

VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

Brief report

Date: 07/31/2010
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

Servicer
Banco de Valencia

Lead Managers
Bancaja
Deutsche Bank

Bond Underwriters and Placement Agents
Bancaja
Deutsche Bank
Dexia
Fortis Bank

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

Swap Collateral
Bancaja

Assets Custodian
Banco de Valencia

Fund Auditors
Deloitte (ejercicios 2009 a actual)
Ernst & Young (hasta ejercicio 2008)

Issued securities: Mortgage-Backed Bonds

Bonds issue									
Series ISIN Code	Issue date Nº bonds	Principal outstanding (Bond Unit / Series Total / %Factor)		Interest type Reference rate and margin Payment Date	Interest Rate Next coupon	Redemption		Rating Fitch / Moody's	
		Current	Original			Final maturity (legal)	Next	Current	Original
Series A ES0382745000	12/12/2005 9,095	52,505.45 477,537,067.75 52.51%	100,000.00 909,500,000.00	Floating 3-M Euribor+0.140% 24.Jan/Apr/Jul/Oct	1.0240% 10/25/2010 135.907440 Gross 110.085026 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	10/25/2010 "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	1.2040% 10/25/2010 304.344444 Gross 246.519000 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	1.4340% 10/25/2010 362.483333 Gross 293.611500 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	4.3840% 10/25/2010 1,108.177778 Gross 897.624000 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined Due to Cash Reserve reduction	CCCR 2 Ca	CCC- Ca
Total		518,037,067.75	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	7.27	6.40	5.65	5.05	4.57	4.10	3.77	3.43									
		Final Maturity	Years	13.24	11.99	10.74	9.74	8.99	7.99	7.49	6.74									
			Date	10/24/2023	07/24/2022	04/24/2021	04/24/2020	07/24/2019	07/24/2018	01/24/2018	04/24/2017									
	Without optional redemption *	Average life	Years	7.96	7.10	6.38	5.76	5.23	4.78	4.38	4.04									
		Final Maturity	Years	29.75	29.75	29.75	29.75	29.75	29.75	29.75	29.75									
			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	7.84	6.91	6.10	5.45	4.93	4.43	4.07	3.70									
		Final Maturity	Years	13.24	11.99	10.74	9.74	8.99	7.99	7.49	6.74									
			Date	10/24/2023	07/24/2022	04/24/2021	04/24/2020	07/24/2019	07/24/2018	01/24/2018	04/24/2017									
	Without optional redemption *	Average life	Years	8.60	7.67	6.89	6.22	5.66	5.17	4.73	4.36									
		Final Maturity	Years	29.75	29.75	29.75	29.75	29.75	29.75	29.75	29.75									
			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	7.84	6.91	6.10	5.45	4.94	4.43	4.07	3.70									
		Final Maturity	Years	13.24	11.99	10.74	9.74	8.99	7.99	7.49	6.74									
			Date	10/24/2023	07/24/2022	04/24/2021	04/24/2020	07/24/2019	07/24/2018	01/24/2018	04/24/2017									
	Without optional redemption *	Average life	Years	8.60	7.67	6.89	6.22	5.66	5.17	4.73	4.36									
		Final Maturity	Years	29.75	29.75	29.75	29.75	29.75	29.75	29.75	29.75									
			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	8.74	7.79	6.92	6.23	5.71	5.08	4.74	4.27									
		Final Maturity	Years	13.24	11.99	10.74	9.74	8.99	7.99	7.49	6.74									
			Date	10/24/2023	07/24/2022	04/24/2021	04/24/2020	07/24/2019	07/24/2018	01/24/2018	04/24/2017									
	Without optional redemption *	Average life	Years	17.08	16.77	16.53	16.34	16.20	16.08	15.98	15.90									
		Final Maturity	Years	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50									
			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	92.18%	477,537,067.75	7.97%	95.74%	909,500,000.00	4.31%
Series B	4.09%	21,200,000.00	3.80%	2.23%	21,200,000.00	2.05%
Series C	1.81%	9,400,000.00	1.95%	0.99%	9,400,000.00	1.05%
Series D	1.91%	9,900,000.00		1.04%	9,900,000.00	
Issue of Bonds		518,037,067.75			950,000,000.00	
Reserve Fund	1.95%	9,900,000.00		1.05%	9,900,000.00	

