This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

PROSPECTUS **March 2009**

PYME VALENCIA 2
FONDO DE TITULIZACIÓN DE ACTIVOS

ISSUE OF ASSET-BACKED BONDS
EUR 500,000,000

Series A	**EUR 407,500,000**	**Aaa**
Series B	**EUR 17,500,000**	**A1**
Series C	**EUR 75,000,000**	**Baa3**

Backed by loans assigned and serviced by

BANCO DE VALENCIA

Lead Managers

Bancaja J.P.Morgan

Subscriber

BANCO DE VALENCIA

Paying Agent

BANCAJA

Fund established and managed by

Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Prospectus entered in the Registers of the Comisión Nacional del Mercado de Valores
on March 12, 2009

Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Material Event concerning **PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS**

Pursuant to section 4.1.4 of the Securities Note Building Block of the Prospectus for **PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS** (the "**Fund**") notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- On July 28, 2011, once the CNMV had checked compliance with the provisions of article 7 of Act 19/1992, as currently worded, the Management Company amended the Fund's Deed of Constitution, observing the procedure provided for in subparagraph 3.a) of that article, namely that the consent of all holders of the securities issued by the Fund, and of lenders and other creditors, be secured. The Deed of Constitution has been amended in order for Series A Bonds to be rated by DBRS RATINGS LIMITED ("**DBRS**").

- On that same date, the Management Company, for and on behalf of the Fund, and the relevant counterparties amended the Guaranteed Interest Rate Account (Treasury Account) and Paying Agent Agreements (collectively the "**Agreements**"), to include DBRS' criteria in credit rating downgrade events for the counterparties to the Agreements and the actions to be taken in those events.

- On July 29, 2011, DBRS assigned an AAA (sf) rating to Series A Bonds.

  Attached hereto is the letter received from DBRS notifying assignment of the aforementioned rating.

- On August 11, 2011, the CNMV entered the deed amending the deed of constitution of the Fund in its official records.

- The amendments to the Deed of Constitution and the Agreements have resulted in the inclusion of DBRS' criteria, and the following sections of the Fund Prospectus shall therefore read as follows:

Section	**Description**
Miscellany	Generally, all references to "the Rating Agency" throughout the Prospectus, defined as Moody's, shall be construed as made to "the Rating Agencies", collectively defined as Moody's and DBRS. In addition, all references to the terms Bond "ratings" or "rating" shall in any event be construed as references to the ratings issued by the two Rating Agencies, i.e. both the Bond ratings given by Moody's and the Series A Bond ratings given by DBRS.
7.5 Securities Note New Paragraphs	DBRS' rating is an opinion as to timely interest payment and principal payment by or on the Final Maturity Date with respect to Series A Bonds, in accordance with the transaction documents. DBRS Ratings Limited ("DBRS") is a rating agency with registered office at 25 Copthall Avenue, London, EC2R 7BP, United Kingdom. It is privately owned and operated and provides independent assessments in North America, Europe and Asia. DBRS ratings are all available online at Bloomberg and at its website (www.dbrs.com).

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Section	Description
	DBRS ratings are now taken into account for considering asset-backed Bonds as security instruments in the Eurosystem's lending transactions to the banking system (based on information available at the European Central Bank's website at http://www.ecb.int/mopo/assets/ecaf/html/index.en.html). The comparison of DBRS ratings to the other rating agencies' ratings is on display at the European Central Bank's following website page: http://www.ecb.int/paym/coll/elisss/ratingscale/html/index.en.html. DBRS has been carrying on its business in the European Union before June 7, 2010, and currently has an application under way to be authorised as a rating agency licensed in the European Union in accordance with the procedure provided for in Regulation 1060/2009 of the Parliament and of the Council of September 16, 2009.
3.4.4.1 Building Block Paragraphs 3 et seq. (Treasury Account)	In the event that the rating of the short-term unsecured and unsubordinated debt obligations of the institution in which the Treasury Account is opened (the "Treasury Account Provider") should, at any time during the life of the Bond Issue, be downgraded below P-1 by Moody's or, during the life of Series A Bonds, the DBRS Rating (public rating assigned by DBRS or, where there is no such rating, the internal assessments made by DBRS) for the Treasury Account Provider's long- and short-term debt obligations should be respectively downgraded below BBB (High) and R-1 (Low), the Management Company shall within not more than thirty (30) calendar days from the downgrade below P-1, or within not more than thirty (30) Business Days from the downgrade below BBB (High) and R-1 (Low), do one of the following in order to allow a suitable level of guarantee to be maintained with respect to the commitments derived from the Guaranteed Interest Rate Account (Treasury Account) Agreement in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected: a) Obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, and, if Series A is outstanding, with a DBRS Rating for long- and short-term debt obligations respectively at least as high as BBB (High) and R-1 (Low), an unconditional, irrevocable and first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by the Treasury Account Provider of its obligation to repay the amounts credited to the Treasury Account, for such time as the Treasury Account Provider's debt obligations remain downgraded below P-1, BBB (High) and R-1 (Low). b) Transfer the Treasury Account to an institution with short-term unsecured and unsubordinated debt obligations rated P-1 by Moody's, and, if Series A is outstanding, with a DBRS Rating for long- and short-term debt obligations respectively at least as high as BBB (High) and R-1 (Low), arranging the highest possible yield for its balances, which may differ from that arranged with the Treasury Account Provider under the Guaranteed Interest Rate Account (Treasury Account) Agreement. In the event that BANCO DE VALENCIA's short-term unsecured and unsubordinated debt obligations should subsequently be upgraded back to P-1 by Moody's, and, if Series A is outstanding, the DBRS Rating for its long- and short-term debt obligations should be upgraded respectively back to BBB (High) and R-1 (Low), the Management Company shall subsequently transfer the balances back to BANCO DE VALENCIA under the Guaranteed Interest Rate Account (Treasury Account) Agreement. All costs, expenses and taxes incurred in doing and making arrangements for the above

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Section	Description
	shall be borne by BANCO DE VALENCIA or, as the case may be, the guaranteed Treasury Account Provider. The Treasury Account Provider and, as the case may be, BANCO DE VALENCIA shall agree, forthwith upon their aforesaid credit ratings being downgraded, to use commercially reasonable efforts in order that the Management Company may do either of (a) or (b) above.
3.4.7.1 Building Block Paragraphs 3 and 4 (Paying Agent Agreement)	In the event that the rating of the Paying Agent's short-term unsecured and unsubordinated debt obligations should, at any time during the life of the Bond Issue, be downgraded below P-1 by Moody's or, during the life of Series A Bonds, the DBRS Rating for the Paying Agent's long- and short-term debt obligations should be respectively downgraded below BBB (High) and R-1 (Low), the Management Company shall, within not more than thirty (30) calendar days from the downgrade below P-1, or within not more than thirty (30) Business Days from the downgrade below BBB (High) and R-1 (Low), do one of the following, after notifying the Rating Agencies, in order for the rating given to the Bonds by the Rating Agencies not to be adversely affected: (i) obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, and, if Series A is outstanding, with a DBRS Rating for long- and short-term debt obligations respectively at least as high as BBB (High) and R-1 (Low), an unconditional, irrevocable and first demand guarantee securing to the Fund, merely upon the Management Company so requesting, the commitments made by the Paying Agent, for such time as the Paying Agent's debt obligations remain downgraded below P-1, BBB (High) and R-1 (Low), or (ii) revoke the Paying Agent's designation as Paying Agent and thereupon designate another institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, and, if Series A is outstanding, with a DBRS Rating for long- and short-term debt obligations respectively at least as high as BBB (High) and R-1 (Low), to take its place before terminating the Paying Agent Agreement. Should the Paying Agent be replaced, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established under the Paying Agent Agreement. All costs, expenses and taxes incurred in doing and making arrangements for (i) above shall be borne by BANCO DE VALENCIA or, as the case may be, the guaranteed institution.

Issued to serve and avail as required by law, at Madrid on August 16, 2011.

Enrique Pescador Abad
Organisation and Control Manager

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Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Material Event concerning **PYME VALENCIA 2 Fondo de Titulización de Activos**

Pursuant to section 4.1.4 of the Securities Note Building Block of the Prospectus for **PYME VALENCIA 2 Fondo de Titulización de Activos** (the "**Fund**") notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- As set out in the material event dated August 10, 2009, Banco Cooperativo Español S.A. was designated Bond Paying Agent on August 7, 2009 by entering into an Agreement to be subrogated to and novating and amending but not terminating the Bond Paying Agent Agreement.
- Accordingly, the following section of the Fund's Prospectus should read as follows:

Section	Description
3.4.7.1 Building Block	**Bond Issue Paying Agent.** A new additional paragraph is added to paragraph two section (i), containing references to the actions to be taken in the event of the Paying Agent's credit ratings being downgraded, with the following wording: "(i) (…) The Management Company shall, on the Business Day preceding each Payment Date, pay out of the Treasury Account, into an account opened in the name of the Fund at the Paying Agent, the total Bond interest payment and principal repayment amount for each Series. The return on investments interim tax amounts to be withheld on each Payment Date on Bond interest in accordance with the applicable statutory provisions, shall remain credited to the Fund's account at the Paying Agent until the date on which the Management Company has to actually pay the same to the Tax Administration." A new paragraph is added after paragraph four, with the following wording: "BANCAJA shall agree, upon the Management Company's request and provided that its short-term unsecured and unsubordinated debt obligations are rated at least as high as F2 and P-1 respectively by Fitch and Moody's, to be subrogated to this Agreement as Paying Agent." Paragraph five of this section, concerning the Paying Agent's compensation, is replaced with the following wording: "In consideration of the services to be provided by the Paying Agent, the Fund shall pay it on each Payment Date during the term of this Agreement, a fixed fee which shall be payable provided that the Fund has sufficient liquidity and in the Fund Priority of Payments or, as the case may be, the Liquidation Priority of Payments."

Issued to serve and avail as required by law, at Madrid, on December 31, 2009.

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This document is a prospectus (the "**Prospectus**") registered at the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*), as provided for in Commission Regulation (EC) No. 809/2004, April 29, 2004, as currently worded ("**Regulation 809/2004**"), and comprises:

1. A description of the major risk factors linked to the issuer, the securities and the assets backing the issue (the "**Risk Factors**").

2. An asset-backed securities registration document, prepared using the outline provided in Annex VII to Regulation 809/2004 (the "**Registration Document**").

3. A securities note, prepared using the outline provided in Annex XIII to Regulation 809/2004 (the "**Securities Note**").

4. A Securities Note building block, prepared using the block provided in Annex VIII to Regulation 809/2004 (the "**Building Block**").

5. A glossary of definitions.

RISK FACTORS

1 Risks derived from the issuer's legal nature and operations.

a) Nature of the Fund and obligations of the Management Company.

PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS (the "**Fund**" and/or the "**Issuer**") is a separate closed-end fund devoid of legal personality and is managed by a management company, EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the "**Management Company**"), in accordance with Royal Decree 926/1998, regulating asset securitisation funds and securitisation fund management companies ("**Royal Decree 926/1998**"). The Fund shall be liable only for its obligations to its creditors with its assets.

The Management Company shall discharge for the Fund the functions attributed to it in Royal Decree 926/1998, which include enforcing Bondholders' interests as the manager of third-party portfolios. There shall be no syndicate of bondholders. Therefore, the capacity to enforce Bondholders' interests shall depend on the Management Company's means.

b) Forced substitution of the Management Company.

In accordance with article 19 of Royal Decree 926/1998, where the Management Company is adjudged insolvent or has its licence to operate as a securitisation fund management company revoked by the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) (the "**CNMV**"), it shall find a substitute management company. In any such event, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, the Fund shall be liquidated early and the Bonds issued by the same shall be redeemed, in accordance with the provisions of the Deed of Constitution and of this Prospectus.

c) Limitation of actions against the Management Company.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against Loan Obligors who may have defaulted on their payment obligations or against the Originator. Any such recourse may be used by the Management Company, representing the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of non-payment of amounts due by the Fund resulting from the existence of default or in the event of Loan prepayment, a breach by the Originator of its obligations or by the counterparties to the transactions entered into for and on behalf of the Fund, or shortfall of the financial hedging transactions for servicing the Bonds in each Series.

Bondholders and all other ordinary creditors of the Fund shall have no recourse whatsoever against the Fund Management Company other than as derived from breaches of its duties or inobservance of the provisions of the Deed of Constitution and of this Prospectus. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

d) Applicability of the Bankruptcy Act.

Both BANCO DE VALENCIA S.A. ("**BANCO DE VALENCIA**" or the "**Originator**") and the Management Company may be declared insolvent.

Pursuant to Additional Provision 5 of Act 3/1994, April 14, adapting Spanish laws in the matter of Credit Institutions to the Second Banking Coordination Directive, the assignment to the Fund of the Mortgage Loan receivables by issuing Pass-Through Certificates and of the Non-Mortgage Loan receivables can only be rescinded or contested as provided for in article 71 of the Bankruptcy Act by the receivers, who shall have to prove the existence of fraud.

Notwithstanding that, in the event that the public deed of constitution should be deemed to satisfy the requirements set in Additional Provision 3 of Act 1/1999, the assignment to the Fund of the Non-Mortgage Loan receivables could be liable to be rescinded in accordance with the general system provided for under article 71 of the Bankruptcy Act. However, that same article 71 specifically provides under paragraph 5 that transactions made at arm's length in the Originator's ordinary course of business cannot be rescinded under any circumstances. There is no case law on the subject.

In the event of insolvency of the Management Company, it must be replaced by another management company in accordance with the provisions of article 19 of Royal Decree 926/1998.

2 Risks derived from the securities.

a) Issue Price.

The Bond Issue is made with the intention of being fully subscribed for by the Originator in order to have liquid assets available which may be used as security for Eurosystem transactions or subsequently be sold in the market, and, consequently, the terms of the Bond Issue are not an estimate of the prices at which those instruments could be sold in the secondary market or of the Eurosystem's valuations in due course for the purpose of using them as security instruments in its lending transactions to the banking system.

b) Liquidity.

Given that the Originator will fully subscribe for the Bond Issue and in the event that the Bonds in the Bond Issue should hereafter be fully or partially disposed of, there is no assurance that the Bonds will be traded on the market with a minimum frequency or volume.

There is no undertaking that any institution will be involved in secondary trading, giving the Bonds liquidity by offering consideration.

Moreover, the Fund may in no event repurchase the Bonds from Bondholders. Nevertheless, the Bonds may be fully subject to early amortisation in the event of Early Liquidation of the Fund, on the terms laid down in section 4.4.3 of the Registration Document.

c) Yield.

Calculation of the yield (internal rate of return) of the Bonds in each Series contained in section 4.10 of the Securities Note is subject, inter alia, to assumed Loan prepayment and delinquency rates that may not be fulfilled, and to future market interest rates, given the floating nature of the Nominal Interest Rate of each Series.

d) Duration.

Calculation of the average life and duration of the Bonds in each Series contained in section 4.10 of the Securities Note is subject to fulfilment of Loan repayment and to assumed Loan prepayment rates that may not be fulfilled. Loan repayment performance is influenced by a number of economic and social factors such as market interest rates, the Obligors' financial circumstances and the general level of economic activity, preventing their predictability.

e) Late-payment interest.

Late interest payment or principal repayment to holders of Bonds in any Series shall under no circumstances result in late-payment interest accruing to their favour.

f) Subordination of the Bonds.

Series B Bond interest payment and principal repayment is deferred with respect to Series A Bonds. Series C Bond interest payment and principal repayment is in turn deferred with respect to Series A and Series B Bonds. However, there is no certainty that these subordination rules will protect Series A, B and C Bondholders from the risk of loss.

The subordination rules among the different Series are established in the Priority of Payments and in the Liquidation Priority of Payments in accordance with section 3.4.6 of the Building Block.

g) Deferment of interest.

This Prospectus and the other supplementary documents relating to the Bonds provide for deferment of Series B and C Bond interest payment in the event of the circumstances provided for in section 3.4.6.2.1.2 of the Building Block occurring.

Series A Bond interest is not subject to these deferment rules.

h) Bond Rating.

The credit risk of the Bonds issued by the Fund has been assessed by the rating agency Moody's Investors Service España S.A. (the "**Rating Agency**").

The Rating Agency may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to its notice.

These ratings are not and cannot therefore be howsoever construed as an invitation, recommendation or encouragement for investors to proceed to carry out any transaction whatsoever on the Bonds and, in particular, acquire, keep, charge or sell those Bonds.

3 Risks derived from the assets backing the issue.

a) Risk of default on the Loans.

Bondholders shall bear the risk of default on the Loans pooled in the Fund.

BANCO DE VALENCIA, as Originator, shall have no liability whatsoever for the Obligors' default of principal, interest or any other amount they may owe under the Loans. Under article 348 of the Commercial Code, BANCO DE VALENCIA shall be liable to the Fund exclusively for the existence and lawfulness of the Loans, and for the personality with which the assignment and issue of the Mortgage Loan Pass-Through Certificates and the assignment of the Non-Mortgage Loan receivables are made. BANCO DE VALENCIA will have no liability whatsoever to directly or indirectly guarantee that the transaction will be properly performed nor give any guarantees or security, nor indeed agree to repurchase the Non-Mortgage Loan receivables or the Pass-Through Certificate receivables, other than the undertakings contained in section 2.2.9 of the Building Block regarding substitution or redemption of Non-Mortgage Loan receivables or Pass-Through Certificates failing to conform, upon the Fund being established, to the representations given in section 2.2.8 of the Building Block.

b) Limited Liability.

The Bonds issued by the Fund neither represent nor constitute an obligation of BANCO DE VALENCIA or the Management Company. No other guarantees have been granted by any public or private organisation whatsoever, including BANCO DE VALENCIA, the Management Company and any of their affiliated or associated companies.

c) Limited Hedging.

A high level of delinquency of the Loans might reduce or indeed exhaust the limited hedging against Loan portfolio losses that the Bonds in each Series distinctly have as a result of the existence of the credit enhancement transactions described in section 3.4.2 of the Building Block.

The degree of subordination in interest payment and principal repayment between the Bonds in the different Series derived from the Priority of Payments and the Liquidation Priority of Payments of the Fund is a mechanism for distinctly hedging the different Series, respectively.

d) Loan prepayment risk.

There will be a prepayment of the Loans when the Obligors prepay the portion of principal pending repayment on the Loans, or in the event that BANCO DE VALENCIA should be substituted in the relevant Loans by any other financial institution licensed to do so, or in any other event having the same effect.

That prepayment risk shall pass quarterly on each Payment Date to Bondholders by the partial amortisation of the Bonds, in accordance with the provisions of the rules for Distribution of Available Funds for Amortisation contained in section 4.9.2 of the Securities Note.

e) Delinquency.

PYME VALENCIA 1 FTA's delinquency rate at January 31, 2009 (4.59%) and in any event the other assumed values referred to at the beginning of that section have been taken into account in calculating the amounts and details tabled in section 4.10 of the Securities Note. This delinquency rate and the other assumptions set out in section 4.10 of the Securities Note would not result in the provisions of section 4.9.3.5 of this Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal applying, nor would it trigger a reduction of the Required Principal Cash Reserve provided for in section 3.4.2.2.1 of the Securities Note Building Block.

f) Geographical concentration.

The number of selected loans at February 26, 2009, from which the securitised Loans will be taken, granted to obligors domiciled in the Valencian Community and in the Region of Murcia is 2,733 (82.45% of the total selected loans), and their outstanding principal amounts to EUR 457,835,166.56 (79.84% of the total), as detailed in section 2.2.2.q) of the Building Block.

Given this concentration level, any circumstance whatsoever having a substantial adverse effect on the Valencian Community and/or on the Region of Murcia could affect payments of the Loans backing the Fund's Issue of Asset-Backed Bonds.

g) Selected loan origination date concentration.

The selected loans at February 26, 2009 from which the securitised Loans will be taken originated in the years 2007 and 2008 account for 55.58%, in terms of outstanding principal, of the total selected loans, the weighted average age being 36.43 months.

h) Sector concentration.

The number of selected loans at February 26, 2009 to be assigned to the Fund upon being established with obligors whose business (Spanish Business Activity Code *CNAE* 93) is comprised within the building and real estate sector is 1,505 (45.40% of the total), and their outstanding principal amounts to EUR 318,015,300.67 (55.46% of the total), as detailed in section 2.2.2.c) of the Building Block.

Given these concentration levels, any circumstance whatsoever having a substantial adverse effect on the building and real estate businesses could affect payments of the Loans backing the Bond Issue.

i) Interest Rate.

The interest rate risk occurring in the Fund because the Loans are subject to fixed interest and floating interest with benchmark indices and reset and settlement periods differing from the floating interest established for the Bonds based on 3-month Euribor with quarterly accrual and settlement periods, is mitigated by the Principal Cash Reserve and the Interest Cash Reserve, both set up by drawing down the Subordinated Loan.

j) Loan portfolio assumptions.

The assumptions made in this Prospectus regarding Loan performance (prepayment, delinquency, default and other rates) are merely theoretical and for the sake of illustration only, which means that those assumptions may in any event differ from the actual rates in the future.

