9.69   | 10,740,505.32    | 10,908,361.45 | 17.13  | 49.27                          |
| from > 2 to ≤ 3 months           | 153    | 130,520.48   | 129,821.90 | 0.00  | 260,342.38   | 15.02  | 11,843,166.08    | 12,103,508.46 | 19.00  | 52.33                          |
| from > 3 to ≤ 6 months           | 26     | 35,816.09    | 39,012.92  | 0.00  | 74,829.01    | 4.32   | 2,121,981.81     | 2,196,810.82  | 3.45   | 49.94                          |
| from > 6 to < 12 months          | 49     | 103,222.12   | 151,587.79 | 0.00  | 254,809.91   | 14.70  | 4,622,820.39     | 4,877,630.30  | 7.66   | 54.81                          |
| from ≥ 12 to < 18 months         | 31     | 127,648.33   | 155,463.86 | 0.00  | 283,112.19   | 16.34  | 2,528,382.26     | 2,811,494.45  | 4.41   | 51.84                          |
| from ≥ 18 to < 24 months         | 36     | 98,876.77    | 164,942.94 | 0.00  | 263,819.71   | 15.22  | 2,766,930.10     | 3,030,749.81  | 4.76   | 60.29                          |
| from ≥ 2 years                   | 18     | 91,445.98    | 139,111.37 | 0.00  | 230,557.35   | 13.31  | 1,161,208.86     | 1,391,766.21  | 2.19   | 58.75                          |
| Subtotal                         | 863    | 794,587.26   | 938,246.37 | 0.00  | 1,732,833.63 | 100.00 | 61,955,593.19    | 63,688,426.82 | 100.00 | 49.09                          |
| <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                            | 863    | 794,587.26   | 938,246.37 | 0.00  | 1,732,833.63 |        | 61,955,593.19    | 63,688,426.82 |        | 49.09                          |

### Additional information