Other financial operations (current)			
Assets		Balance	Interest
Treasury Account		47,587,401.28	0.806%
Servicer ppal collect not yet credited		252,627.49	
Servicer ints collect not yet credited		44,163.46	
Liabilities		Available	Balance Interest
Start-up Loan L/T		94,024.84	2.884%
Start-up Loan S/T		0.00	
Swap collateralized amount		Amount	Credited
CSA *	0.00		
Cash		35,269,928.00	
Securities		0.00	
* Credit Support Amount in favour of the Fund			

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Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	8,249	12,241	
Principal			
Principal outstanding	510,093,292.97	940,242,690.85	
Average loan	61,836.99	76,810.94	
Minimum	5.19	3,356.13	
Maximum	437,882.43	496,461.58	
Interest rate			
Weighted average (wac)	2.11%	3.11%	
Minimum	1.50%	1.00%	
Maximum	5.25%	5.25%	
Final maturity			
Weighted average (WARM) (months)	198	239	
Minimum	08/01/2010	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	2.17%	2.19%	
1-year EURIBOR/MIBOR (Mortgage Market)	97.78%	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%	1.02	6.90	0.29	7.77
10.01 - 20%	4.38	15.77	1.93	15.83
20.01 - 30%	8.41	25.46	3.82	25.38
30.01 - 40%	12.19	35.21	6.58	35.62
40.01 - 50%	16.67	45.15	10.97	45.35
50.01 - 60%	24.04	55.35	15.89	55.36
60.01 - 70%	28.07	64.95	22.49	65.47
70.01 - 80%	5.22	71.60	38.04	75.26
Weighted average (WALTV)	50.00		60.76	
Minimum	0.00		2.08	
Maximum	79.99		80.00	

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.35%	0.45%	0.42%	0.43%	0.67%
Annual Percentage Rate (CPR)	4.09%	5.23%	4.92%	5.03%	7.78%

Geographic distribution			
	Current	At constitution date	
Andalucia	4.75%	4.64%	
Aragon	6.71%	6.24%	
Asturias		0.00%	
Balearic Islands	0.50%	0.41%	
Basque Country	0.01%	0.04%	
Canary Islands		0.01%	
Castilla-La Mancha	0.30%	0.36%	
Castilla-Leon	0.02%	0.03%	
Catalonia	0.73%	0.77%	
Ceuta	0.02%	0.03%	
Extremadura	0.02%	0.01%	
Galicia		0.01%	
La Rioja	0.88%	0.83%	
Madrid	6.86%	7.40%	
Murcia	13.88%	13.14%	
Navarra	0.35%	0.43%	
Valencia	64.97%	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	315	93,908.49	29,019.18	0.00	122,927.67	6.56	19,815,158.36	19,938,086.03	36.52	44.01
from > 1 to ≤ 2 months	134	87,339.36	30,999.33	0.00	118,338.69	6.31	9,367,310.41	9,485,649.10	17.37	44.39
from > 2 to ≤ 3 months	152	164,573.43	64,384.92	0.00	228,958.35	12.22	11,438,099.02	11,667,057.37	21.37	50.25
from > 3 to ≤ 6 months	13	14,024.43	4,903.29	0.00	18,927.72	1.01	633,229.92	652,157.64	1.19	40.72
from > 6 to < 12 months	54	72,157.00	40,576.91	0.00	112,733.91	6.01	3,764,220.88	3,876,954.79	7.10	47.74
from ≥ 12 to < 18 months	33	135,513.18	117,897.68	0.00	253,410.86	13.52	2,571,912.39	2,825,323.25	5.18	54.00
from ≥ 18 to < 24 months	26	165,373.56	173,053.31	0.00	338,426.87	18.06	2,522,678.14	2,861,105.01	5.24	56.08
from ≥ 2 years	35	313,907.89	366,633.92	0.00	680,541.81	36.31	2,607,992.61	3,288,534.42	6.02	71.17
Subtotal	762	1,046,797.34	827,468.54	0.00	1,874,265.88	100.00	52,720,601.73	54,594,867.61	100.00	47.65
<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	762	1,046,797.34	827,468.54	0.00	1,874,265.88		52,720,601.73	54,594,867.61		47.65