SECURITIES REGISTRATION DOCUMENT

(Annex VII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)

1. PERSONS RESPONSIBLE

1.1 Persons responsible for the information given in the Registration Document.

Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN (the "**Management Company**"), the company sponsoring PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS (the "**Fund**" and/or the "**Issuer**"), takes responsibility for the contents of this Registration Document.

Mr Mario Masiá Vicente, the Management Company's General Manager using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, is specifically acting for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee on February 16, 2009.

1.2 Declaration by those responsible for the contents of the Registration Document.

Mr Mario Masiá Vicente declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its contents.

2. STATUTORY AUDITORS

2.1 Fund's Auditors.

In accordance with the provisions of section 4.4.2 of this Registration Document, the Fund has no historical financial information.

The Fund's annual accounts shall be audited and reviewed every year by statutory auditors. The Fund's annual accounts and their audit report shall be filed with the Companies Register and the CNMV.

The Management Company shall proceed to designate, for periods of not more than three (3) years, the statutory auditor who is for that period of time to audit the Fund's annual accounts, reporting that appointment to the CNMV. The designation of an auditor for a given period shall not preclude the designation of that auditor for subsequent periods, observing in any event the laws in force on the subject. The Management Company shall proceed to notify the CNMV of such designation.

2.2 Accounting policies used by the Fund.

Income and expenditure will be accounted for by the Fund in accordance with the accounting principles applicable from time to time.

The Fund's fiscal year shall match a calendar year. However, the first fiscal year will exceptionally begin on the date of establishment of the Fund and the last fiscal year will end on the date on which the Fund terminates.

3. RISK FACTORS

The risk factors linked to the issuer are described in paragraph 1 of the preceding Risk Factors section of this Prospectus.

4. INFORMATION ABOUT THE ISSUER

4.1 Statement that the issuer has been established as a securitisation fund.

The Issuer is a closed-end asset securitisation fund to be established in accordance with Spanish laws.

4.2 Legal and commercial name of the issuer.

The issuer's name is "PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS" and the following short names may also be used without distinction to identify the Fund:

- PYME VALENCIA 2 FTA
- PYME VALENCIA 2 F.T.A.

4.3 Place of registration of the issuer and registration number.

The place of registration of the Fund is in Spain at the Comisión Nacional del Mercado de Valores (*National Securities Market Commission*) (the "**CNMV**"). The Fund has been entered in the Official Registers of the CNMV.

Companies Register

For the record, neither the establishment of the Fund nor the Bonds issued backed by its assets shall be entered in the Companies Register, in pursuance of the facultative authority for which provision is made in article 5.4 of Royal Decree 926/1998.

4.4 Date of incorporation and existence of the issuer.

4.4.1 Date of establishment of the Fund.

The Management Company and BANCO DE VALENCIA, as Originator of the Loan receivables, shall proceed to execute on March 13, 2009 a public deed whereby PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANCO DE VALENCIA will assign to the Fund Non-Mortgage Loan receivables and Mortgage Loan receivables, the latter by issuing Pass-Through Certificates, and the Fund will issue Asset-Backed Bonds (the "**Deed of Constitution**"), on the terms provided in article 6 of Royal Decree 926/1998.

The Management Company represents that the contents of the Deed of Constitution shall match the draft Deed of Constitution it has submitted to the CNMV and the terms of the Deed of Constitution shall at no event contradict, change, alter or invalidate the contents of this Prospectus, notwithstanding the need to complete the respective details and amounts of the Non-Mortgage Loan receivables and of the Mortgage Loan Pass-Through Certificates to be respectively assigned or issued and subscribed for under the Deed of Constitution.

The Deed of Constitution may not be altered other than in exceptional events, provided that there are no circumstances preventing that in accordance with the laws and regulations in force from time to time. In any event, those actions shall require that the Management Company notify and secure the prior authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agency, and provided that such changes are not detrimental to the rating assigned to the Bonds by the Rating Agency. The Deed of Constitution can also be corrected as requested by the CNMV.

4.4.2 Existence of the Fund.

The Fund shall commence its operations on the date of execution of the Deed of Constitution.

The Fund shall be in existence until March 25, 2047 or the following Business Day if that is not a Business Day, the Final Maturity Date, unless there should previously have been an Early Liquidation as set forth in section 4.4.3 of this Registration Document or any of the events laid down in section 4.4.4 of this Registration Document should occur.

4.4.3 Early Liquidation of the Fund.

4.4.3.1 Following notice served on the CNMV, the Management Company shall be entitled to proceed to early liquidation ("**Early Liquidation**") of the Fund and thereby early amortisation of the entire Bond Issue ("**Early Amortisation**"), in any of the following events (the "**Early Liquidation Events**"):

(i) When the amount of the Outstanding Balance of the Loans yet to be repaid is less than ten (10) percent of the initial Outstanding Balance of the Loans upon the Fund being established, and provided that the payment obligations derived from the Bonds in each Series then outstanding may be honoured and settled in full in the Liquidation Priority of Payments.

Payment obligations derived from the Bonds in each Series on the Early Liquidation date of the Fund shall at all events be deemed to be the Outstanding Principal Balance of each Series on that date plus interest accrued and not paid until that date, which amounts shall be deemed to be due and payable on that date to all statutory intents and purposes.

(ii) Where, in any event or circumstance whatsoever unrelated to the Fund's operations, a substantial alteration occurs or the financial balance of the Fund required by article 11.b) of Royal Decree 926/1998 is permanently damaged. This event includes such circumstances as the existence of any change in the law or supplementary implementing regulations, the establishment of withholding obligations or other situations which might permanently affect the financial balance of the Fund.

(iii) Mandatorily, in the event that the Management Company should be adjudged insolvent or have its licence to operate as a securitisation fund management company revoked by the CNMV, and the statutory term to do so or otherwise four months should elapse without a new management company being designated in accordance with the provisions of section 3.7.1.3 of the Building Block to this Prospectus.

(iv) If within less than one (1) year since the Fund was established the Management Company should have the express consent and acceptance of all the Bondholders and all the counterparties to the agreements in force with the Fund, as regards both payment of amounts resulting from, and the procedure for, such Early Liquidation.

(v) When a default occurs indicating a major permanent imbalance in relation to any of the Bonds issued or that it is about to occur.

(vi) Upon the lapse of forty-two (42) months from the date of the last maturity of the Loans, even if amounts are still due and payable.

4.4.3.2 The following requirements shall have to be satisfied to proceed to that Early Liquidation of the Fund:

(i) That Bondholders be given not less than fifteen (15) Business Days' notice, as prescribed in section 4.1.3.2 of the Building Block, of the Management Company's resolution to proceed to Early Liquidation of the Fund.

(ii) That the Management Company previously advise the CNMV and the Rating Agency of that notice.

(iii) The notice of the Management Company's resolution to proceed to Early Liquidation of the Fund shall contain a description of (i) the event or events triggering Early Liquidation of the Fund, (ii) the liquidation procedure, and (iii) how the Bond payment obligations are to be honoured and settled in the Liquidation Priority of Payments.

4.4.3.3 In order for the Fund, through its Management Company, to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue, the Management Company shall, for and on behalf of the Fund:

(i) Proceed to sell the Loan receivables remaining in the Fund at a reasonable price, initially not less than the sum of the principal then outstanding plus interest accrued and not paid on the relevant Loans, subject to the provisions of paragraph (iv) below.

(ii) Proceed to terminate such agreements as are not necessary for the Fund liquidation procedure.

(iii) Be entitled to arrange for a credit facility with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, or a loan, which shall be fully allocated to early amortisation of the Bonds in the outstanding Series. Financial expenses due shall be paid and credit facility or loan principal shall be repaid in accordance with the Liquidation Priority of Payments.

(iv) Finally, both due to the preceding actions falling short and the existence of Loan receivables or other remaining assets of the Fund, the Management Company shall proceed to sell them and shall therefore invite a bid from at least five (5) entities who may, in its view, give a reasonable market value. The Management Company shall be bound to accept the best bid received for the Loans and assets on offer. In order to set the market value, the Management Company may secure such valuation reports as it shall deem necessary.

In events (i), (iii) and (iv) above, the Originator shall have a right of first refusal and will therefore have priority over third parties to voluntarily acquire the Loan receivables or other remaining assets still on the assets of the Fund, and/or may grant to the Fund, as the case may be, the credit facility or loan designed for early amortisation of the Bonds in the outstanding Series. The Management Company shall therefore send the Originator a list of the assets and of third-party bids received, if any, and the latter may use that right for all of the Loans or other assets offered by the Management Company or the credit facility or loan within ten (10) Business Days of receiving said notice, and provided that (i) its bid is at least equal to the best of the third-party bids, if any, and (ii) the Originator proves to the Management Company that the exercise of the right of first refusal was subject to its usual credit revision and approval procedures and establishing therein that the exercise of that right is not designed to implicitly support securitisation.

The Management Company shall forthwith apply all the proceeds from the sale of the Fund's assets to paying the various items, in such manner, amount and order as shall be requisite in the Liquidation Priority of Payments, other than the amounts, if any, drawn under the credit facility or loan arranged for early amortisation of Bonds in the outstanding Series, which shall be applied to meeting the payment obligations of the Bonds in these Series.

4.4.4 Termination of the Fund.

The Fund shall terminate in any case, after completing the relevant legal procedure, in the following events:

(i) Upon the Loans pooled therein being fully repaid.

(ii) Upon the Bonds issued being fully amortised.

(iii) When the Early Liquidation procedure established in section 4.4.3 above is over.

(iv) At all events, upon final liquidation of the Fund on the Final Maturity Date on March 25, 2047 or the following Business Day if that is not a Business Day.

(v) Upon the establishment of the Fund terminating in the event that the Rating Agency should not confirm any of the assigned provisional ratings as final ratings by 2pm (CET) on March 16, 2009. In this event, the Management Company shall terminate the establishment of the Fund, the assignment of the Non-Mortgage Loan receivables to the Fund, the issue of and subscription for the Pass-Through Certificates and the Bond issue.

In that case, termination of the establishment of the Fund shall be notified to the CNMV and the Lead Managers as soon as such is confirmed, and shall be publicised by means of the procedure specified in section 4.1.3.2 of the Building Block. Within not more than one month after the occurrence of the event of termination, the Management Company shall execute a statutory declaration before a notary public declaring that the Fund's obligations have been settled and terminated and that the Fund has terminated. Notwithstanding the above, the Fund Management Company shall defray the Fund set-up and Bond issue expenses payable with the Start-Up Loan, and the Start-Up Loan agreement shall not be terminated but shall rather be cancelled after those amounts are settled, principal repayment being subordinated to fulfilment of all other obligations undertaken by the Management Company, acting for and on behalf of the Fund.

In the event that there should be any remainder upon the Fund being liquidated and after making all payments to the various creditors by distributing the Liquidation Available Funds in the set Liquidation Priority of Payments, that remainder shall be for the Originator on the liquidation terms established by the Management Company. If that remainder is not a liquid amount, since relating to Loans that are pending the outcome of legal or notarial proceedings instituted as a result of default by the Loan Obligor, both their continuation and the proceeds of their termination shall be for the Originator.

In any event, the Management Company, acting for and on behalf of the Fund, shall not proceed to terminate the Fund and strike it off the relevant administrative registers until the Fund's Loans and remaining assets have been liquidated and the Fund's Liquidation Available Funds have been distributed, in the Liquidation Priority of Payments.

Upon a period of six (6) months elapsing from liquidation of the Fund's remaining assets and distribution of the Liquidation Available Funds, the Management Company shall execute a statutory declaration before a notary public declaring (i) that the Fund has terminated, and the events prompting its termination, (ii) how Bondholders and the CNMV were notified, and (iii) how the Liquidation Available Funds were distributed in the Liquidation Priority of Payments; notice of this shall be given in a nation-wide newspaper and all other appropriate administrative procedures will be observed. The Management Company will submit that statutory declaration to the CNMV.

4.5 Domicile, legal form and legislation applicable to the Issuer.

Pursuant to article 1.1 of Royal Decree 926/1998, the Fund has no legal personality, and the Management Company is entrusted with establishing, managing and being the authorised representative of the same, and, as manager of third-party portfolios, with representing and enforcing the interests of the holders of the Bonds issued by the Fund it manages and of all its other ordinary creditors.

The Fund shall have the same domicile as the Management Company:

- Street: Lagasca number 120
- Town: Madrid
- Post Code: 28006
- Country: Spain
- Telephone: (34) 91 411 84 67

The establishment of the Fund is subject to Spanish Law and in particular is carried out in accordance with the legal system provided for by (i) Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies ("**Royal Decree 926/1998**") and implementing regulations, (ii) Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7 ("**Act 19/1992**"), failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) Act 3/1994, April 14, adapting Spanish law in regard to credit institutions to the Second Banking Co-ordination Directive and introducing other financial system changes ("**Act 3/1994**"), as currently worded, (iv) the Securities Market Act, (v) Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required ("**Royal Decree 1310/2005**"), (vi) Commission Regulation (EC) No. 809/2004, April 29, 2004 implementing Directive 2003/71/EC of the

European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as currently worded, and (vii) all other legal and statutory provisions in force and applicable from time to time.

4.5.1 Tax system of the Fund.

In accordance with the provisions of article 1.2 of Royal Decree 926/1998, article 5.10 of Act 19/1992, article 7.1.h) of the Consolidation of the Corporation Tax Act approved by Legislative Royal Decree 4/2004, March 5, article 20.One.18 of Value Added Tax Act 37/1992, December 28, article 59.k of the Corporation Tax Regulations approved by Royal Decree 1777/2004, July 30, articles 45.I.B).15 and 45.I.B) 20.4 of the Consolidation of the Capital Transfer and Documents Under Seal Tax Act approved by Legislative Royal Decree 1/1993, September 24, additional provision five of Act 3/1994, April 14, Personal Income Tax Act 35/2006, November 28, partly amending the Corporation, Non-Resident Income and Wealth Tax Acts, and all other applicable rules and regulations, the most relevant characteristics of each tax under the current tax system of the Fund are mainly as follows:

(i) The establishment of the Fund and all transactions entered into by the Fund falling under the “corporate transactions” category of Capital Transfer and Documents under Seal Tax, are exempt from the “corporate transactions” item of Capital Transfer and Documents Under Seal Tax.

(ii) Bond issue, subscription, transfer and amortisation is either not subject to or exempt from payment, as the case may be, of Value Added Tax and Capital Transfer and Documents Under Seal Tax.

(iii) The Fund is liable to pay Corporation Tax, determining the taxable income in accordance with the provisions of Title IV of the Corporation Tax Act, applying the general rate in force from time to time, which currently stands at 30%, and subject to common rules regarding tax credit, set-off of losses and other substantial constituent elements of the tax.

(iv) The management and custody services provided to the Fund are exempt from Value Added Tax.

(v) The assignment of the Non-Mortgage Loan receivables to the Fund and the issue by BANCO DE VALENCIA of and subscription by the Fund for the Pass-Through Certificates are transactions subject to and exempt from Value Added Tax and Capital Transfer and Documents Under Seal Tax.

(vi) Fulfilment of the reporting duties established by Additional Provision Two of Financial Intermediary Investment Ratios, Equity and Reporting Duties Act 13/1985 shall apply to the Fund.

The procedure to satisfy those reporting duties was implemented by Royal Decree 1065/2007, July 27, establishing reporting duties with respect to preferred stock and other debt instruments and certain income obtained by individuals resident in the European Union (“**Royal Decree 1065/2007**”). Royal Decree 1065/2007 entered into force on January 1, 2008.

In accordance with Spanish laws for the time being in force, returns on the Bonds obtained by an investor who is not a resident of Spain shall be either (i) exempt from a withholding on account of Non-Resident Income Tax (in the case of investors acting through a permanent establishment), or (ii) exempt on the same terms established for returns on public debt.

Notwithstanding the above, in order for the withholding exclusion to be effective for investors acting through a permanent establishment, certain formal obligations needs must be satisfied, currently laid down in the Order of December 22, 1999, in the case of non-residents acting with respect to the Bonds through a permanent establishment in Spain and in Royal Decree 1065/2007, in the case of non-residents not acting, with respect to the Bonds, through a permanent establishment in Spain.

Where pursuant to the abovementioned laws the exemption right is not satisfactorily established (that is to say, proof Is not produced that the non-resident investor is not acting through a tax haven or the Management Company is not provided, through the Paying Agent, with the relevant certificates), returns on the Bonds shall be subject to withholding, currently set at 18%.

The tax implications described above are based on the laws in force at the time of issue of this Prospectus and do not purport to be comprehensive. Consequently, they should not be considered in lieu of the requisite tax advice suited to each investor's particular situation.

4.6 Issuer's authorised and issued capital.

Not applicable.

5. BUSINESS OVERVIEW

5.1 Brief description of the issuer's principal activities.

The Fund's activity is to subscribe for pass-through certificates issued on mortgage loans and to acquire a number of receivables on non-mortgage loans owned by BANCO DE VALENCIA (both types of loans, the "**Loans**") granted to non-financial small and medium-sized enterprises ("**SMEs**", as defined internally by BANCO DE VALENCIA -annual turnover not in excess of EUR one hundred million (100,000,000.00)-) domiciled in Spain (the "**Obligors**"), and to issue asset-backed bonds (the "**Asset-Backed Bonds**" or the "**Bonds**") the subscription for which is designed to finance acquisition of the Loan receivables.

The selected loans may be classified based on their collaterals into:

(i) Loans with real estate mortgage security and with additional security, if any, as specified in section (ii) below, originated in a public deed (the "**Mortgage Loans**").

The Mortgage Loan receivables shall be assigned to the Fund upon BANCO DE VALENCIA issuing and the Fund subscribing for Pass-Through Certificates subject to the provisions of Act 2/1981 and additional provision five of Act 3/1994, as currently worded, on the terms provided for in section 3.3 of this Building Block.

(ii) Loans without special security, secured by pledging money, securities or other assets and/or with third-party personal guarantees, originated in a public document, which are enforceable (Civil Procedure Act article 517) (the "**Non-Mortgage Loans**").

The Non-Mortgage Loan receivables shall be directly assigned to the Fund upon being sold by BANCO DE VALENCIA and acquired by the Fund, on the terms provided for in section 3.3 of this Building Block.

In this Registration Document and elsewhere in the Prospectus the term "Loans" shall be used to refer collectively to the Non-Mortgage Loan and the Mortgage Loan receivables or to the Pass-Through Certificates perfecting their assignment.

Loan interest and repayment income received by the Fund shall be allocated quarterly on each Payment Date to Bond interest payment and principal repayment on the specific terms of each series (the "Series") making up the issue of Bonds and in the order of priority established for Fund payments.

Moreover, the Fund, represented by the Management Company, shall arrange a number of financial and service transactions in order to consolidate the financial structure of the Fund, enhance Bond payment safety or regularity, cover timing differences between the scheduled principal and interest flows on the Loans and the Bonds, and, generally, enable the financial transformation carried out in respect of the Fund's assets between the financial characteristics of the Loans and the financial characteristics of each Bond Series.

5.2 Global overview of the parties to the securitisation program.

- EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN ("**EUROPEA DE TITULIZACIÓN**") is the Management Company that will establish, manage and be the authorised representative of the Fund and has, jointly with BANCAJA and J.P. MORGAN, structured the financial terms of the Fund and the Bond Issue.

  EUROPEA DE TITULIZACIÓN is a securitisation fund management company incorporated in Spain and entered in the CNMV's special register under number 2.

  VAT REG. No.: A-805144 66 Business Activity Code No.: 6713

  Registered office: Calle Lagasca number 120, 28006 Madrid (Spain).

- BANCO DE VALENCIA is the originator of the Loan receivables to be assigned to the Fund upon being established and shall be the Fund's counterparty under the Start-Up Loan, Loan Servicing and Pass-Through Certificate Custody and Financial Intermediation Agreements, and shall be the subscriber of the Bond Issue under the Bond Issue Management and Subscription Agreement.

  BANCO DE VALENCIA is a bank incorporated in Spain and entered in the Companies Register of Valencia at volume 3175, book 489, folio 1, sheet V-6912 and in the Bank of Spain's Special Register of Banks and Bankers, its code number being 0093.

  VAT REG. No.: A46002036 Business Activity Code No.: 65121

  Registered office: Pintor Sorolla numbers 2 and 4, 46002 Valencia (Spain).

  Ratings for BANCO DE VALENCIA's short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agency:

	Moody's Rating
Short-term	P-2 (November 2008)
Long-term	A3 (November 2008)
Outlook	Negative

- CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA ("**BANCAJA**") shall be one of the Lead Managers of the Bond Issue.

  Out of the functions and activities that lead managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, BANCAJA has, jointly with J.P. MORGAN and the Management Company, structured the financial terms of the Fund and the Bond Issue.

  In addition, it shall take on the functions of article 35.3 of the same Royal Decree.

  Moreover, BANCAJA shall be the Fund's counterparty under the Bond Paying Agent and Guaranteed Interest Rate Account (Treasury Account) Agreements.

  BANCAJA is a Savings Bank incorporated in Spain and entered in the Companies Register of Castellón at volume 532, General Section book 99, sheet CS-2749, folio 1, entry 1, and in the Bank of Spain's Special Register of Savings Banks under number 49, its code number being 2077.

  VAT REG. No.: G-46/002804 Business Activity Code No.: 65122

  Registered office: Caballeros number 2, 12001 Castellón (Spain).

  Principal place of business: Cardenal Benlloch number 67, 46021 Valencia (Spain).

  Ratings for BANCAJA's short- and long-term unsecured and unsubordinated debt obligations assigned by the Rating Agency:

	Moody's Ratings
Short-term	P-1 (August 2008)
Long-term	A2 (August 2008)
Outlook	Stable

- J.P. MORGAN SECURITIES LTD. ("**J.P. MORGAN**") shall be a Lead Manager of the Bond Issue.

  Out of the functions and activities that Lead Managers may discharge in accordance with article 35.1 of Royal Decree 1310/2005, J.P. MORGAN's only function, jointly with BANCAJA and the Management Company, has been to structure the financial terms of the Fund and of the Bond Issue.

  J.P. MORGAN is a limited liability company incorporated in the United Kingdom and entered in the companies register of England and Wales under number 2711006. In addition, J.P. MORGAN is registered with the CNMV as a European Economic Area Investment Services Company using the Freedom to Provide Services under registration number 107 dated 05.01.1996.

  VAT REG. No.: 268/81630 38906

  Registered office: 125 London Wall, EC2Y 5AJ London (United Kingdom).

- Moody's Investors Service España, S.A. is the Rating Agency of each Series in the Bond Issue.

  Moody's Investors Service España, S.A. is a Spanish company licensed as a rating agency by the CNMV, and is affiliated to and operates in accordance with the methodology, standards and quality control of Moody's Investors Service Limited (both of them "**Moody's**" without distinction).

  VAT REG. No.: A-80448475

  Registered Office: Bárbara de Braganza number 2, 28004 Madrid (Spain)

- The law firm J&A Garrigues, S.L.P. ("**GARRIGUES**"), as independent adviser, has provided legal advice for establishing the Fund and issuing the Bonds and reviewed the tax implications thereof.

  VAT Reg. Number: B-81709081

  Registered Office: Calle Hermosilla number 3, 28001 Madrid (Spain).

- Deloitte S.L. ("**Deloitte**") has audited certain features and attributes of a sample of all the selected loans of BANCO DE VALENCIA from which the Loans will be taken to be assigned to the Fund upon being established.

  Deloitte is entered in the Official Register of Auditors (ROAC) of Spain under number S0692.

  VAT Reg. Number: B-79104469

  Registered Office: Plaza Pablo Ruiz Picasso s/n (Torre Picasso) 28020 Madrid (Spain).

  Deloitte audited BANCO DE VALENCIA's annual accounts for the financial years ended on December 31, 2008, 2007 and 2006 and EUROPEA DE TITULIZACIÓN's annual accounts for the financial years ended on December 31, 2007, 2006 and 2005.

BANCAJA has a direct and indirect 38.401% interest in BANCO DE VALENCIA's share capital.

J.P. MORGAN SECURITIES LTD. is affiliated to the same Group as J.P. MORGAN ESPAÑA S.A., and the latter in turn has a 4.00% interest in the Management Company's share capital.

No other direct or indirect ownership or controlling interest whatsoever is known to exist between the above-mentioned legal persons involved in the securitisation transaction.

6. ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for managing and being the authorised representative of the Fund on the terms set in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution.

6.1 Incorporation and registration at the Companies Register.

EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, was incorporated in a public deed executed on January 19, 1993 before Madrid Notary Public Mr Roberto Blanquer Uberos, his document number 117, with the prior authorisation of the Economy and Finance Ministry, given on December 17, 1992, and entered in the Companies Register of Madrid at volume 5,461, book 0, folio 49, section 8, sheet M-89355, entry 1, on March 11, 1993; the company was re-registered as a Securitisation Fund Management Company in accordance with the provisions of chapter II and of the single transitional provision of Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies, pursuant to an authorisation granted by a Ministerial Order dated October 4, 1999 and in a deed executed on October 25, 1999 before Madrid Notary Public Mr Luis Felipe Rivas Recio, his document number 3,289, which was entered under number 33 of the sheet opened for the Company in said Companies Register.

EUROPEA DE TITULIZACIÓN has perpetual existence, other than upon the occurrence of any of the events of dissolution provided by the laws and the articles of association.

6.2 Audit.

The annual accounts of EUROPEA DE TITULIZACIÓN for the years ended on December 31, 2007, 2006 and 2005 have been audited by Deloitte and have no provisos.

6.3 Principal activities.

The exclusive objects of EUROPEA DE TITULIZACIÓN are to establish, manage and be the authorised representative of both asset securitisation funds and mortgage securitisation funds.

EUROPEA DE TITULIZACIÓN manages 101 securitisation funds at the registration date of this Prospectus, 22 being mortgage securitisation funds and 79 being asset securitisation funds.

The following table itemises the 101 securitisation funds managed, giving their date of establishment and the face amount of the bonds issued by those funds and their outstanding principal balances at February 28, 2009.

Securitisation Fund	Establishment	Initial Bond Issue EUR	Bond Issue Balance 28.02.2009 EUR	Δ%	Bond Issue Balance 31.12.2008 EUR	Δ%	Bond Issue Balance 31.12.2007 EUR
TOTAL		**138,295,296,652.96**	**96,329,514,725.13**	**0.9%**	**95,428,214,189.99**	**38.32%**	**68,990,485,268.28**
Mortgage (FTH)		**15,117,046,652.96**	**6,920,700,805.97**	**-2.0%**	**7,064,807,436.13**	**-12.05%**	**8,032,640,378.73**
Bankinter 15 FTH	08.10.2007	1,525,500,000.00	1,365,368,236.50	-2.1%	1,395,112,380.00		1,525,500,000.00
Bankinter 14 FTH	19.03.2007	964,000,000.00	834,115,075.93	0.0%	834,115,075.93		910,605,771.09
Bankinter 12 FTH	06.03.2006	1,200,000,000.00	883,553,888.64	0.0%	883,553,888.64	-10.7%	989,229,621.92
Valencia Hipotecario 2 FTH	07.12.2005	950,000,000.00	613,178,498.50	-2.8%	630,751,948.45	-11.7%	714,150,188.05
Bankinter 11 FTH	28.11.2005	900,000,000.00	642,745,003.20	-2.7%	660,398,419.92	-10.7%	739,129,526.88
Bankinter 7 FTH	18.02.2004	490,000,000.00	239,121,435.14	0.0%	239,121,435.14	-11.4%	269,780,744.80
Bankinter 5 FTH	16.12.2002	710,000,000.00	278,771,565.94	-3.8%	289,676,798.81	-14.4%	338,235,796.10
BZ Hipotecario 4 FTH	27.11.2002	313,400,000.00	88,587,993.52	-4.2%	92,465,223.44	-15.3%	109,224,548.96
Rural Hipotecario IV FTH	14.11.2002	520,000,000.00	178,539,012.86	-3.6%	185,213,314.44	-13.1%	213,157,220.89
Bancaja 4 FTH	05.11.2002	1,000,000,000.00	302,038,681.15	0.0%	302,038,681.15	-14.7%	354,117,610.15
Bankinter 4 FTH	24.09.2002	1,025,000,000.00	413,933,226.57	-4.4%	432,999,671.58	-14.4%	505,642,125.86
Rural Hipotecario III FTH	14.05.2002	325,000,000.00	105,771,208.78	0.0%	105,771,208.78	-15.4%	125,077,501.09
Bankinter 3 FTH	22.10.2001	1,322,500,000.00	430,704,543.24	-4.6%	451,287,203.74	-15.5%	533,845,866.60
BZ Hipotecario 3 FTH	23.07.2001	310,000,000.00	66,820,364.17	-4.9%	70,236,608.06	-16.8%	84,455,223.08
Rural Hipotecario II FTH	29.05.2001	235,000,000.00	54,893,464.60	-5.7%	58,205,527.00	-17.8%	70,792,127.80
BZ Hipotecario 2 FTH	28.04.2000	285,000,000.00	36,571,038.10	-5.4%	38,645,672.22	-18.4%	47,380,418.96
Rural Hipotecario I FTH	22.02.2000	200,000,000.00	30,428,312.18	-6.6%	32,562,907.76	-21.2%	41,327,704.16
Bankinter 2 FTH	25.10.1999	320,000,000.00	70,949,609.43	-9.1%	78,041,823.55	-16.7%	93,704,625.41
Bankinter 1 FTH	12.05.1999	600,000,000.00	94,625,851.08	0.0%	94,625,851.08	-20.1%	118,501,046.04
BZ Hipotecario 1 FTH	16.04.1999	350,000,000.00	37,673,057.52	0.0%	37,673,057.52	-23.8%	49,438,391.72
Hipotecario 2 FTH	04.12.1998	1,051,771,182.67	126,168,514.90	0.0%	126,168,514.90	-23.9%	165,880,884.18
Bancaja 2 FTH	23.10.1998	240,404,841.75	26,142,224.02	0.0%	26,142,224.02	-21.9%	33,463,434.99
Bancaja 1 FTH	18.07.1997	120,202,420.88	liquidated		liquidated		liquidated

Securitisation Fund	Establishment	Initial Bond Issue EUR	Bond Issue Balance 28.02.2009 EUR	Δ%	Bond Issue Balance 31.12.2008 EUR	Δ%	Bond Issue Balance 31.12.2007 EUR
BBV-MBS I FTH	30.11.1995	90,151,815.66	liquidated				
Hipotecario 1 FTH	20.09.1993	69,116,392.00	liquidated				
Asset (FTA)		**123,178,250,000.00**	**89,408,813,919.16**	**1.2%**	**88,363,406,753.86**	**45.0%**	**60,957,844,889.55**
BBVA Empresas 2 FTA	09.03.2009	2,850,000,000.00					
Rural Hipotecario XI FTA	25.02.2009	2,200,000,000.00	2,200,000,000.00				
MBS Bancaja 6 FTA	02.02.2009	1,000,000,000.00	1,000,000,000.00				
Financiación Bancaja 1 FTA	22.12.2008	550,000,000.00	550,000,000.00	0.0%	550,000,000.00		
Valencia Hipotecario 5 FTA	17.12.2002	500,000,000.00	494,688,480.80	-1.1%	500,000,000.00		
Bancaja 13 FTA	09.12.2008	2,895,000,000.00	2,895,000,000.00	0.0%	2,895,000,000.00		
BBVA RMBS 7 FTA	24.11.2008	8,500,000,000.00	8,500,000,000.00	0.0%	8,500,000,000.00		
BBVA RMBS 6 FTA	10.11.2008	4,995,000,000.00	4,995,000,000.00	0.0%	4,995,000,000.00		
Bankinter 18 FTA	10.11.2008	1,500,000,000.00	1,484,180,128.13	-1.1%	1,500,000,000.00		
PYME Bancaja 7 FTA	10.10.2008	1,100,000,000.00	1,069,150,856.96	0.0%	1,069,150,856.96		
Bankinter 4 FTPYME FTA	15.09.2008	400,000,000.00	384,980,736.00	-3.8%	400,000,000.00		
BBVA-8 FTPYME FTA	21.07.2008	1,100,000,000.00	1,005,182,459.39	0.0%	1,005,182,459.39		
Rural Hipotecario X FTA	25.06.2008	1,880,000,000.00	1,784,204,393.60	-2.0%	1,820,587,870.08		
Bankinter Leasing 1 FTA	23.06.2008	400,000,000.00	400,000,000.00	0.0%	400,000,000.00		
Bankinter 17 FTA	09.06.2008	1,000,000,000.00	951,207,806.50	-2.2%	972,781,741.00		
BBVA RMBS 5 FTA	26.05.2008	5,000,000,000.00	4,823,797,380.00	0.0%	4,823,797,380.00		
MBS Bancaja 5 FTA	08.05.2008	1,850,000,000.00	1,706,751,620.30	-3.4%	1,767,311,250.78		
BBVA Consumo 3 FTA	14.04.2008	975,000,000.00	918,764,751.45	-5.8%	975,000,000.00		
Bancaja 12 FTA	09.04.2008	2,100,000,000.00	1,998,583,021.12	-1.7%	2,033,236,240.16		
Bankinter 16 FTA	10.03.2008	2,043,000,000.00	1,922,024,851.80	0.0%	1,922,024,851.80		
BBVA-7 FTGENCAT FTA	11.02.2008	250,000,000.00	189,135,929.60	-9.8%	209,714,529.60		
Valencia Hipotecario 4 FTA	21.12.2007	978,500,000.00	905,787,257.66	-1.5%	919,895,774.04	-6.0%	978,500,000.00
Ruralpyme 3 FTA	19.12.2007	830,000,000.00	668,480,324.88	-5.3%	706,144,431.44	-14.9%	830,000,000.00
BBVA RMBS 4 FTA	19.11.2007	4,900,000,000.00	4,334,175,204.00	-2.8%	4,459,929,696.00	-9.0%	4,900,000,000.00
Bankinter 3 FTPYME FTA	12.11.2007	617,400,000.00	506,310,552.00	-3.7%	525,513,852.00	-14.9%	617,400,000.00
BBVA Empresas 1 FTA	05.11.2007	1,450,000,000.00	975,202,900.00	-9.2%	1,073,707,300.00	-26.0%	1,450,000,000.00
FTPYME Bancaja 6 FTA	26.09.2007	1,027,000,000.00	710,816,961.05	0.0%	710,816,961.05	-27.0%	973,986,053.81
BBVA RMBS 3 FTA	23.07.2007	3,000,000,000.00	2,674,098,000.00	-2.4%	2,739,937,080.00	-6.6%	2,933,975,280.00
PYME Valencia 1 FTA	20.07.2007	865,300,000.00	536,115,603.28	0.0%	536,115,603.28	-30.2%	768,500,284.00
Bancaja 11 FTA	16.07.2007	2,022,900,000.00	1,783,648,312.00	-3.0%	1,838,382,680.00	-7.1%	1,977,845,666.00
BBVA Leasing 1 FTA	25.06.2007	2,500,000,000.00	2,193,016,121.26	-12.3%	2,500,000,000.00	0.0%	2,500,000,000.00
BBVA-6 FTPYME FTA	11.06.2007	1,500,000,000.00	975,935,302.62	0.0%	975,935,302.62	-25.9%	1,317,554,103.99
BBVA Finanzia Autos 1 FTA	30.04.2007	800,000,000.00	647,051,232.80	-7.2%	697,029,804.80	-12.9%	800,000,000.00
MBS Bancaja 4 FTA	27.04.2007	1,873,100,000.00	1,455,766,881.78	-7.5%	1,573,100,000.00	-8.9%	1,727,599,220.00
Rural Hipotecario IX FTA	28.03.2007	1,515,000,000.00	1,240,002,213.67	-2.2%	1,267,346,992.47	-9.6%	1,401,597,880.00
BBVA RMBS 2 FTA	26.03.2007	5,000,000,000.00	4,152,695,095.00	0.0%	4,152,695,095.00	-9.5%	4,587,025,405.00
BBVA RMBS 1 FTA	19.02.2007	2,500,000,000.00	2,073,701,700.00	0.0%	2,073,701,700.00	-8.7%	2,270,879,040.00
Bancaja 10 FTA	26.01.2007	2,631,000,000.00	2,117,659,527.00	-3.8%	2,202,073,104.00	-7.5%	2,381,068,878.00
BBVA Consumo 2 FTA	27.11.2006	1,500,000,000.00	1,356,588,688.04	0.0%	1,356,588,688.04	-9.6%	1,500,000,000.00
Ruralpyme 2 FTPYME FTA	24.11.2006	617,050,000.00	383,332,466.40	-5.0%	403,363,458.20	-19.4%	500,199,171.30
Bankinter 13 FTA	20.11.2006	1,570,000,000.00	1,258,825,220.40	-2.3%	1,288,480,982.94	-17.9%	1,570,000,000.00
Valencia Hipotecario 3 FTA	15.11.2006	911,000,000.00	705,744,244.09	0.0%	705,744,244.09	-9.4%	778,999,823.33
BBVA-5 FTPYME FTA	23.10.2006	1,900,000,000.00	974,218,142.16	0.0%	974,218,142.16	-28.1%	1,354,988,445.36
PYME Bancaja 5 FTA	02.10.2006	1,178,800,000.00	416,865,675.04	-15.5%	493,376,579.84	-32.6%	732,026,693.30
Bankinter 2 PYME FTA	26.06.2006	800,000,000.00	469,584,021.20	-5.1%	494,613,353.00	-17.9%	602,635,264.80
Consumo Bancaja 1 FTA	26.06.2006	612,900,000.00	377,772,346.35	-12.4%	431,331,180.57	-29.6%	612,900,000.00
Rural Hipotecario VIII FTA	26.05.2006	1,311,700,000.00	939,253,724.08	-2.3%	960,987,411.88	-11.3%	1,082,823,864.72
BBVA Consumo 1 FTA	08.05.2006	1,500,000,000.00	1,072,954,352.25	-10.6%	1,199,925,867.75	-20.0%	1,500,000,000.00
MBS BANCAJA 3 FTA	03.04.2006	810,000,000.00	509,113,362.00	0.0%	509,113,362.00	-11.7%	576,853,171.20
Bancaja 9 FTA	02.02.2006	2,022,600,000.00	1,316,933,640.00	0.0%	1,316,933,640.00	-10.3%	1,468,344,310.00
BBVA Autos 2 FTA	12.12.2005	1,000,000,000.00	631,762,441.30	-9.4%	697,184,035.75	-30.3%	1,000,000,000.00
EdT FTPYME Pastor 3 FTA	05.12.2005	520,000,000.00	156,735,093.81	-9.7%	173,518,158.86	-25.5%	232,785,467.78
Rural Hipotecario Global I FTA	18.11.2005	1,078,000,000.00	679,378,408.53	-2.8%	698,705,903.35	-12.2%	795,789,260.08
FTPYME Bancaja 4 FTA	07.11.2005	1,524,000,000.00	309,205,816.48	-9.7%	342,336,309.04	-44.3%	614,803,420.00
BBVA-4 PYME FTA	26.09.2005	1,250,000,000.00	322,272,535.02	-10.6%	360,632,613.03	-34.5%	550,956,981.29
Bankinter 10 FTA	27.06.2005	1,740,000,000.00	1,129,269,953.14	0.0%	1,129,269,953.14	-11.7%	1,278,975,488.94
MBS Bancaja 2 FTA	27.06.2005	809,200,000.00	388,496,845.04	-4.4%	406,244,255.92	-14.8%	476,949,943.28
BBVA Hipotecario 3 FTA	13.06.2005	1,450,000,000.00	603,448,173.05	-6.0%	642,055,733.17	-23.2%	835,495,733.83
Rural Hipotecario VII FTA	29.04.2005	1,100,000,000.00	652,623,985.37	0.0%	652,623,985.37	-11.3%	735,608,293.92
Bancaja 8 FTA	22.04.2005	1,680,100,000.00	884,326,466.48	-2.8%	909,687,849.80	-11.4%	1,026,987,917.65
Bankinter 9 FTA	14.02.2005	1,035,000,000.00	641,203,757.58	-3.4%	663,544,032.70	-11.6%	750,388,699.40
BBVA-3 FTPYME FTA	29.11.2004	1,000,000,000.00	243,872,809.43	-9.7%	269,966,083.10	-34.7%	413,334,243.11
Ruralpyme 1 FTPYME FTA	23.11.2004	214,000,000.00	74,962,808.98	0.0%	74,962,808.98	-24.6%	99,469,641.03
BBVA Autos 1 FTA	25.10.2004	1,000,000,000.00	343,148,435.00	0.0%	343,148,435.00	-39.2%	564,298,650.00
FTPYME Bancaja 3 FTA	11.10.2004	900,000,000.00	179,663,794.99	0.0%	179,663,794.99	-28.1%	249,775,984.80
Bancaja 7 FTA	12.07.2004	1,900,000,000.00	838,114,021.36	-3.2%	865,846,478.84	-12.6%	990,445,484.28
Rural Hipotecario VI FTA	07.07.2004	950,000,000.00	474,907,703.67	-2.8%	488,624,113.56	-11.9%	554,652,864.75

Securitisation Fund	Establishment	Initial Bond Issue EUR	Bond Issue Balance 28.02.2009 EUR	∆%	Bond Issue Balance 31.12.2008 EUR	∆%	Bond Issue Balance 31.12.2007 EUR
MBS Bancaja 1 FTA	17.05.2004	690,000,000.00	223,978,398.31	-5.1%	236,017,686.48	-19.2%	291,929,875.34
Valencia H 1 FTA	23.04.2004	472,000,000.00	223,486,428.63	-3.7%	232,007,756.74	-13.7%	268,739,092.92
Bankinter 8 FTA	03.03.2004	1,070,000,000.00	546,915,812.87	0.0%	546,915,812.87	-12.5%	625,104,837.56
Bancaja 6 FTA	03.12.2003	2,080,000,000.00	721,757,535.20	-3.7%	749,696,558.52	-13.9%	870,772,845.80
Rural Hipotecario V FTA	28.10.2003	695,000,000.00	308,893,570.42	0.0%	308,893,570.42	-13.2%	356,056,225.36
Bankinter 6 FTA	25.09.2003	1,350,000,000.00	667,894,760.94	-3.1%	689,596,864.79	-12.0%	783,705,979.58
FTPYME Bancaja 2 FTA	19.09.2003	500,000,000.00	94,521,385.55	-5.9%	100,471,032.89	-25.9%	135,575,823.37
Bancaja 5 FTA	14.04.2003	1,000,000,000.00	328,481,720.80	-3.7%	341,277,231.90	-13.9%	396,415,664.95
Bancaja 3 FTA	29.07.2002	520,900,000.00	344,588,694.79	0.0%	344,588,694.79	-33.8%	520,900,000.00
FTPYME Bancaja 1 FTA	04.03.2002	600,000,000.00	liquidated	-100.0%	64,005,795.00	-74.6%	252,024,264.00
BBVA-2 FTPYME-ICO FTA	01.12.2000	900,000,000.00	46,893,006.72	-14.1%	54,615,458.88	-44.0%	97,443,577.80
BCL Municipios I FTA	21.06.2000	1,205,000,000.00	267,197,230.00	-9.4%	295,005,440.00	-22.1%	378,681,480.00
BBVA-1 FTA	24.02.2000	1,112,800,000.00	76,224,803.84	-0.4%	76,510,839.04	-32.9%	114,074,593.92

6.4 **Share capital and equity.**

The Management Company's wholly subscribed for, paid-up share capital amounts to one million eight hundred and three thousand and thirty-seven euros and fifty eurocents (EUR 1,803,037.50) represented by 2,500 registered shares, all in the same class, correlatively numbered from 1 to 2,500, both inclusive, wholly subscribed for and paid up, and divided into two series:

- Series A comprising 1,250 shares, numbers 1 to 1,250, both inclusive, having a unit face value of EUR 276.17.
- Series B comprising 1,250 shares, numbers 1,251 to 2,500, both inclusive, having a unit face value of EUR 1,166.26.

The shares are all in the same class and confer identical political and economic rights.

(EUR)	31.12.2008 **	∆%	31.12.2007	∆%	31.12.2006
Equity *	**6,161,104.95**	**99.05%**	**3,095,298.97**	**0.00%**	**3,095,298.97**
Capital	1,803,037.50	0.00%	1,803,037.50	0.00%	1,803,037.50
Reserves	4,358,067.45	237.24%	1,292,261.47	0.00%	1,292,261.47
Legal	*360,607.50*	0.00%	*360,607.50*	0.00%	*360.607,50*
Voluntary	*3,997,459.95*	329.07%	*931,653.97*	0.00%	*931.653,97*
Year's profit	**4,099,712.29**	**33.72%**	**3,065,805.98**	**52.95%**	**2,004,500.15**

* Does not include year's profit

** Accounts yet to be drawn up and yet to be audited

6.5 **Existence or not of shareholdings in other companies.**

There are no shareholdings in any other company.

6.6 **Administrative, management and supervisory bodies.**

Under the Articles of Association, the General Shareholders' Meeting and the Board of Directors are entrusted with governing and managing the Management Company. Their duties and authorities are as prescribed for those bodies in the Public Limited Companies Act and in Royal Decree 926/1998, in relation to the objects.

As provided for in the Articles of Association, the Board of Directors has delegated to an Executive Committee all its authorities that may be delegated by law and in accordance with the articles, including resolving to set up Asset Securitisation Funds. There is also a General Manager vested with extensive authorities within the organisation and vis-à-vis third parties.

Board of Directors

The Board of Directors has the following membership:

Chairman:	Mr Roberto Vicario Montoya (*) (**)
Vice-Chairman:	Mr Pedro María Urresti Laca (**) Mr Ignacio Echevarría Soriano (**) Ms Ana Fernández Manrique (*) (**) Mr Mario Masiá Vicente (*) Mr Justo de Rufino Portillo (*)(**) Mr Borja Uriarte Villalonga on behalf of Bankinter, S.A. Mr Ignacio Benlloch Fernández-Cuesta on behalf of Banco Cooperativo Español, S.A. (1)
Non-Director Secretary:	Ms Belén Rico Arévalo

(*) Member of the Board of Directors' Executive Committee.
(**) Proprietary Directors for BBVA.
(1) The appointment of Banco Cooperativo Español, S.A.'s representative as Director at the General Shareholders' Meeting held on June 27, 2008 is yet to be notified to the CNMV.

The business address of the directors of EUROPEA DE TITULIZACIÓN is for these purposes at Madrid, calle Lagasca number 120.

General Manager.

The Management Company's General Manager is Mr Mario Masiá Vicente.

6.7 **Principal activities of the persons referred to in section 6.1.6 above, performed outside the Management Company where these are significant with respect to the Fund.**

None of the persons referred to in the preceding section performs any activities relevant to the Fund outside the Management Company.

6.8 **Lenders of the Management Company in excess of 10 percent.**

The Management Company has received no loan or credit from any person or institution whatsoever.

6.9 **Litigation in the Management Company.**

The Management Company is not involved in any event in the nature of insolvency nor in any litigation or actions which might affect its economic and financial position or, in the future, its capacity to discharge its Fund management and administration duties as at the registration date of this Registration Document.

7. MAJOR SHAREHOLDERS

7.1 Statement as to whether the Management Company is directly or indirectly owned or controlled.

The ownership of shares in the Management Company is distributed among the companies listed below, specifying the percentage holding of each one:

Name of shareholder company	Holding (%)
Banco Bilbao Vizcaya Argentaria, S.A.	85.9724
J.P. Morgan España S.A.	4.0000
Bankinter, S.A.	1.5623
Caja de Ahorros del Mediterráneo	1.5420
Banco Sabadell, S.A.	1.5317
Banco Cooperativo Español, S.A.	0.7965
Banco Pastor, S.A.	0.7658
Banco de la Pequeña y Mediana Empresa, S.A.	0.7658
BNP Paribas España, S.A.	0.7658
Caja de Ahorros y Monte de Piedad de Madrid	0.3829
Caja de Ahorros de Salamanca y Soria - Caja Duero	0.3829
	100.0000

For the purposes of Commercial Code article 42, EUROPEA DE TITULIZACIÓN is a member of Banco Bilbao Vizcaya Argentaria Group.

EUROPEA DE TITULIZACIÓN has established an Internal Code of Conduct in fulfilment of the provisions of Chapter III of Royal Decree 217/2008, February 15, on the legal system of investment services companies and other undertakings providing investment services and partially amending the implementing Regulations of Undertakings for Collective Investment Act 35/2003, November 4, approved by Royal Decree 1309/2005, November 4, which has been notified to the CNMV.

8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES

8.1 Statement as to commencement of operations and financial statements of the issuer as at the date of the Registration Document.

In accordance with the provisions of section 4.4.2 of this Registration Document, the Fund's operations shall commence on the date of execution of the Deed of Constitution and therefore the Fund has no financial statement as at the date of this Registration Document.

8.2 Historical financial information where an issuer has commenced operations and financial statements have been prepared.

Not applicable.

8.2 bis Historical financial information for issues of securities having a denomination per unit of at least EUR 50,000.

Not applicable.

8.3 Legal and arbitration proceedings.

Not applicable.

8.4 Material adverse change in the issuer's financial position.

Not applicable.

9. THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

9.1 Statement or report attributed to a person as an expert.

No statement or report is included.

9.2 Information sourced from a third party.

No information is included.

10. DOCUMENTS ON DISPLAY

10.1 Documents on display.

If necessary, the following documents or copies thereof shall be on display during the period of validity of this Registration Document:

a) the Deed of Constitution of the Fund;

b) the transcripts of the Management Company's and the Originator's corporate resolutions;

c) this Prospectus;

d) the audit report on certain features and attributes of a sample of all selected BANCO DE VALENCIA loans from which the Loans will be taken to be assigned to the Fund upon being established;

e) the Rating Agency's letters notifying the ratings assigned to each Series in the Bond Issue;

f) the letter from BANCAJA taking responsibility, with the Management Company, for the Securities Note;

g) the notarial certificate of payment of the Bond Issue, once the Bond Issue is paid up;

h) the Management Company's annual accounts and the relevant audit reports; and

i) the Management Company's articles of association and memorandum of association.

Those documents are physically on display at the registered office of EUROPEA DE TITULIZACIÓN at Madrid, calle Lagasca number 120.

Moreover, the Prospectus is also on display at the website of EUROPEA DE TITULIZACIÓN, at www.edt-sg.es, and of the CNMV at www.cnmv.es.

The Deed of Constitution of the Fund is physically on display at the place of business of Iberclear in Madrid, Plaza de la Lealtad number 1.

In addition, the documents listed in a) to g) are on display at the CNMV.

SECURITIES NOTE

(Annex XIII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)

1 PERSONS RESPONSIBLE

1.1 Persons responsible for the information given in the Securities Note.

1.1.1 Mr Mario Masiá Vicente, acting for and on behalf of EUROPEA DE TITULIZACIÓN S.A. SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN, the company sponsoring PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note (including the Building Block).

Mr Mario Masiá Vicente, the Management Company's General Manager using the authorities conferred by the Board of Directors at its meetings held on January 19, 1993 and January 28, 2000, is expressly acting for establishing the Fund pursuant to authorities conferred by the Board of Directors' Executive Committee on February 16, 2009.

1.1.2 Mr Benito Castillo Navarro, duly authorised for these presents, for and on behalf of CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA, Lead Manager of the Bond Issue by PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS, takes responsibility for the contents of this Securities Note.

Mr Benito Castillo Navarro is acting as attorney-in-fact for the Lead Manager BANCAJA in pursuance of a power of attorney executed as a deed before Valencia Notary Public Mr Antonio Beasus Codes on May 5, 1992, his document number 974.

1.2 Declaration by those responsible for the Securities Note.

1.2.1 Mr Mario Masiá Vicente declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note (including the Building Block) is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its contents.

1.2.2 Mr Benito Castillo Navarro declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its contents.

2 RISK FACTORS

The Bond Issue is made with the intention of being fully subscribed for by the Originator in order to have liquid assets available which may be used as security for Eurosystem transactions or subsequently be sold in the market, and, consequently, the terms of the Bond Issue are not an estimate of the prices at which those instruments could be sold in the secondary market or of the Eurosystem's valuations in due course for the purpose of using them as security instruments in its lending transactions to the banking system.

The other risk factors linked to the securities are described in paragraph 2 of the preceding Risk Factors section of this Prospectus.

The risk factors linked to the assets backing the Bond Issue are described in paragraph 3 of the preceding Risk Factors section of this Prospectus.

3 KEY INFORMATION

3.1 Interest of natural and legal persons involved in the offer.

The identity of the legal persons involved in the offer and direct or indirect shareholdings or controlling interest between them are detailed in section 5.2 of the Registration Document. Their interest as persons involved in the offer of the Bond Issue are as follows:

a) EUROPEA DE TITULIZACIÓN is the Fund Management Company.

b) BANCAJA, J.P. MORGAN and the Management Company have structured the financial terms of the Fund and the Bond Issue.

c) BANCO DE VALENCIA is the Originator of the Loan receivables to be pooled in the Fund, shall fully subscribe for the Bond Issue and shall be the Fund's counterparty under the Subordinated Loan, Start-Up Loan, Loan Servicing and Pass-Through Certificate Custody and Financial Intermediation Agreements.

d) BANCAJA and J.P. MORGAN are involved as Lead Managers of the Bond Issue.

e) BANCAJA is involved as Bond Issue Paying Agent.

f) Deloitte has audited certain features and attributes of a sample of all of BANCO DE VALENCIA's selected loans from which the Loans will be taken to be assigned to the Fund upon being established.

g) GARRIGUES have been involved as transaction legal advisers.

h) Moody's is the Rating Agency that has assigned the rating to each Bond Issue Series.

The Management Company is not aware of the existence of any other significant link or economic interest between the aforesaid institutions involved in the Bond Issue, other than what is strictly professional derived from their involvement as detailed in this section and in section 3.2 of the Building Block.

4 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING.

4.1 Total amount of the securities and subscription.

4.1.1 Total amount of the securities.

The total face value amount of the issue of Asset-Backed Bonds (the "**Bond Issue**") is EUR five hundred million (500,000,000.00) comprised of three Bond Series, distributed as follows:

a) Series A having a total face amount of EUR four hundred and seven million five hundred thousand (407,500,000.00) comprising four thousand and seventy-five (4,075) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series A**" or "**Series A Bonds**").

b) Series B having a total face amount of EUR seventeen million five hundred thousand (17,500,000.00) comprising one hundred and seventy-five (175) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series B**" or "**Series B Bonds**").

c) Series C having a total face amount of EUR seventy-five million (75,000,000.00) comprising seven hundred and fifty (750) Bonds having a unit face value of EUR one hundred thousand (100,000), represented by means of book entries (either "**Series C**" or "**Series C Bonds**").

4.1.2 Bond issue price.

The Bonds are issued at 100 percent of their face value. The issue price of each Bond in each of Series A, B and C shall be EUR one hundred thousand (100,000) per Bond, clear of taxes and subscription costs for the subscriber through the Fund.

The expenses and taxes inherent in the issue of the Bonds shall be borne by the Fund.

Subscribing for or holding Bonds in one Series does not imply subscribing for or holding Bonds in the other Series.

4.1.3 Subscription for the Bond Issue.

The Bond Issue shall be subscribed for exclusively by BANCO DE VALENCIA (the "**Subscriber**") under the management and subscription agreement (the "**Management and Subscription Agreement**") to be entered into by the Management Company for and on behalf of the Fund.

BANCO DE VALENCIA shall receive no fee whatsoever for subscribing for the Bond Issue.

BANCAJA and J.P. MORGAN shall be involved as Lead Managers in the Bond Issue. BANCAJA shall receive no compensation whatsoever for financially structuring the Fund and the Bond Issue whereas J.P. MORGAN shall be paid for financially structuring the Fund and the Bond Issue.

The Bond Issue Management and Subscription Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each Series as final ratings by 2pm (CET) on March 16, 2009.

4.2 Description of the type and class of the securities.

The Bonds legally qualify as marketable fixed-income securities with an explicit yield and are subject to the system prescribed in Securities Market Act 24/1998, July 28, and implementing regulations.

4.3 Legislation under which the securities have been created.

The establishment of the Fund and the Bond Issue are subject to Spanish Law and in particular are carried out in accordance with the legal system provided for by (i) Royal Decree 926/1998 and implementing regulations, (ii) Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, (iii) Additional Provision five of Act 3/1994, (iv) the Securities Market Act and applicable implementing regulations, (v) Regulation 809/2004, (vi) Royal Decree 1310/2005, and (vii) all other legal and statutory provisions in force and applicable from time to time.

The Deed of Constitution, the Bond issue and the agreements relating to transactions for hedging financial risks and provision of services on the Fund's behalf shall be subject to Spanish Law and shall be governed by and construed in accordance with Spanish laws.

4.4 Indication as to whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form.

The Bonds issued by the Fund will be exclusively represented by means of book entries, and will become such Bonds when entered at Iberclear, the institution in charge of the accounting record, in accordance with article 11 of Royal Decree 116/1992. In this connection, and for the record, the Deed of Constitution shall have the effects prescribed by article 6 of the Securities Market Act.

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. ("**Iberclear**"), with place of business at Plaza de la Lealtad no. 1, Madrid, shall be the institution designated in the Deed of Constitution to account for the Bonds in order for the Bonds to be cleared and settled in accordance with the operating rules regarding securities admitted to trading on AIAF and represented by means of book entries, established now or henceforth by Iberclear or AIAF.

Bondholders shall be identified as such when entered in the accounting record kept by the members of Iberclear.

4.5 Currency of the issue.

The Bonds shall be denominated in Euros.

4.6 Ranking of the securities.

Series B Bond interest payment and principal repayment is deferred with respect to Series A Bonds, saving the provisions of section 4.9.3.5 of this Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series C Bond interest payment and principal repayment is deferred with respect to Series A and Series B Bonds, saving the provisions of section 4.9.3.5 of this Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

4.6.1 **Simple reference to the order number of Bond interest payment in each Series in the Fund priority of payments.**

Payment of interest accrued by Series A Bonds is (i) second (2nd) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block, and (ii) third (3rd) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series B Bonds is (i) third (3rd) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be seventh (7th), and (ii) fifth (5th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Payment of interest accrued by Series C Bonds is (i) fourth (4th) in the application of Available Funds in the Priority of Payments established in said section 3.4.6.2.1.2 of the Building Block, other than in the event provided for in that same section for the same to be deferred, in which case it shall be eighth (8th), and (ii) seventh (7th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

4.6.2 **Simple reference to the order number of Bond principal repayment in each Series in the Fund priority of payments.**

The Amortisation Withholding amount designed for amortising Series A, B and C Bonds as a whole without distinction between Series is sixth (6th) in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of the Building Block.

Bond principal repayment shall take place in accordance with the rules for Distribution of Available Funds for Amortisation contained in section 4.9.3.5 of this Securities Note.

Series A Bond principal repayment is fourth (4th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Series B Bond principal repayment is sixth (6th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

Series C Bond principal repayment is eighth (8th) in the application of Liquidation Available Funds in the Liquidation Priority of Payments established in section 3.4.6.3 of the Building Block.

4.7 Description of the rights attached to the securities.

4.7.1 General.

The economic and financial rights for Bondholders associated with acquiring and holding the Bonds shall be, for each Series, as derived from the terms as to interest rate, yields and redemption terms on which they are to be issued and given in sections 4.8 and 4.9 of this Securities Note. In accordance with the laws in force for the time being, the Bonds subject of this Securities Note shall vest the investor acquiring the same in no present and/or future political rights in and to the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against Loan Obligors who may have defaulted on their payment obligations or against the Originator. Any such rights shall lie with the Management Company, representing the Fund.

Bondholders and all other creditors of the Fund shall have no recourse whatsoever against the Fund or against the Management Company in the event of non-payment of amounts due by the Fund resulting from the existence of Loan default or prepayment, a breach by the Originator of its obligations or by the counterparties to the transactions entered into for and on behalf of the Fund, or shortfall of the financial hedging transactions for servicing the Bonds in each Series.

Bondholders and all other creditors of the Fund shall have no recourse against the Management Company other than as derived from a breach of its duties or inobservance of the provisions of this Prospectus and the Deed of Constitution. Those actions shall be resolved in the relevant ordinary declaratory proceedings depending on the amount claimed.

All matters, disagreements, actions and claims deriving from the Management Company's establishing, managing and being the authorised representative of the Fund and the Bond Issue by the same shall be heard and ruled upon by the competent Spanish Courts and Tribunals in the city of Madrid.

4.8 Nominal interest rate and provisions relating to interest payable.

4.8.1 Bond nominal interest rate.

The Bonds in each Series shall, from the Closing Date until they mature fully, accrue yearly nominal interest, variable and payable quarterly, which shall be the result of applying the policies established hereinafter for each Series.

The resultant yearly nominal interest rate (hereinafter the "**Nominal Interest Rate**") for each Series shall be payable quarterly in arrears on each Payment Date on the Outstanding Principal Balance of the Bonds in each Series at the preceding Determination Date, provided that the Fund has sufficient liquidity in the Priority of Payments or in the Liquidation Priority of Payments, as the case may be.

Withholdings, interim payments, contributions and taxes established or to be established in the future on Bond principal, interest or returns shall be borne exclusively by Bondholders, and their amount, if any, shall be deducted by the Management Company, for and on behalf of the Fund, or through the Paying Agent, as provided by law.

4.8.1.1 Interest accrual.

For interest accrual purposes, the duration of each Bond Series shall be divided into successive interest accrual periods ("**Interest Accrual Periods**") comprising the exact number of days elapsed between every two consecutive Payment Dates, each Interest Accrual Period including the beginning Payment Date but not including the ending Payment Date. Exceptionally, the duration of the first Interest Accrual Period shall be equivalent to the exact number of days elapsed between the Closing Date, March 17, 2009, inclusive, and the first Payment Date, June 25, 2009, exclusive.

The Nominal Interest Rate shall accrue on the exact number of days in each Interest Accrual Period for which it was determined, calculated based upon a 360-day year.

4.8.1.2 **Nominal Interest Rate.**

The Nominal Interest Rate applicable to the Bonds in each Series and determined for each Interest Accrual Period shall be the result of adding:

(i) the Reference Rate, as established in the following section, and

(ii) a margin for each Series as follows:

- **Series A:** 0.30% margin.
- **Series B:** 0.60% margin.
- **Series C:** 0.90% margin.

The resultant Nominal Interest Rate shall be expressed as a percentage rounded to the nearest thousandth of a whole number or rounded up to the nearest one where the differences of rounding up or down to the nearest thousandths are identical.

4.8.1.3 **Reference Rate and determining the same.**

The reference rate ("**Reference Rate**") for determining the Nominal Interest Rate applicable to each Bond Series is as follows:

i) Other than for the first Interest Accrual Period, three- (3-) month Euribor, "Euro Interbank Offered Rate", calculated and distributed by the BRIDGE financial information system under an FBE ("*Fédération Bancaire de l'Union Européene*") mandate, fixed at 11am (CET or "Central European Time") on the Interest Rate Fixing Date described below, which is currently published on electronic page EURIBOR01 supplied by Reuters, or any other page taking its stead in providing this service.

Exceptionally, the Reference Rate for the first Interest Accrual Period shall be the result of a straight-line interpolation between three- (3-) month Euribor and four- (4-) month Euribor, fixed at 11am (CET) on the Business Day preceding the Closing Date, bearing in mind the number of days in the first Interest Accrual Period. The Reference Rate for the first Interest Accrual Period shall be calculated in accordance with the following formula:

$$IR = [((D-90)/30) \times E4] + [(1-((D-90)/30)) \times E3]$$

Where:

IR = Reference Rate for the first Interest Accrual Period.

D = Number of days in the first Interest Accrual Period.

E3 = Three- (3-) month Euribor.

E4 = Four- (4-) month Euribor.

Euribor definitions approved by the FBE and the Financial Markets Association (ACI) supplementing the current definition of Euribor shall be considered included for the purpose of the Euribor Reference Rate without having to amend these Reference Rate terms or have the Management Company notify Bondholders.

ii) In the event that the rate established in (i) above should not be available or be impossible to obtain, the substitute Reference Rate shall be the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable three- (3-) month deposit transactions in euros in an amount equivalent to the Outstanding Principal Balance of the Bond Issue, declared by four (4) prime banks in the Euro zone, following a simultaneous request to each of their headquarters by the Paying Agent as soon as possible after 11am (CET) on the Interest Rate Fixing Date.

Exceptionally, the substitute Reference Rate for the first Interest Accrual Period shall be the rate resulting from the straight-line interpolation between the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable three- (3-) month deposit transactions in euros and the interest rate resulting from finding the simple arithmetic mean of the interbank offered interest rates for non-transferable four- (4-) month deposit transactions in euros, both in an amount equivalent to the face amount of the Bond Issue, declared by the banks as provided for in the preceding paragraph, following a simultaneous request to each of their headquarters by the Paying Agent as soon as possible after 11am (CET) on the Business Day preceding the Closing Date.

The substitute Reference Rate shall be expressed as a percentage rounded to the nearest thousandth of a percentage point or rounded up to the nearest point where the differences of rounding up or down to the nearest thousandths are identical.

Should it be impossible to apply the above substitute Reference Rate, upon the failure by any or several of the banks to provide written quotations as provided for in paragraphs one and two of this section, the interest rate resulting from applying the simple arithmetic mean of the interest rates declared by at least two of the other banks shall be applicable.

iii) If the rates established in i) and ii) above should not be available or be impossible to obtain, the last Reference Rate or substitute Reference Rate applied to the next preceding Interest Accrual Period shall apply, and so on for subsequent Interest Accrual Periods whilst matters remain the same. For the first Interest Accrual Period, that shall be the result of a straight-line interpolation between three- (3-) month Euribor and four- (4-) month Euribor available immediately before 11am (CET) on the Interest Rate Fixing Date, calculated and distributed as described in (i) above.

On each Interest Rate Fixing Date, the Paying Agent shall notify the Management Company of the Reference Rate determined in accordance with i) to iii) above. The Management Company shall keep the listings and supporting documents on which the Paying Agent shall notify it the Reference Rate determined.

4.8.1.4 **Interest Rate Fixing Date.**

The Management Company shall, for and on behalf of the Fund, determine the Nominal Interest Rate applicable to each Bond Series for every Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the second Business Day preceding each Payment Date (the "**Interest Rate Fixing Date**"), and it will apply for the following Interest Accrual Period.

Exceptionally, the Management Company shall determine the Nominal Interest Rate of the Bonds in each Series for the first Interest Accrual Period as provided for in sections 4.8.1.2 and 4.8.1.3 above, on the second Business Day preceding the Closing Date, and shall notify the same in writing on the same day to the Subscriber. The Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear.

The nominal interest rates determined for each Bond Series for subsequent Interest Accrual Periods shall be communicated to Bondholders within the deadline and in the manner for which provision is made in section 4.1.1.a) of the Building Block.

4.8.1.5 **Formula for calculating interest.**

Interest settlement for each Series, payable on each Payment Date for each Interest Accrual Period, shall be calculated for each Series in accordance with the following formula:

$$I = P \times \frac{R}{100} \times \frac{d}{360}$$

Where:

I = Interest payable on a given Payment Date, rounded up to the nearest eurocent..

P = Outstanding Principal Balance of the Series at the Determination Date preceding that Payment Date.

R = Nominal Interest Rate of the Series expressed as a yearly percentage.

d = Exact number of days in each Interest Accrual Period.

4.8.2 Dates, place, institutions and procedure for paying interest.

Interest on the Bonds in each Series shall be paid until finally amortised by Interest Accrual Periods in arrears on March 25, June 25, September 25 and December 25 in each year, or the following Business Day if any of those is not a Business Day (each of those dates, a "**Payment Date**"), and interest for the then-current Interest Accrual Period will accrue until said first Business Day, not inclusive, on the terms established in section 4.8.1.2 of this Securities Note.

The first interest Payment Date for the Bonds in each Series shall be June 25, 2009, and interest will accrue at the applicable Nominal Interest Rate between the Closing Date, March 17, 2009, inclusive, and June 25, 2009, exclusive.

In this Bond Issue, business days ("**Business Days**") shall be deemed to be all days other than a:

- public holiday in the city of Madrid, or
- non-business day in the TARGET 2 calendar.

Both interest resulting for Bondholders in each Series and the amount, if any, of interest accrued and not paid, shall be notified to Bondholders as described in section 4.1.1.a) of the Building Block, at least one (1) calendar day in advance of each Payment Date.

Bond interest accrued shall be paid on each Payment Date provided that the Fund has sufficient liquidity to do so in the Priority of Payments or Liquidation Priority of Payments, as the case may be.

In the event that on a Payment Date the Fund should be unable to make full or partial payment of interest accrued on the Bonds in any Series, in the Priority of Payments, the amounts that Bondholders should not have received shall be accumulated on the following Payment Date to interest on that Series which, as the case may be, should be paid on that same Payment Date, and will be paid in the Priority of Payments and applied by order of maturity if it should be impossible once again not to pay the same fully due to a shortfall of Available Funds.

Overdue interest amounts shall not earn additional or late-payment interest and shall not be accumulated to the Outstanding Principal Balance of the Bonds in the relevant Series.

The Fund, through its Management Company, may not defer Bond interest payment beyond March 25, 2047, the Final Maturity Date, or the following Business Day if that is not a Business Day.

The Bond issue shall be serviced through the Paying Agent, to which end the Management Company shall, for and on behalf of the Fund, enter into the Paying Agent Agreement with BANCAJA, as established in section 5.2.1 of this Securities Note.

4.9 Maturity date and amortisation of the securities.

4.9.1 Bond redemption price.

The redemption price of the Bonds in each Series shall be EUR one hundred thousand (100,000) per Bond, equivalent to 100 percent of their face value, payable as established in section 4.9.2 below.

Each and every one of the Bonds in a same Series shall be amortised in an equal amount by reducing the face amount of each of the Bonds.

4.9.2 **Characteristics specific to the amortisation of each Bond Series.**

4.9.2.1 **Amortisation of Series A Bonds.**

Series A Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series A, in accordance with the rules for Distribution of Available Funds for Amortisation given in section 4.9.3.5 below, prorated between the Bonds in Series A proper by reducing the face amount of each Series A Bond.

The first partial amortisation of Series A Bonds shall occur on the first Payment Date, June 25, 2009.

Final amortisation of Series A Bonds shall occur on the Final Maturity Date (March 25, 2047 or the following Business Day if that is not a Business Day), notwithstanding their full amortisation before that date due to the partial amortisation for which provision is made and that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.2 **Amortisation of Series B Bonds.**

Series B Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series B in accordance with the rules for Distribution of Available Funds for Amortisation given in section 4.9.3.5 below, prorated between the Bonds in Series B proper by reducing the face amount of each Series B Bond.

The first partial amortisation of Series B Bonds shall occur once Series A Bonds have been fully amortised. However, even if Series A has not been fully amortised, the Available Funds for Amortisation shall also be applied to amortising Series B on the Payment Date on which the Conditions for Pro Rata Amortisation are satisfied for Series B in accordance with the rules for Distribution of Available Funds for Amortisation, in such a way that the ratio of the Outstanding Principal Balance of Series B to the Outstanding Principal Balance of the Bond Issue remains at 7.00%, or higher percentage closest thereto.

Final amortisation of Series B Bonds shall occur on the Final Maturity Date (March 25, 2047 or the following Business Day if that is not a Business Day), notwithstanding their full amortisation before that date due to the partial amortisation for which provision is made and that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.2.3 **Amortisation of Series C Bonds.**

Series C Bond principal shall be amortised by partial amortisation on each Payment Date after Bond amortisation begins until their total face amount has been fully amortised, in an amount equal to the Available Funds for Amortisation applied on each Payment Date to amortising Series C in accordance with the rules for Distribution of Available Funds for Amortisation given in section 4.9.3.5 below, prorated between the Bonds in Series C proper by reducing the face amount of each Series C Bond.

The first partial amortisation of Series C Bonds shall occur once Series A and B Bonds have been fully amortised. However, even if Series A and B have not been fully amortised, the Available Funds for Amortisation shall also be applied to amortising Series C on the Payment Date on which the Conditions for Pro Rata Amortisation are satisfied for Series C in accordance with the rules for Distribution of Available Funds for Amortisation, in such a way that the ratio of the Outstanding Principal Balance of Series C to the Outstanding Principal Balance of the Bond Issue remains at 30.00%, or higher percentage closest thereto.

Final amortisation of Series C Bonds shall occur on the Final Maturity Date (March 25, 2047 or the following Business Day if that is not a Business Day), notwithstanding their full amortisation before that date due to the partial amortisation for which provision is made and that the Management Company may, for and on behalf of the Fund, and in accordance with the provisions of section 4.9.4 below, proceed to Early Amortisation of the Bond Issue before the Final Maturity Date.

4.9.3 Partial amortisation of Series A, B and C Bonds.

Irrespective of the Final Maturity Date and subject to Early Amortisation of the Bond Issue in the event of Early Liquidation of the Fund, the Fund shall, through its Management Company, proceed to partial amortisation of the Bonds in each Series on each Payment Date other than the Final Maturity Date or the Early Liquidation date of the Fund on the specific amortisation terms for each Series established in sections 4.9.2.1 to 4.9.2.3 of this Securities Note and on the terms described hereinafter in this section common to Series A, B and C.

4.9.3.1 Determination Dates and Determination Periods.

The determination dates (the "**Determination Dates**") will be the dates falling on the fourth (4th) Business Day preceding each Payment Date on which the Management Company on behalf of the Fund will make all necessary calculations to distribute or withhold the Available Funds and the Available Funds for Amortisation which the Fund shall dispose of on the relevant Payment Date, in the Priority of Payments. The first Determination Date shall be June 19, 2009.

Determination periods (the "**Determination Periods**") shall be periods comprising the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. Exceptionally:

(i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, June 19, 2009, inclusive, and

(ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which Early Liquidation of the Fund concludes, as provided for in section 4.4.4.3 of the Registration Document, on which the Loan receivables and the assets remaining in the Fund have been liquidated and all Liquidation Available Funds have been distributed in the Liquidation Priority of Payments, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), not including the first date but including the last date.

4.9.3.2 Outstanding Principal Balance of the Bonds.

The outstanding principal balance (the "**Outstanding Principal Balance**") of a Series shall be the sum of the principal pending repayment (outstanding balance) at a date of all the Bonds in that Series.

By addition, the outstanding principal balance of the Bond Issue (the "**Outstanding Principal Balance of the Bond Issue**") shall be the sum of the Outstanding Principal Balance of all three Series A, B and C making up the Bond Issue.

4.9.3.3 Outstanding Balance of the Loans.

The outstanding balance (the "**Outstanding Balance**") of a Loan shall be the sum of the capital or principal not yet due and the capital or principal due and not paid into the Fund on the specific Loan at a date.

The outstanding balance of the Loans (the "**Outstanding Balance of the Loans**") at a date shall be the sum of the Outstanding Balance of each and every one of the Loans at that date.

Delinquent Loans (the "**Delinquent Loans**") shall be deemed to be Loans that are delinquent with a period of arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Loans. Non-delinquent Loans (the "**Non-Delinquent Loans**") shall be deemed to be Loans that at a date are not deemed to be either Delinquent Loans or Doubtful Loans.

Doubtful Loans (the "**Doubtful Loans**") shall be deemed to be Loans that are delinquent with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on indications or information received from the Servicer. Non-doubtful Loans (the "**Non-Doubtful Loans**") shall be deemed to be Loans that are not deemed to be Doubtful Loans at a date.

4.9.3.4 **Amortisation Withholding and Available Funds for Amortisation on each Payment Date.**

On each Payment Date, the Available Funds shall be used in sixth (6^{th}) place in the order of priority for withholding the amount altogether designed for amortising the Bonds and without distinguishing among the various Series ("**Amortisation Withholding**"), in an amount equal to the positive difference, if any, at the Determination Date preceding the relevant Payment Date, between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the Outstanding Balance of Non-Doubtful Loans.

Depending on the liquidity existing on each Payment Date, the amount actually applied of the Available Funds to Amortisation Withholding shall make up the available funds for amortisation (the "**Available Funds for Amortisation**") and be applied in accordance with the rules for Distribution of Available Funds for Amortisation established hereinafter in section 4.9.3.5 below.

4.9.3.5 **Distribution of Available Funds for Amortisation.**

The Available Funds for Amortisation shall be applied on each Payment Date to amortising each Series in accordance with the following rules ("**Distribution of Available Funds for Amortisation**"):

1. The Available Funds for Amortisation shall be sequentially applied firstly to amortising Series A until fully amortised, secondly to amortising Series B until fully amortised, and thirdly to amortising Series C until fully amortised, subject to the provisions of rule 2 below for pro rata amortisation of the different Series.

2. There shall be no exception and, even if Series A has not been fully amortised, the Available Funds for Amortisation shall also be applied to amortising Series B and, as the case may be, Series C on the Payment Dates on which the following circumstances are all satisfied with respect to amortisation of each of those Series ("**Conditions for Pro Rata Amortisation**"):

    a) In order to amortise Series B, that on the Determination Date relevant to the Payment Date:

        i) the Outstanding Principal Balance of Series B is equal to or greater than 7.00% of the Outstanding Principal Balance of the Bond Issue, and

        ii) the Outstanding Balance of Delinquent Loans does not exceed 1.25% of the Outstanding Balance of Non-Doubtful Loans.

    b) In order to amortise Series C, that on the Determination Date relevant to the Payment Date:

        i) the Outstanding Principal Balance of Series C is equal to or greater than 30.00% of the Outstanding Principal Balance of the Bond Issue, and

        ii) the Outstanding Balance of Delinquent Loans does not exceed 1.00% of the Outstanding Balance of Non-Doubtful Loans.

    c) Additionally, in order to amortise Series B and, as the case may be, Series C:

        i) that the Required Principal Cash Reserve amount is to be fully provisioned on the relevant Payment Date; and

        ii) that on the Determination Date relevant to the Payment Date, the amount of the Outstanding Balance of Non-Doubtful Loans is equal to or greater than 10 percent of the initial Outstanding Balance upon the Fund being established.

    In the event that the amortisation of Series B and, as the case may be, Series C should apply on a Payment Date because the Conditions for Pro Rata Amortisation of Series B and Series C are respectively satisfied, the Available Funds for Amortisation shall also be applied to amortising Series B and, as the case may be, to amortising Series C, in such a way that the ratio of the Outstanding Principal Balance of Series B and, as the case may be, the Outstanding Principal Balance of Series C to the Outstanding Principal Balance of the Bond Issue respectively remain at 7.00% and at 30.00%, or higher percentages closest thereto.

4.9.4 **Early Amortisation of the Bond Issue.**

Notwithstanding the Fund's obligation, through its Management Company, to proceed to final amortisation of the Bonds on the Final Maturity Date or amortisation of each Series before the Final Maturity Date, the Management Company shall, after first notifying the CNMV, be authorised to proceed, as the case may be, to Early Liquidation of the Fund and consequently Early Amortisation of the entire Bond Issue in the Early Liquidation Events and subject to the requirements established in section 4.4.3 of the Registration Document and subject to the Liquidation Priority of Payments.

4.9.5 **Final Maturity Date.**

The Final Maturity Date and consequently final amortisation of the Bonds is on March 25, 2047 or the following Business Day if that is not a Business Day, without prejudice to the Management Company, for and on behalf of the Fund, and in accordance with the provisions of sections 4.9.2 to 4.9.4 of this Securities Note, proceeding to amortise any or all the Series in the Bond Issue before the Final Maturity Date. Final amortisation of the Bonds on the Final Maturity Date shall take place subject to the Liquidation Priority of Payments.

4.10 Indication of yield.

The average life, yield, term and final maturity of the Bonds in each Series depend on several factors, most significant among which are the following:

i) The repayment schedule and system of each Loan established in the relevant agreements.

ii) The Obligors' capacity to prepay the Loans in whole or in part and the aggregate prepayment pace throughout the life of the Fund. In this sense, Loan prepayments by Obligors, subject to continual changes, and estimated in this Prospectus using several performance assumptions of the future effective constant annual early amortisation or prepayment rate (hereinafter also "**CPR**"), are very significant and shall directly affect the pace at which Bonds are amortised, and therefore their average life and duration.

iii) The floating interest rates which shall apply to most Loans, resulting in the repayment amount on every instalment differing.

iv) The Obligors' delinquency in payment of Loan instalments.

The following assumed values have been used for the above-mentioned factors in calculating the tables contained in this section:

- Loan interest rate: 5.79% weighted average interest rate as at February 26, 2009 of the portfolio of selected loans which has been used for calculating the repayment instalments and interest of each of the selected loans;
- Loan portfolio delinquency: 4.59% of the Outstanding Balance of the Loans -PYME VALENCIA 1 FTA's delinquency rate at January 2009-, with 100% recoveries within 18 months of becoming delinquent;
- Loan portfolio doubtful rate: 0.99%, with 60% recoveries within 18 months of becoming doubtful;
- cumulative Loan portfolio doubtful rates: 0.97% for a 10% CPR; 0.91% for a 12% CPR; and 0.86% for a 14% CPR;
- that the Loan prepayment rate remains constant throughout the life of the Bonds;
- that the Bond Closing Date is March 17, 2009; and
- that there is no extension of the term of any of the loans.

The actual adjusted life and the yield or return on the Bonds will also depend on their floating rate. The following nominal interest rates are assumed for each Series for the first Interest Accrual Period, resulting from a straight-line interpolation bearing in mind the number of days in the First Interest Accrual Period between 3-month Euribor (1.778%) and 4-month Euribor (1.824%) at March 4, 2009, 1.793% being the resultant interpolated nominal interest rate, and the margins set for each Series in accordance with section 4.8.1.2 of this Securities Note:

	Series A Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	2.093%	2.393%	2.693%

For subsequent Interest Accrual Periods, the floating interest rate of the Bonds in each Series is assumed to be constant as follows, resulting from 3-month Euribor (1.778%) at March 4, 2009 and the applicable margins set for each Series in section 4.8.1.2 of this Securities Note:

	Series A Bonds	Series B Bonds	Series C Bonds
Nominal interest rate	2.078%	2.378%	2.678%

4.10.1 Estimated average life, yield or return, duration and final maturity of the Bonds.

Assuming that the Management Company shall exercise the Early Liquidation of the Fund and Early Amortisation of the Bond Issue option provided in section 4.4.3 of the Registration Document when the Outstanding Balance of the Loans is less than 10% of their initial Outstanding Balance upon the Fund being established, the average life, return (IRR) for the Bond subscriber, duration and final maturity of the Bonds for different CPRs, based on the performance in recent months of similarly characterised loans previously securitised by BANCO DE VALENCIA, would be as follows:

% CPR:	10%	12%	14%
	Series A Bonds		
Average life (years)	2.17	2.03	1.91
IRR	2.126%	2.126%	2.126%
Duration (years)	2.06	1.93	1.82
Final maturity	25 03 2015	25 09 2014	25 03 2014
(in years)	6.02	5.53	5.02
	Series B Bonds		
Average life (years)	6.34	5.85	5.42
IRR	2.434%	2.434%	2.434%
Duration (years)	5.76	5.34	4.98
Final maturity	25 12 2015	25 06 2015	25 12 2014
(in years)	6.78	6.28	5.78
	Series C Bonds		
Average life (years)	7.99	7.48	6.98
IRR	2.744%	2.744%	2.744%
Duration (years)	7.02	6.61	6.21
Final maturity	26 06 2017	26 12 2016	27 06 2016
(in years)	8.28	7.78	7.28

The Management Company expressly states that the servicing tables described hereinafter for each Series are merely theoretical and given for illustrative purposes, and represent no payment obligation whatsoever, on the basis that:

- Whereas CPRs are assumed to be constant respectively at 10.00%, 12.00% and 14.00% throughout the life of the Bond Issue, as explained above actual prepayment changes continually.
- The Outstanding Principal Balance of the Bonds on each Payment Date and hence interest payable on each such dates shall depend on the actual Loan prepayment, delinquency and default rates.
- Whereas Bond nominal interest rates are assumed to be constant for each Series from the second Interest Accrual Period, the interest rate in all Series is known to float.
- The assumed values referred to at the beginning of this section 4.10 are at all events taken for granted.
- It is assumed that the Management Company will exercise the Early Liquidation of the Fund and thereby the Early Amortisation of the Bond Issue option when the Outstanding Balance of the Loans is less than 10% of the Initial Outstanding Balance upon the Fund being set up, as provided in section 4.4.3 of the Registration Document.
- In this scenario, the Conditions for Pro Rata Amortisation of Series B and C are met.
- These assumptions are all based on the historical performance of securitised SME loans granted by BANCO DE VALENCIA, excepting the Loan delinquency rate which is PYME VALENCIA 1 FTA’s delinquency rate at January 2009.

This is a Certified Translation into English of the Spanish Prospectus. No document other than the Spanish Prospectus registered by the Comisión Nacional del Mercado de Valores may have any legal effect whatsoever or be taken into account with respect to the Bond Issue.

FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER (AMOUNTS IN EUR) CPR = 10%

Payment	Series A Bonds			Series B Bonds			Series C Bonds		
Date	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	4,577.58	104,577.58	100,000.00	15,293.32	115,293.32	100,000.00	21,706.86	121,706.86
17/03/2009									
25/06/2009	5,274.51	581.48	5,855.99	0.00	664.81	664.81	0.00	748.15	748.15
25/09/2009	10,712.44	503.03	11,215.47	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2009	8,544.12	441.30	8,985.41	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2010	7,387.54	392.06	7,779.60	0.00	594.50	594.50	0.00	669.50	669.50
25/06/2010	7,267.61	361.54	7,629.16	0.00	607.71	607.71	0.00	684.38	684.38
27/09/2010	7,217.74	329.97	7,547.71	0.00	620.92	620.92	0.00	699.26	699.26
27/12/2010	6,177.22	281.53	6,458.74	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2011	5,111.09	240.87	5,351.96	0.00	581.29	581.29	0.00	654.62	654.62
27/06/2011	5,321.86	229.56	5,551.41	0.00	620.92	620.92	0.00	699.26	699.26
26/09/2011	4,363.73	194.28	4,558.00	0.00	601.11	601.11	0.00	676.94	676.94
26/12/2011	3,814.43	171.36	3,985.78	0.00	601.11	601.11	0.00	676.94	676.94
26/03/2012	3,724.12	151.32	3,875.44	0.00	601.11	601.11	0.00	676.94	676.94
25/06/2012	3,390.51	131.76	3,522.27	0.00	601.11	601.11	0.00	676.94	676.94
25/09/2012	2,998.21	115.20	3,113.41	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2012	2,756.19	98.20	2,854.38	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2013	2,585.57	82.80	2,668.37	0.00	594.50	594.50	0.00	669.50	669.50
25/06/2013	2,304.86	70.91	2,375.78	0.00	607.71	607.71	0.00	684.38	684.38
25/09/2013	2,078.96	58.67	2,137.63	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2013	1,889.29	47.11	1,936.40	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2014	1,856.70	36.78	1,893.48	0.00	594.50	594.50	0.00	669.50	669.50
25/06/2014	1,715.45	27.74	1,743.19	0.00	607.71	607.71	0.00	684.38	684.38
25/09/2014	1,650.16	18.63	1,668.79	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2014	1,522.89	9.76	1,532.65	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2015	334.82	1.74	336.56	26,577.32	594.50	27,171.82	0.00	669.50	669.50
25/06/2015	0.00	0.00	0.00	32,000.82	446.20	32,447.02	0.00	684.38	684.38
25/09/2015	0.00	0.00	0.00	30,521.77	251.73	30,773.50	0.00	684.38	684.38
25/12/2015	0.00	0.00	0.00	10,900.08	65.52	10,965.60	4,120.49	676.94	4,797.42
25/03/2016	0.00	0.00	0.00	0.00	0.00	0.00	6,568.14	649.05	7,217.18
27/06/2016	0.00	0.00	0.00	0.00	0.00	0.00	6,087.24	624.51	6,711.75
26/09/2016	0.00	0.00	0.00	0.00	0.00	0.00	5,860.09	563.38	6,423.46
26/12/2016	0.00	0.00	0.00	0.00	0.00	0.00	5,418.35	523.71	5,942.05
27/03/2017	0.00	0.00	0.00	0.00	0.00	0.00	5,304.80	487.03	5,791.83
26/06/2017	0.00	0.00	0.00	0.00	0.00	0.00	66,640.90	451.12	67,092.02

FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER (AMOUNTS IN EUR) CPR = 12%

Payment	**Series A Bonds**			**Series B Bonds**			**Series C Bonds**		
Date	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	4,283.16	104,283.16	100,000.00	14,108.85	114,108.85	100,000.00	20,305.40	120,305.40
17/03/2009									
25/06/2009	5,823.37	581.48	6,404.85	0.00	664.81	664.81	0.00	748.15	748.15
25/09/2009	11,242.27	500.12	11,742.38	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2009	8,975.33	435.63	9,410.96	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2010	7,739.12	384.22	8,123.34	0.00	594.50	594.50	0.00	669.50	669.50
25/06/2010	7,548.55	351.66	7,900.20	0.00	607.71	607.71	0.00	684.38	684.38
27/09/2010	7,417.23	318.34	7,735.58	0.00	620.92	620.92	0.00	699.26	699.26
27/12/2010	6,365.01	269.22	6,634.23	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2011	5,284.34	228.02	5,512.36	0.00	581.29	581.29	0.00	654.62	654.62
27/06/2011	5,431.25	214.89	5,646.15	0.00	620.92	620.92	0.00	699.26	699.26
26/09/2011	4,462.45	179.50	4,641.95	0.00	601.11	601.11	0.00	676.94	676.94
26/12/2011	3,894.22	156.06	4,050.28	0.00	601.11	601.11	0.00	676.94	676.94
26/03/2012	3,767.65	135.61	3,903.26	0.00	601.11	601.11	0.00	676.94	676.94
25/06/2012	3,416.63	115.82	3,532.44	0.00	601.11	601.11	0.00	676.94	676.94
25/09/2012	3,014.17	98.95	3,113.12	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2012	2,757.57	82.04	2,839.61	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2013	2,568.55	66.81	2,635.36	0.00	594.50	594.50	0.00	669.50	669.50
25/06/2013	2,288.41	54.66	2,343.07	0.00	607.71	607.71	0.00	684.38	684.38
25/09/2013	2,059.20	42.50	2,101.70	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2013	1,864.56	31.23	1,895.79	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2014	1,813.59	21.20	1,834.79	0.00	594.50	594.50	0.00	669.50	669.50
25/06/2014	1,671.00	12.04	1,683.04	0.00	607.71	607.71	0.00	684.38	684.38
25/09/2014	595.53	3.16	598.69	23,273.42	607.71	23,881.13	0.00	684.38	684.38
25/12/2014	0.00	0.00	0.00	34,102.89	461.21	34,564.09	0.00	676.94	676.94
25/03/2015	0.00	0.00	0.00	32,755.05	253.40	33,008.45	0.00	669.50	669.50
25/06/2015	0.00	0.00	0.00	9,868.64	59.97	9,928.61	4,787.26	684.38	5,471.64
25/09/2015	0.00	0.00	0.00	0.00	0.00	0.00	6,714.78	651.61	7,366.40
25/12/2015	0.00	0.00	0.00	0.00	0.00	0.00	6,243.85	599.08	6,842.92
25/03/2016	0.00	0.00	0.00	0.00	0.00	0.00	6,094.96	556.81	6,651.77
27/06/2016	0.00	0.00	0.00	0.00	0.00	0.00	5,624.09	532.55	6,156.64
26/09/2016	0.00	0.00	0.00	0.00	0.00	0.00	5,370.98	477.48	5,848.46
26/12/2016	0.00	0.00	0.00	0.00	0.00	0.00	65,164.08	441.12	65,605.20

FLOWS FOR EVERY BOND WITHOUT WITHHOLDING FOR THE HOLDER (AMOUNTS IN EUR) CPR = 14%

Payment	Series A Bonds			Series B Bonds			Series C Bonds		
Date	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow	Principal Repayment	Gross Interest	Total Flow
TOTALS	100,000.00	4,026.27	104,026.27	100,000.00	13,082.65	113,082.65	100,000.00	18,954.15	118,954.15
17/03/2009									
25/06/2009	6,382.08	581.48	6,963.57	0.00	664.81	664.81	0.00	748.15	748.15
25/09/2009	11,775.18	497.15	12,272.33	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2009	9,402.90	429.90	9,832.80	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2010	8,082.19	376.32	8,458.52	0.00	594.50	594.50	0.00	669.50	669.50
25/06/2010	7,817.10	341.77	8,158.86	0.00	607.71	607.71	0.00	684.38	684.38
27/09/2010	7,602.03	306.78	7,908.81	0.00	620.92	620.92	0.00	699.26	699.26
27/12/2010	6,537.19	257.06	6,794.25	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2011	5,440.44	215.38	5,655.82	0.00	581.29	581.29	0.00	654.62	654.62
27/06/2011	5,522.88	200.55	5,723.43	0.00	620.92	620.92	0.00	699.26	699.26
26/09/2011	4,542.53	165.14	4,707.67	0.00	601.11	601.11	0.00	676.94	676.94
26/12/2011	3,955.17	141.27	4,096.45	0.00	601.11	601.11	0.00	676.94	676.94
26/03/2012	3,793.03	120.50	3,913.53	0.00	601.11	601.11	0.00	676.94	676.94
25/06/2012	3,424.86	100.58	3,525.43	0.00	601.11	601.11	0.00	676.94	676.94
25/09/2012	3,012.63	83.49	3,096.13	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2012	2,742.33	66.76	2,809.10	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2013	2,536.38	51.78	2,588.16	0.00	594.50	594.50	0.00	669.50	669.50
25/06/2013	2,256.70	39.46	2,296.16	0.00	607.71	607.71	0.00	684.38	684.38
25/09/2013	2,024.67	27.48	2,052.15	0.00	607.71	607.71	0.00	684.38	684.38
25/12/2013	1,825.93	16.54	1,842.48	0.00	601.11	601.11	0.00	676.94	676.94
25/03/2014	1,323.76	6.88	1,330.64	10,127.28	594.50	10,721.78	0.00	669.50	669.50
25/06/2014	0.00	0.00	0.00	37,608.32	546.17	38,154.49	0.00	684.38	684.38
25/09/2014	0.00	0.00	0.00	35,626.03	317.62	35,943.64	0.00	684.38	684.38
25/12/2014	0.00	0.00	0.00	16,638.37	100.01	16,738.39	3,710.49	676.94	4,387.43
25/03/2015	0.00	0.00	0.00	0.00	0.00	0.00	7,228.60	644.66	7,873.26
25/06/2015	0.00	0.00	0.00	0.00	0.00	0.00	6,679.17	609.51	7,288.69
25/09/2015	0.00	0.00	0.00	0.00	0.00	0.00	6,281.71	563.80	6,845.51
25/12/2015	0.00	0.00	0.00	0.00	0.00	0.00	5,804.56	515.15	6,319.71
25/03/2016	0.00	0.00	0.00	0.00	0.00	0.00	5,613.82	475.86	6,089.68
27/06/2016	0.00	0.00	0.00	0.00	0.00	0.00	64,681.65	452.29	65,133.94

4.11 Representation of security holders.

No syndicate of Bondholders will be set up for the securities included in this Bond Issue.

On the terms provided for in article 12 of Royal Decree 926/1998, it is the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time.

4.12 Resolutions, authorisations and approvals for issuing the securities.

a) Corporate resolutions.

Resolution to set up the Fund and issue the Bonds:

The Executive Committee of the Board of Directors of EUROPEA DE TITULIZACIÓN resolved on February 16, 2009 that:

i) PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS be set up in accordance with the legal system for which provision is made in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and all other legal and statutory provisions in force and applicable from time to time.

ii) Receivables owned by and recorded in the assets of BANCO DE VALENCIA derived from loans with real estate mortgage security, with security other than a real estate mortgage and/or without special security granted to finance Spanish enterprises or sole traders.

iii) The Bonds be issued by the Fund.

Resolution to assign the Loans:

At a meeting held on December 19, 2008, the Board of Directors of BANCO DE VALENCIA resolved that the assignment of receivables deriving from loans, credits and other assets owned by BANCO DE VALENCIA and the issue thereon, as the case may be, of any securities provided for in the mortgage market laws to be assigned to and/or subscribed for by the Fund, be authorised.

b) Registration by the CNMV.

The establishment of the Fund and issue of the Bonds are subject to the condition precedent of this Prospectus and all other supporting documents being entered in the Official Registers of the CNMV, in accordance with the provisions of article 5.1.e) of Royal Decree 926/1998.

This Prospectus regarding the establishment of the Fund and issue of the Bonds has been entered in the CNMV's Official Registers.

c) Execution of the Fund public deed of constitution.

Upon the CNMV registering this Prospectus, the Management Company and BANCO DE VALENCIA, as Originator of the Loan receivables, shall proceed to execute on March 13, 2009 a public deed whereby PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS will be established, BANCO DE VALENCIA will assign to the Fund Non-Mortgage Loan receivables and Mortgage Loan receivables by issuing Pass-Through Certificates, and the Fund will issue the Asset-Backed Bonds, on the terms provided in article 6 of Royal Decree 926/1998.

The Management Company represents that the contents of the Deed of Constitution shall match the draft Deed of Constitution it has submitted to the CNMV and the terms of the Deed of Constitution shall at no event contradict, change, alter or invalidate the contents of this Prospectus.

The Management Company shall submit a copy of the Deed of Constitution to the CNMV to be entered in the Official Registers by March 17, 2009.

4.13 Issue date of the securities.

The Bond issue date shall be March 13, 2009.

4.13.1 **Bond subscription.**

The Bond Issue shall be fully subscribed for by BANCO DE VALENCIA.

4.13.2 **Bond Issue subscription payment method and dates.**

The Subscriber shall subscribe for the Bond Issue on March 16, 2009 and pay to the Fund by 2pm (CET) on March 17, 2009 (the “**Closing Date**”), for same day value, the issue price at the face value of all the Bonds subscribed for.

4.14 Restrictions on the free transferability of the securities.

There are no restrictions on the free transferability of the Bonds. They may be freely transferred by any means admissible at Law and in accordance with the rules of the AIAF market where they will be admitted to trading. A transfer in the accounts (book entry) will convey the ownership of each Bond. The effects of entering conveyance to the transferee in the accounting record shall be the same as handing over the certificates and the transfer shall thereupon be enforceable on third parties.

5 ADMISSION TO TRADING AND DEALING ARRANGEMENTS.

5.1 Market where the securities will be traded.

In fulfilment of the provisions of article 2.3 of Royal Decree 926/1998, the Management Company shall, upon the Bonds having been paid up, apply for this Bond Issue to be listed on AIAF Mercado de Renta Fija (“**AIAF**”), which is a qualified official secondary securities market pursuant to transitional provision six of Act 37/1998, November 16, amending the Securities Market Act, and a regulated market, as contained in the Annotated Presentation of Regulated Markets and Additional Provisions under the Investment Services Directive 93/22, published in the Official Journal of the European Communities on November 4, 2008. The Management Company undertakes to do all such things as may be necessary in order that definitive admission to trading is achieved not later than one month after the Closing Date.

The Management Company expressly represents that it is aware of the requirements and terms that must be observed for the securities to be eligible to be listed, remain listed and be excluded from listing on AIAF, in accordance with the laws in force and the requirements of its governing bodies, and the Fund agrees through its Management Company to observe the same.

In the event that, by the end of the one-month period referred to in the first paragraph of this section, the Bonds should not be admitted to trading on AIAF, the Management Company shall forthwith proceed to notify Bondholders thereof, moreover advising of the reasons resulting in such breach, using the extraordinary notice procedure provided for in section 4.1.2 of the Building Block. This shall be without prejudice to the Management Company being held to be contractually liable, as the case may be, if it is at fault for the delay.

5.2 Paying agent and depository agents.

5.2.1 **Bond Issue Paying Agent.**

The Bond Issue will be serviced through BANCAJA as Paying Agent. Payment of interest and repayments shall be notified to Bondholders in the events and in such advance as may be provided for each case in section 4.1.1 of the Building Block. Interest and amortisation shall be paid to Bondholders by the relevant members and to the latter in turn by Iberclear, the institution responsible for the accounting record.

The Management Company shall, for and on behalf of the Fund, enter with BANCAJA into a paying agent agreement to service the Bond Issue, the most significant terms of which are given in section 3.4.7.2 of the Building Block.

6 EXPENSE OF THE OFFERING AND OF ADMISSION TO TRADING.

The expected expenses for setting up the Fund and issue and admission to trading of the Bond Issue are EUR four hundred and seventy-one thousand and forty-nine (471,049.00). These expenses include, inter alia, the initial Management Company fee, notary's fees, rating and legal advice fees, CNMV fees, AIAF and Iberclear fees for including the Bonds in the book-entries register, the Lead Managers' fees and Prospectus translation and printing expenses.

7 ADDITIONAL INFORMATION.

7.1 Statement of the capacity in which the advisors connected with the issue mentioned in the Securities Note have acted.

GARRIGUES, as independent advisers, have provided legal advice for establishing the Fund and issuing the Bonds and have reviewed the tax implications thereof.

BANCAJA, J.P. MORGAN and the Management Company have financially structured the Fund and the Bond Issue.

7.2 Other information in the Securities Note which has been audited or reviewed by auditors.

Not applicable.

7.3 Statement or report attributed to a person as an expert.

Deloitte has audited the most significant features of a sample of the selected loans from which the Loans will be taken to be assigned to the Fund upon being established, on the terms set forth in section 2.2 of the Building Block and has audited the Management Company's annual accounts for the years ended December 31, 2007, 2006 and 2005 and BANCO DE VALENCIA's annual accounts for the years ended December 31, 2008, 2007 and 2006.

7.4 Information sourced from a third party.

Within its duties to verify the information contained in this Prospectus, the Management Company has received confirmation from BANCO DE VALENCIA, as Originator, as to the truthfulness of the characteristics of BANCO DE VALENCIA as Originator, of the Loans and the Pass-Through Certificates and of the Mortgage Loans, given in section 2.2.8 of the Building Block, and of the remaining information on BANCO DE VALENCIA and on the selected mortgage loans from which the Loans will be taken given in this Prospectus.

In the Deed of Constitution of the Fund, BANCO DE VALENCIA shall reaffirm to the Management Company the fulfilment of those characteristics on the date on which the Fund is established.

The Management Company confirms that the information from BANCO DE VALENCIA on the selected mortgage loans from which the Loans will be taken and on the Originator proper has been accurately reproduced and, to the best of its knowledge and ability to determine based on that information provided by BANCO DE VALENCIA, no fact has been omitted which might result in the information reproduced being inaccurate or deceptive.

7.5 Credit ratings assigned to the securities by rating agencies.

On March 10, 2009, Moody's assigned the following provisional ratings to each Bond Series, and expects to assign the same final ratings by 2pm (CET) on March 16, 2009.

Bond Series	Moody's Ratings
Series A	Aaa
Series B	A1
Series C	Baa3

If the Rating Agency should not confirm any of the assigned provisional ratings as final by 2pm (CET) on March 16, 2009, this circumstance would forthwith be notified to the CNMV and be publicised in the manner for which provision is made in section 4.1.2.2 of the Building Block. Furthermore, this circumstance would result in the establishment of the Fund, the Bond Issue and the assignment of Loan receivables terminating, as provided for in section 4.4.4.(iv) of the Registration Document.

Rating considerations.

The ratings assigned to each Bond Series by Moody's measure the expected loss before the Final Maturity Date. In Moody's opinion, the structure allows timely interest and principal payment during the life of the transaction and, in any event, before the Final Maturity Date. Moody's ratings measure only the credit risks inherent in the transaction; no other risk types, which could materially affect performance, are measured.

The Rating Agency's ratings are not an assessment of the likelihood of obligors prepaying capital, nor indeed of the extent to which such prepayments differ from what was originally forecast. The ratings are not by any means a rating of the level of actuarial performance.

The ratings assigned, and any revision or suspension of the ratings:

(i) are assigned by the Rating Agency based on manifold information received with respect to which it can give no assurance, nor even as to their accuracy or wholeness, wherefore the Rating Agency may in no event be deemed to be responsible therefor; and

(ii) are not and cannot therefore be howsoever construed as an invitation, recommendation or encouragement for investors to proceed to carry out any transaction whatsoever on the Bonds and, in particular, acquire, keep, charge or sell those Bonds.

In carrying on the rating and monitoring process, the Rating Agency relies on the accuracy and wholeness of the information provided to it by BANCO DE VALENCIA, the Management Company, Deloitte as auditors of certain features and attributes of a sample of the selected loans, and GARRIGUES, as independent legal advisers.

The ratings take into account the structure of the Bond Issue, the legal aspects thereof and of the issuing Fund, the characteristics of the loans selected to be assigned to the Fund and the regularity and continuity of the operating flows.

The Rating Agency may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to its notice. Those events, which shall not constitute early liquidation events of the Fund, shall forthwith be notified to both the CNMV and Bondholders and the Lead Managers, in accordance with the provisions of section 4.1 of the Building Block.

ASSET-BACKED SECURITIES NOTE BUILDING BLOCK

(Annex VIII to Commission Regulation (EC) No. 809/2004 of April 29, 2004)

1. SECURITIES

1.1 Minimum denomination of the issue.

The Fund shall be set up with the Mortgage Loan Pass-Through Certificates and the Non-Mortgage Loan receivables which BANCO DE VALENCIA shall issue and assign to the Fund upon being established, and their Outstanding Balance shall be equal to or slightly above EUR five hundred million (500,000,000.00), the face value amount of the Bond Issue.

1.2 Confirmation that the information relating to an undertaking or obligor not involved in the issue has been reproduced.

Not applicable.

2. UNDERLYING ASSETS

2.1 Confirmation that the securitised assets have capacity to produce funds to service any payments due and payable on the securities.

In accordance with the information supplied by the Originator, the Management Company confirms that, based on their contractual characteristics, the flows of principal, interest and any other amounts generated by the securitised Loans allow the payments due and payable on the Bonds in the Series issued to be satisfied.

Nevertheless, in order to cover for potential payment defaults by securitised Loan Obligors, a number of credit enhancement transactions have been arranged allowing the amounts payable on the Bonds in each Series to be covered to a different extent and mitigating interest risk due to the different terms of the interest clauses of the Loans and of the Bonds in each Series. In exceptional circumstances, the enhancement transactions could actually fall short. The credit enhancement transactions are described in sections 3.4.2, 3.4.3, 3.4.4 and 3.4.7 of this Building Block.

Not all the Bonds issued have the same risk of default. Hence the different credit ratings assigned by the Rating Agency to the Bonds in each Series, detailed in section 7.5 of the Securities Note.

Upon the occurrence of a (i) substantial alteration or permanent financial imbalance of the Fund due to any event or circumstance whatsoever unrelated to the Fund's operations or (ii) default indicating a serious permanent imbalance in relation to any of the Bonds issued or suggesting that it will occur, the Management Company may proceed to Early Liquidation of the Fund and thereby Early Amortisation of the Bond Issue on the terms laid down in section 4.4.3 of the Registration Document.

2.2 Assets backing the issue.

The receivables to be pooled in the Fund, represented by the Management Company, upon being established, shall be exclusively receivables owned by BANCO DE VALENCIA deriving from bilateral loans granted by BANCO DE VALENCIA to non-financial small and medium-sized enterprises (SMEs, as defined internally by BANCO DE VALENCIA -annual turnover not in excess of EUR one hundred million (100,000,000.00)-) domiciled in Spain.

The portfolio of selected loans from which the Loans will be taken in order for their receivables to be partly assigned to the Fund upon being established comprises 3,315 loans, their outstanding principal as at February 26, 2009 being EUR 573,442,845.41 and the overdue principal being EUR 2,185,602.16.

Audit of the assets securitised through the Fund.

The most significant features of the selected loans have been audited by Deloitte.

That audit was made using sampling techniques consisting of analysing a number of transactions fewer (sample) than the full selection of loans (population), allowing a conclusion to be arrived at regarding that population. The verification deals with a number of both quantitative and qualitative attributes regarding the sample transactions and specifically regarding: nature of the loan and the borrower, title, identification of the borrower, loan purpose, loan transfer, SME accreditation, initial loan date, loan maturity date, initial loan amount, current loan balance, reference rate or benchmark index, interest rate spread, interest rate applied, arrears in payment, insolvency status, refinancing, developer loan, and additionally for loans with real estate mortgage security, loan origination, mortgaged property, address of the mortgaged property or properties, mortgage security, appraisal value and damage insurance. Selected loans in respect of which errors are detected in verifying the sample shall not be assigned to the Fund by BANCO DE VALENCIA.

The audit results shall be set out in a report prepared by Deloitte, which is one of the documents on display as determined in section 10 of the Registration Document.

2.2.1 Legal jurisdiction by which the pool of assets is governed.

The securitised assets are governed by Spanish Law.

2.2.2 Description of the general characteristics of the obligors and the economic environment, as well as global statistical data referred to the securitised assets.

a) Information as to number and distribution of the selected loan obligors.

The following table gives the concentration of the ten obligors weighing most in the portfolio of selected loans as at February 26, 2009.

Loan portfolio at 26.02.2009 Classification by Obligor						
	Loans	%	Outstanding principal (EUR)	%	CNAE 93	
Obligor 1	2	0.06	4,105,475.14	0.72	DG	Chemical industry.
Obligor 2	3	0.09	4,027,869.28	0.70	KK	Real estate and rental activities; business services.
Obligor 3	1	0.03	3,996,029.45	0.70	KK	Real estate and rental activities; business services.
Obligor 4	1	0.03	3,466,666.66	0.60	HH	Catering trade.
Obligor 5	1	0.03	3,451,599.88	0.60	DA	Food products, drinks and tobacco industry.
Obligor 6	1	0.03	3,438,114.77	0.60	HH	Catering trade.
Obligor 7	1	0.03	3,287,330.76	0.57	OO	Other social activities and services provided to the community; personal services.
Obligor 8	1	0.03	3,190,973.90	0.56	KK	Real estate and rental activities; business services.
Obligor 9	1	0.03	3,163,319.34	0.55	DM	Manufacture of transport material.
Obligor 10	1	0.03	3,079,934.12	0.54	KK	Real estate and rental activities; business services.
Rest: 2,909 Obligors	3,302	99.61	538,235,532.11	93.86		
Total Obligors: 2,619	**3,315**	**100.00**	**573,442,845.41**	**100.00**		

The outstanding principal of each obligor is the result of the sum of the outstanding principal of each of the selected loans granted to the obligor proper.

b) Information on type of company of the selected loan obligors.

The following table gives the selected loan distribution according to type of company of the corporate obligors, based on BANCO DE VALENCIA's internal rules for classifying the same.

Loan portfolio at 26.02.2009 Classification by type of company				
Type of company	**Loans**		**Outstanding principal**	
	No.	**%**	**(EUR)**	**%**
Micro-enterprise (yearly turnover ≤ €500,000)	1,809	54.57	220,594,755.60	38.47
Small Enterprise (yearly turnover > €500,000 and ≤ €2,000,000)	794	23.95	161,852,514.79	28.22
Medium-Sized Enterprise (yearly turnover > €2,000,000 and < €100,000,000)	712	21.48	190,995,575.02	33.31
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**

c) Information on the obligors' economic activity by economic activity sectors in accordance with the Spanish Business Activity Code (CNAE).

The following table gives the distribution of the selected loans based on the corporate obligors' CNAE 93 activity.

Loan portfolio at 26.02.2009 Classification by economic activity sectors					
CNAE 93		**Loans**		**Outstanding principal**	
		No.	%	**(EUR)**	**%**
AA	Agriculture, stockbreeding, hunting and forestry.	85	2.56	14,659,194.16	2.56
BB	Fishing.	7	0.21	966,422.01	0.17
CA	Extracting energy products	11	0.33	923,837.20	0.16
CB	Extracting other minerals except energy products.	28	0.84	3,452,910.44	0.60
DA	Food products, drinks and tobacco industry.	62	1.87	16,970,261.12	2.96
DB	Textile and textile manufacture industry.	41	1.24	5,542,788.26	0.97
DC	Leather and footwear industry.	17	0.51	2,478,945.63	0.43
DD	Wood and cork industry.	51	1.54	4,414,295.97	0.77
DE	Paper industry; publishing, graphic arts and reproduction of recorded media.	51	1.54	6,241,436.96	1.09
DF	Oil refining and processing of nuclear fuels.	4	0.12	466,900.85	0.08
DG	Chemical industry.	46	1.39	11,602,572.76	2.02
DH	Manufacture of rubber products and plastic materials industry.	30	0.90	3,974,765.87	0.69
DI	Other non-metallic mineral products industries.	70	2.11	10,676,774.93	1.86
DJ	Metallurgy and manufacture of metallic products.	76	2.29	7,109,900.64	1.24
DK	Building of machinery and mechanical equipment industry.	40	1.21	4,950,171.27	0.86
DL	Electrical, electronic and optical material and equipment industry.	20	0.60	1,622,229.83	0.28
DM	Manufacture of transport material.	2	0.06	3,258,628.76	0.57
DN	Other manufacturing industries.	57	1.72	10,683,959.57	1.86
EE	Production and distribution of electric power, gas and water.	32	0.97	11,049,725.90	1.93
FF	Building.	586	17.68	106,837,984.22	18.63
GG	Retail trade; repair of motor vehicles, motorcycles and mopeds and personal and household items.	505	15.23	57,086,408.40	9.96
HH	Catering trade.	163	4.92	30,886,508.74	5.39
II	Transport, storage and communications.	176	5.31	20,400,172.76	3.56
JJ	Financial intermediation.	20	0.60	1,105,220.36	0.19
KK	Real estate and rental activities; business services.	919	27.72	211,177,316.45	36.83
LL	Government, defence and social security.	6	0.18	524,754.55	0.09
MM	Education.	16	0.48	1,472,628.92	0.26
NN	Health and veterinary activities, social services.	59	1.78	8,521,885.43	1.49

Loan portfolio at 26.02.2009 Classification by economic activity sectors					
CNAE 93		Loans		Outstanding principal	
		No.	%	(EUR)	%
OO	Other social activities and services provided to the community; personal services.	135	4.07	14,384,243.45	2.51
Total		**3,315**	**100.00**	**573,442,845.41**	**100.00**

d) Information regarding selected loan collaterals.

The following table gives the distribution of the selected loans having regard to their collaterals.

Loan portfolio at 26.02.2009 Classification by type of security				
	Loans		Outstanding Principal	
		%	(EUR)	%
Loans with real estate mortgage security *	1,506	45.43	381,274,381.81	66.49
Personal loans	1,729	52.16	175,727,250.21	30.64
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**

* May in addition include third-party personal guarantees, as the case may be, and/or other security interests.

** May in addition include other security interests and third-party personal guarantees, as the case may be

The following table gives the distribution by type of property mortgaged as security for the selected mortgage loans. In the case of mortgage loans with several mortgaged properties, the type of property having the highest appraisal value has been taken.

Mortgage Loan portfolio at 26.02.2009 Classification by type of mortgaged property				
	Mortgage loans		Outstanding principal	
		%	(EUR)	%
Parking spaces and lumber rooms	22	1.46	6,598,512.74	1.73
Business premises	346	22.97	89,853,505.26	23.57
Industrial warehouses	311	20.65	97,874,300.26	25.67
Rustic properties	74	4.91	29,587,911.23	7.76
Urban properties	139	9.23	60,943,081.80	15.98
Housing	614	40.77	96,417,070.52	25.29
Total	**1,506**	**100.00**	**381,274,381.81**	**100.00**

e) Information regarding selected loan purpose.

The following table gives the distribution of the selected loans according to their purpose.

Selected loan portfolio at 26.02.2009 Classification by loan purpose				
	Loans		Outstanding principal	
		%	(EUR)	%
Alteration, renovation or purchase of real properties	1,761	53.12	421,975,102.02	73.59
Purchase of fixed assets other than real properties	485	14.63	65,795,293.07	11.47
Operating, current and other expenses	1,060	31.98	84,741,314.46	14.78
Pre-operating and start-up expenses	9	0.27	931,135.86	0.16
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**

f) Information regarding selected loan origination date.

The following table gives the distribution of the selected loans based on origination date by six-monthly intervals, and the average, minimum and maximum age.

Loan portfolio at 26.02.2009 Classification by loan origination date				
Date interval	Loans No.	%	Outstanding principal (EUR)	%
01/01/1999 to 30/06/1999	25	0.75	3,417,158.31	0.60
01/07/1999 to 31/12/1999	26	0.78	3,861,919.45	0.67
01/01/2000 to 30/06/2000	51	1.54	7,299,595.05	1.27
01/07/2000 to 31/12/2000	38	1.15	6,842,524.15	1.19
01/01/2001 to 30/06/2001	55	1.66	10,601,306.36	1.85
01/07/2001 to 31/12/2001	67	2.02	11,168,431.94	1.95
01/01/2002 to 30/06/2002	116	3.50	23,400,549.29	4.08
01/07/2002 to 31/12/2002	152	4.59	27,863,183.85	4.86
01/01/2003 to 30/06/2003	44	1.33	11,865,876.68	2.07
01/07/2003 to 31/12/2003	56	1.69	10,298,664.19	1.80
01/01/2004 to 30/06/2004	87	2.62	8,403,689.71	1.47
01/07/2004 to 31/12/2004	81	2.44	14,105,331.02	2.46
01/01/2005 to 30/06/2005	150	4.52	21,120,400.49	3.68
01/07/2005 to 31/12/2005	141	4.25	28,656,107.63	5.00
01/01/2006 to 30/06/2006	177	5.34	32,881,941.66	5.73
01/07/2006 to 31/12/2006	132	3.98	32,967,568.60	5.75
01/01/2007 to 30/06/2007	712	21.48	121,200,637.67	21.14
01/07/2007 to 31/12/2007	598	18.04	107,218,006.32	18.70
01/01/2008 to 30/06/2008	607	18.31	90,269,953.04	15.74
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**
	36.43	**Months**	**Weighted average age**	
	121.38	**Months**	**Maximum age**	
	7.92	**Months**	**Minimum age**	

g) Information regarding selected loan principal.

The following table gives the distribution of the outstanding loan principal as at February 26, 2009 by EUR 250,000 intervals, and the average, minimum and maximum amount. No details are given of intervals with no contents.

Loan portfolio at 26.02.2009 Classification by outstanding principal				
Principal interval (EUR)	Loans No.	%	Outstanding principal (EUR)	%
0.00 - 249,999.99	2,757	83.17	183,466,695.19	31.99
250,000.00 - 499,999.99	269	8.11	94,483,963.41	16.48
500,000.00 - 749,999.99	146	4.40	88,336,998.12	15.40
750,000.00 - 999,999.99	46	1.39	38,968,607.30	6.80
1,000,000.00 - 1,249,999.99	31	0.94	33,887,379.81	5.91
1,250,000.00 - 1,499,999.99	17	0.51	23,079,928.33	4.02
1,500,000.00 - 1,749,999.99	12	0.36	19,558,583.26	3.41
1,750,000.00 - 1,999,999.99	9	0.27	16,659,805.65	2.91
2,000,000.00 - 2,249,999.99	8	0.24	16,781,477.32	2.93
2,250,000.00 - 2,499,999.99	5	0.15	11,826,211.58	2.06
2,500,000.00 - 2,749,999.99	4	0.12	10,761,187.71	1.88
2,750,000.00 - 2,999,999.99	3	0.09	8,558,038.85	1.49
3,000,000.00 - 3,249,999.99	3	0.09	9,434,227.36	1.65
3,250,000.00 - 3,499,999.99	4	0.12	13,643,712.07	2.38

Loan portfolio at 26.02.2009 Classification by outstanding principal				
Principal interval (EUR)	**Loans No.**	**%**	**Outstanding principal (EUR)**	**%**
3,750,000.00 - 3,999,999.99	1	0.03	3,996,029.45	0.70
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**
	Average principal:		**172,984.27**	
	Minimum principal:		**872.92**	
	Maximum principal:		**3,996,029.45**	

h) Information regarding the nature of the reference rate and benchmark indices applicable for determining the floating interest rates applicable to the selected loans.

The selected loans are fixed or floating-rate loans. The following table gives the distribution of the loans according to fixed or floating interest and benchmark indices applicable to the floating-rate loans for determining the nominal interest rate.

Loan portfolio at 26.02.2009 Classification by Interest rate benchmark index				
Benchmark Index	**Loans**	**%**	**Outstanding principal (EUR)**	**%**
Fixed interest rate	**663**	**20.00**	**27,779,788.84**	**4.84**
Floating interest rate *	**2,652**	**80.00**	**545,663,056.57**	**95.16**
1-YEAR EURIBOR/MIBOR	2,535	76.47	527,145,208.83	91.93
6-MONTH EURIBOR/MIBOR	117	3.53	18,517,847.74	3.23
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**

* The EURIBOR and MIBOR indices have been grouped because their respective values are similar and they are financially comparable for the purpose of the financial transaction structure.

i) Information regarding selected loan benchmark index reset period.

The following table gives the selected loan distribution based on loan benchmark index reset period.

Loan portfolio at 26.02.2009 Classification by benchmark index reset period				
Interest rate reset period	**Loans**	**%**	**Outstanding principal (EUR)**	**%**
Yearly	2.517	75.93	516.542.183.63	90.08
Six-Monthly	123	3.71	25.487.677.01	4.44
Quarterly	12	0.36	3.633.195.93	0.63
No reset (fixed rate)	663	20.00	27.779.788.84	4.84
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**

j) Information regarding selected loan instalment payment frequency.

The following table gives the selected loan distribution based on loan instalment payment frequency.

Loan portfolio at 26.02.2009 Classification by instalment payment frequency				
Frequency	**Loans**	**%**	**Outstanding principal (EUR)**	**%**
Yearly	8	0.24	4,171,201.29	0.71
Monthly	3,041	89.89	431,463,481.89	73.17
Six-Monthly	62	1.83	22,814,486.69	3.87
Quarterly	272	8.04	131,207,350.48	22.25
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**

k) Information regarding selected loan repayment system.

The following table gives the selected loan distribution based on their repayment system.

Loan portfolio at 26.02.2009 Classification by repayment system				
	Loans	%	Outstanding principal (EUR)	%
Single repayment upon maturity *	103	3.11	65,676,954.85	11.45
Constant instalment	58	1.75	15,828,326.28	2.76
French	3,154	95.14	491,937,564.28	85.79
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**

* Comprised between June 5, 2009 and April 22, 2013, the weighted average maturity being 12.45 months at February 26, 2009.

l) Information regarding applicable nominal interest rates: selected loan maximum, minimum and average rates.

The following table gives the distribution of the selected loans by 0.50% nominal interest rate intervals applicable as at February 26, 2009, and their average, minimum and maximum values.

Loan portfolio at 26.02.2009 Classification by applicable nominal interest rate					
Interest Rate % Interval	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**% Interest Rate***
2.50 - 2.99	6	0.18	1,962,999.55	0.34	2.85
3.00 - 3.49	34	1.03	5,583,738.70	0.97	3.26
3.50 - 3.99	80	2.41	15,919,693.00	2.78	3.72
4.00 - 4.49	147	4.43	22,851,963.51	3.99	4.24
4.50 - 4.99	160	4.83	31,146,080.23	5.43	4.76
5.00 - 5.49	412	12.43	85,849,603.68	14.97	5.26
5.50 - 5.99	724	21.84	160,433,055.56	27.98	5.75
6.00 - 6.49	769	23.20	147,598,130.57	25.74	6.22
6.50 - 6.99	575	17.35	74,377,786.48	12.97	6.67
7.00 - 7.49	240	7.24	20,649,104.54	3.60	7.21
7.50 - 7.99	120	3.62	6,457,413.25	1.13	7.68
8.00 - 8.49	29	0.87	382,334.22	0.07	8.14
8.50 - 8.99	11	0.33	168,109.88	0.03	8.51
9.00 - 9.49	4	0.12	28,614.98	0.00	9.15
9.50 - 9.99	2	0.06	21,038.86	0.00	9.67
10.00 - 10.49	1	0.03	9,868.98	0.00	10.37
10.50 - 10.99	1	0.03	3,309.42	0.00	10.60
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**	
	Weighted average:				**5.79 %**
	Simple average:				**5.96 %**
	Minimum:				**2.65 %**
	Maximum:				**10.60 %**

*Average nominal interest rate of the interval weighted by the outstanding principal.

m) Information regarding minimum nominal interest rates applicable to the selected loans.

Part of the selected floating-rate loans have had a minimum nominal interest rate floor set for applicable nominal interest rate variability. The minimum nominal interest rates applicable to the selected loans as at February 26, 2009 range between 1.00% and 3.00%.

The following table gives the distribution of loans by 1.00% minimum nominal interest rate intervals applicable for determining the nominal interest rate of the loans. No details are given of intervals with no contents.

Loan portfolio at 26.02.2009 Classification by applicable minimum nominal interest rates					
Minimum % Interest Rate Interval	**Loans**		**Outstanding principal**		**Minimum % Int. Rate***
	No.	**%**	**(EUR)**	**%**	
1.00 - 1.99	17	0.51	1,474,492.68	0.26	1.00
2.00 - 2.99	175	5.28	39,340,173.12	6.86	2.00
3.00 - 3.99	1	0.03	160,283.16	0.03	3.00
No minimum applicable NIR	3,122	94.18	532,467,896.45	92.85	
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**	

*Average minimum nominal interest rate of the interval weighted by the outstanding principal.

n) Information regarding the maximum nominal interest rates applicable to the selected loans.

Part of the selected floating-rate loans have had a maximum nominal interest rate ceiling set for applicable nominal interest rate variability. The maximum nominal interest rates applicable to the selected loans as at February 26, 2009 range between 15.00% and 25.00%.

The following table gives the distribution of loans by 1.00% maximum nominal interest rate intervals applicable for determining the nominal interest rate of the loans. No details are given of intervals with no contents.

Loan portfolio at 26.02.2009 Classification by applicable maximum nominal interest rates					
Maximum % Interest Rate Interval	**Loans**		**Outstanding principal**		**Maximum % Int. Rate***
	No.	**%**	**(EUR)**	**%**	
15.00 - 15.99	193	5.82	40,266,370.12	7.02	15.00
20.00 - 20.99	1	0.03	44,509.20	0.01	20.00
25.00 - 25.99	3	0.09	436,799.48	0.08	25.00
No maximum applicable NIR	3,118	94.06	532,695,166.61	92.89	
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**	

*Average maximum nominal interest rate of the interval weighted by the outstanding principal.

o) Information regarding final maturity date of the selected loans.

The following table gives the distribution of the selected loans according to final maturity date by annual intervals, and the total weighted average residual life and the first and last final maturity dates. No details are given of years with no contents.

Loan portfolio at 26.02.2009 Classification by final repayment date						
Final Repayment Year	**Loans**		**Outstanding principal**		**Residual Life w.a. ***	
	No.	**%**	**(EUR)**	**%**	**Months**	**Date**
2009	206	6.21	36,867,041.59	6.43	6.23	4/09/2009
2010	475	14.33	50,450,699.50	8.80	16.23	5/07/2010
2011	431	13.00	40,458,965.37	7.06	27.29	7/06/2011
2012	603	18.19	60,064,177.04	10.47	40.99	28/07/2012
2013	242	7.30	31,530,134.23	5.50	50.65	18/05/2013
2014	118	3.56	19,698,516.36	3.44	64.04	29/06/2014
2015	83	2.50	17,219,037.74	3.00	75.50	13/06/2015
2016	82	2.47	19,688,833.33	3.43	88.31	7/07/2016
2017	146	4.40	38,103,289.52	6.64	99.83	23/06/2017
2018	63	1.90	18,885,584.66	3.29	110.71	20/05/2018

Loan portfolio at 26.02.2009 Classification by final repayment date						
Final Repayment Year	**Loans**		**Outstanding principal**		**Residual Life w.a. ***	
	No.	**%**	**(EUR)**	**%**	**Months**	**Date**
2019	74	2.23	28,172,073.34	4.91	125.15	2/08/2019
2020	68	2.05	26,319,763.32	4.59	136.28	6/07/2020
2021	68	2.05	25,140,908.36	4.38	149.93	25/08/2021
2022	195	5.88	56,179,901.17	9.80	159.24	5/06/2022
2023	85	2.56	25,831,256.83	4.50	169.99	28/04/2023
2024	39	1.18	6,007,675.39	1.05	183.60	15/06/2024
2025	42	1.27	7,663,783.14	1.34	194.65	18/05/2025
2026	31	0.94	7,178,502.91	1.25	207.19	3/06/2026
2027	78	2.35	16,963,919.69	2.96	218.90	26/05/2027
2028	52	1.57	12,339,566.56	2.15	230.32	7/05/2028
2029	7	0.21	2,086,927.45	0.36	244.08	30/06/2029
2030	6	0.18	636,043.86	0.11	255.63	17/06/2030
2031	20	0.60	5,654,968.17	0.99	267.71	20/06/2031
2032	40	1.21	7,528,675.07	1.31	279.92	25/06/2032
2033	30	0.90	5,002,272.30	0.87	289.43	11/04/2033
2035	3	0.09	467,521.24	0.08	315.32	7/06/2035
2036	4	0.12	936,817.46	0.16	329.63	16/08/2036
2037	17	0.51	5,067,542.21	0.88	340.42	11/07/2037
2038	3	0.09	426,529.47	0.07	348.42	11/03/2038
2040	1	0.03	360,794.47	0.06	371.29	5/02/2040
2042	3	0.09	511,123.66	0.09	398.43	11/05/2042
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**		
	Weighted average:				**104.06**	**29/10/2017**
	Simple average:				**79.44**	**11/10/2015**
	Minimum:				**3.09**	**31/05/2009**
	Maximum:				**405.26**	**5/12/2042**

* Residual life to final maturity date (months and date) stands for averages weighted by the outstanding principal of loans with final maturity in the relevant year.

p) Information regarding selected loan principal repayment exclusion period.

The selected loans have no interest exclusion at February 26, 2009.

q) Information regarding geographical distribution by Autonomous Communities.

The following table gives loan distribution by Autonomous Communities according to the location of the corporate obligors' place of business.

Loan portfolio at 26.02.2009 Classification by Autonomous Communities				
	Loans		**Outstanding principal**	
	No.	**%**	**(EUR)**	**%**
Andalusia	97	2.93	13,340,637.89	2.33
Aragón	91	2.75	10,141,467.89	1.77
Balearic Isles	65	1.96	15,853,669.08	2.76
Castile La Mancha	25	0.75	5,434,421.22	0.95
Castile-León	7	0.21	4,405,041.08	0.77
Catalonia	65	1.96	22,092,118.13	3.85
Valencian Community	2,264	68.30	366,518,191.36	63.92
Extremadura	1	0.03	549,606.05	0.10
Galicia	2	0.06	852,851.56	0.15
La Rioja	11	0.33	589,738.55	0.10
Madrid	201	6.06	39,165,993.03	6.83

Loan portfolio at 26.02.2009 Classification by Autonomous Communities				
	Loans		Outstanding principal	
	No.	%	(EUR)	%
Murcia	469	14.15	91,316,975.20	15.92
Navarre	12	0.36	2,108,573.36	0.37
Basque Country	5	0.15	1,073,561.01	0.19
Total	**3,315**	**100.00**	**573,442,845.41**	**100.00**

r) Information regarding delays, if any, in collecting selected loan interest or principal instalments and amount, if any, of the current principal of loans more than 30, 60 and 90 days overdue.

The following table gives the number of loans, the outstanding principal and the overdue principal on selected loans in regard to which there was any delay in payment of amounts due as at February 26, 2009.

Arrears in payment of instalments due at 26.02.2009				
Interval Days	**Loans** No.	**Outstanding principal**	**Overdue principal**	
				% on Total Outstanding Principal
In good standing	2,858	503,462,825.69		
1 to 15 days	132	13,225,590.67	600,098.61	0.105
16 to 30 days	122	24,139,161.75	412,936.22	0.072
31 to 60 days	131	22,346,285.63	700,444.52	0.122
61 to 90 days	72	10,268,981.67	472,122.81	0.082
Total	**3,315**	**573,442,845.41**	**2,185,602.16**	**0.381**

As described in section 2.2.8 (2) of the Building Block, none of the Loans that will finally be assigned to the Fund upon being established shall have any payments more than one (1) month overdue on their assignment date.

s) Loan to value ratio or level of collateralisation.

There are 1,506 selected loans with real estate mortgage security at February 26, 2009 and their outstanding principal amounts to EUR 381,274,381.81, and the collaterals are all registered as senior collaterals or junior collaterals, if any, resulting from debts originated by previous mortgages for which BANCO DE VALENCIA has documents supporting economic repayment but are yet to be struck off the register.

The ratio, expressed as a percentage, of the initial outstanding principal as at February 26, 2009 to the appraisal value of the selected mortgage loan mortgaged properties was comprised between 0.26% and 149.56%, the average ratio weighted by the outstanding principal of each mortgage loan being 53.57%.

The following table gives the distribution of the mortgage loans by 10.00% intervals of that ratio.

Mortgage loan portfolio at 26.02.2009 Classification by loan to value ratio						
Ratio Intervals		**Loans**		**Outstanding principal**		**(%) Loan to Value***
			%	**(EUR)**	**%**	
0.01 -	10.00	56	3.72	3,014,839.77	0.79	6.18
10.01 -	20.00	124	8.23	20,654,866.97	5.42	14.87
20.01 -	30.00	159	10.56	26,851,706.57	7.04	25.79
30.01 -	40.00	165	10.96	43,195,721.29	11.33	34.36
40.01 -	50.00	237	15.74	61,189,780.60	16.05	44.82
50.01 -	60.00	264	17.53	75,832,178.02	19.89	55.67
60.01 -	70.00	268	17.80	83,786,848.47	21.98	65.05

Mortgage loan portfolio at 26.02.2009 Classification by loan to value ratio					
Ratio Intervals	**Loans**	**%**	**Outstanding principal (EUR)**	**%**	**(%) Loan to Value***
70.01 - 80.00	194	12.88	49,188,912.70	12.90	74.89
80.01 - 90.00	25	1.66	7,954,161.20	2.09	84.81
90.01 - 100.00	8	0.53	3,546,607.48	0.93	94.16
100.01 - 110.00	1	0.07	649,502.90	0.17	103.69
110.01 - 120.00	1	0.07	475,879.82	0.12	117.52
120.01 - 130.00	3	0.20	1,742,402.12	0.46	123.72
140.01 - 150.00	1	0.07	3,190,973.90	0.84	149.56
Total	**1,534**	**100.00**	**388,609,984.11**	**100.00**	
	Weighted Average:				**53.57 %**
	Simple Average:				**48.34 %**
	Minimum:				**0.26 %**
	Maximum:				**149.56 %**

*Loan to Value Ratio refers to averages weighted by the initial principal.

There is no overcollateralisation in the Fund since the Outstanding Balance of the Loans that BANCO DE VALENCIA shall assign to the Fund upon being set up shall be equal to or slightly above EUR five hundred million (500,000,000.00), the face value amount of the Bond Issue.

2.2.3 Legal nature of the pool of assets.

The selected loans may be classified based on their collaterals into:

(i) Loans with real estate mortgage security, and the additional security, if any, specified in paragraph (ii) below, originated in a public deed (the Mortgage Loans).

The Mortgage Loans were originated in a public deed subject to the Mortgage Act, February 8, 1946, Mortgage Market Regulation Act 2/1981, March 25, and ancillary laws, as currently worded.

The Mortgage Loan receivables shall be assigned to the Fund upon BANCO DE VALENCIA issuing and the Fund subscribing for Pass-Through Certificates subject to the provisions of Act 2/1981 and additional provision five of Act 3/1994, as currently worded, on the terms provided for in section 3.3 of this Building Block. Those Pass-Through Certificates shall be issued and subscribed for in the same Deed of Constitution of the Fund.

(ii) Loans with no special guarantee, exclusively secured by pledging money, securities or other assets and/or with third-party personal guarantees, originated in a public document, which are enforceable (Civil Procedure Act article 517) (the Non-Mortgage Loans).

The Non-Mortgage Loan receivables shall be directly assigned to the Fund upon being sold by BANCO DE VALENCIA and acquired by the Fund, on the terms provided for in section 3.3 of this Building Block. The Non-Mortgage Loan receivables shall be assigned to the Fund in the same Deed of Constitution of the Fund.

2.2.4 Expiry or maturity date(s) of the assets.

The selected loans each have a final maturity date without prejudice to periodic partial repayment instalments, on the specific terms applicable to each of them.

Obligors may at any time during the life of the Loans prepay all or part of the outstanding capital, in which case the accrual of interest on the part prepaid will cease as of the date on which repayment occurs.

The final maturity date of the selected loans lies between May 31, 2009 and December 5, 2042.

2.2.5 Amount of the assets.

The Fund shall be set up with the Loan receivables whose total principal shall be equal to or slightly above EUR five hundred million (500,000,000.00), the face value amount of the Bond Issue.

The portfolio of selected loans from which the Loans will be taken to be assigned to the Fund upon being established comprises 3,315 loans, their outstanding principal as at February 26, 2009 being EUR 573,442,845.41 and the overdue principal being EUR 2,185,602.16.

In order to be assigned to the Fund upon being established, BANCO DE VALENCIA shall choose from the selected loans (i) loans that are in good standing or that have no payments that are more than one (1) month overdue and (ii) with an aggregate outstanding principal amount for each obligor from lowest to highest up to an Outstanding Balance equal to or slightly above EUR five hundred million (500,000,000.00). The Outstanding Balance of Loans with overdue payments shall not however exceed 5% of the Outstanding Balance of the Loans at the assignment date.

2.2.6 Loan to value ratio or level of collateralisation.

The loan to value ratio or level of collateralisation ratio of the mortgage loans is given in section 2.2.2 s) of this Building Block.

2.2.7 Method of creation of the assets.

The selected loans have been granted by BANCO DE VALENCIA following its usual credit risk analysis and assessment procedures in lending to small and medium-sized enterprises. The procedures currently in place at BANCO DE VALENCIA are described below:

All enterprise risk transactions must be dealt with by Risks Management (Electronic File), which passes them to the relevant approval body empowered or authorised to do so. The client file is completed with photocopies of accounting documents, property checks, alerts panel search, Experian, appraisals, etc. Proposals that are still manually supported are submitted to the body duly authorised to decide.

Risks are analysed and decided by the following committees:

NAME	MEMBERS	FREQUENCY	POWERS
EXECUTIVE COMMITTEE	Directors members of the Executive Committee.	Fortnightly	Client/group risks amounts >€5,000,000 are reported. Also risks with Directors, and firms associated with them regardless of amount.
RISKS COMMITTEE GENERAL MANAGER'S OFFICE	Managing Director Business Deputy General Manager Marketing Deputy General Manager Risks Deputy General Manager	Weekly	Individual risk or risk group >€5,000,000 Risks with Directors or firms associated with them regardless of amount.
INVESTMENTS COMMITTEE	Risks Deputy General Manager Analysts	Three times weekly	Individual risk or Risk group up to €5,000,000 and from €700,000
RISKS COMMITTEE	Risks Officer and Analysts	Daily	Individual risk or Risk group up to €700,000.
MORTGAGE UNIT RISKS COMMITTEE (MU)	General Manager, Business Area Deputy General Manager Deputy Manager, Business General Manager's Office Mortgage Unit Risks Supervisor	Twice weekly	Individual risk or Risk group up to €5,000,000 and from €3,000,000 Residential property developers and purchase of land.
MORTGAGE UNIT COMMITTEE	Deputy Manager, Business General Manager's Office Mortgage Unit Commercial Manager Mortgage Unit Technical Manager Mortgage Unit Risks Supervisor	Twice weekly	Individual risk or Risk group up to €3,000,000 Residential property developers and purchase of land.
GENERAL MANAGER'S OFFICE RISKS COMMITTEE, MURCIA-ALMERÍA T.U.	M.A. T.U. General Manager M.A. T.U. Marketing Manager Risks Supervisor Analysts	Weekly	Individual risk or Risk group up to €1,800,000
INVESTMENTS COMMITTEE MURCIA ALMERÍA T.U.	M.A. T.U. Risks Supervisor Analysts	Daily	Individual risk or Risk group up to €450,000
AREA RISKS COMMITTEE	Area Manager Area Attorney	At least twice weekly	Depending on types. Up to €722,000.
BRANCH RISKS COMMITTEE	Director, Attorney, Controller. Additionally, Account Manager, Client Manager	At least twice weekly	Up to €153,000 depending on types.

Risk transactions are submitted to be analysed and decided by the relevant body, based on the different scaling of amounts for which each body is empowered.

Risk proposal decisions may be supported in two ways:

- MANUALLY SUPPORTED: Finance lease transactions, official body agreement loans, mortgage loan extensions, guarantees and import/export documentary credits, import/export financing, payables discounting
- ELECTRONIC FILE: business ratings, financing advance payment of invoices, credit policies, personal loans, consumer loans, mortgage loans and cards.

Where the client is an individual, the following tools are used:

- PCP (Private Client Positioning) - Each client is assigned maximum instalment and limits to be taken on in risk transactions. A transaction may first be PCP-assessed and if not accepted, it may be scored. PCP reports may be: accepted, doubtful or not accepted.
- SCORING - A tool automatically scoring transactions. The analysis is threefold:
  1. **Payment Intention**: (demographic, social, economic variables)
  2. **Payment Capacity**: Compares the transaction instalment to the savings of the parties involved, considering income and expenditure
  3. **Credit Policies:** the parties involved and the transaction are set against Banco de Valencia's credit policies.

The RATING tool is used in the case of legal persons.

Analysis and clearance is MANUALLY SUPPORTED or by means of an ELECTRONIC FILE, as noted before. The electronic file includes the rating information assigned to the enterprises involved, and the powers to report on the decision are discriminated according to enterprise credit quality. The ratings do not affect price-approval powers, but they do affect powers involving amount or risk (in force from 1st January 2007).

For ratings of 6 or above, the amounts for which Branches and Areas are empowered rise by 50%. For ratings of 2 or below, the powers of branches are eliminated and approval shall be given by Area.

As for the documentation and information sources for risk applications to be processed, a distinction has to be made between individuals and legal persons.

In the case of individuals, the documentation and information sources are basically the following: search for borrowings and cash position at the bank, client activity report, use of the transaction, personal income tax, signed statement of assets, branch rating of each of the assets declared, salary payments, employment contract, CIRBE and Experian searches, Alerts Panel search, land registry property checks, appraisal of the asset to be mortgaged and such information as shall be deemed useful in order for the transaction to be better assessed.

In the case of legal persons, the following is the documentation and information required: borrowings and cash position, consolidated in the case of a business group, client activity report, Corporation Tax, audited annual accounts, corporate report, shareholders, statement of tangible fixed assets, CIRBE, Experian and Informa searches, land registry property checks, appraisal of real estate, sale and purchase agreements of real estate to be financed, information on guarantors, etc.

Strategy for preparing the rating systems in line with Basle II.

Creating statistical credit rating models for enterprises is part of the BIS II Project, this being one of the tasks to be done by BANCO DE VALENCIA in order to successfully adapt to the IRB approach of the New Basel Capital Accord.

The BIS II Implementation Management Plan at BANCO DE VALENCIA lays down the task of implementing the Rating models in the systems. Provision is made for 3 models:

Enterprise Rating (turnover up to €100 million)

Wholesaler Rating (turnover in excess of €100 million)

Developer Rating

Enterprise Rating provides for three distinct typologies or segments: Micro Enterprises, Small Enterprises and Medium-Sized and Large Enterprises. The model scores all variables analysed. All points are added to score the default probability. That default probability is converted to a single scale with values ranging between 1 (worst rating) and 10 (highest rating), so that it may be compared to the scores of other enterprises and different models.

The Enterprise Rating model is an internal model built with historical information on the performance of the enterprises of BANCO DE VALENCIA in relation to delinquency.

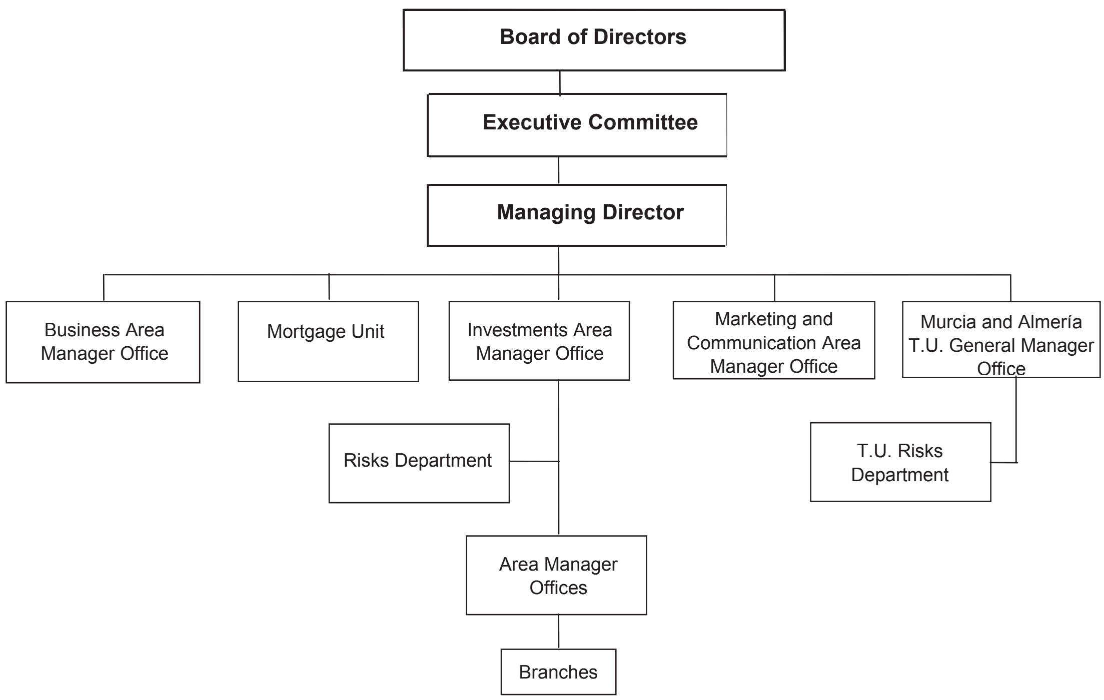
It rates Enterprises turning over up to €100 million. Real Estate Developers and financial and public sector enterprises are excluded.

There are three distinct SEGMENTS based on turnover:

Micro enterprises:	€0 a €500.000
Small enterprises:	€500,000 to €2,000,000
Medium-Sized & Large Enterprises:	€2,000,000 to €100,000,000

The model is made up of three analysis modules: Financial (client's financial position), Qualitative (report prepared by the management, market position, market of operation) and Operating (internal information on past performance with BANCO DE VALENCIA).

Risk empowerment diagram.



Recovery procedures and actions

Risk management at BANCO DE VALENCIA, albeit structured and run from the Recoveries Area, is a process that begins at the actual Branches in the Network, upon the first arrears occurring.

The Recovery Area's main responsibility is keeping the Office of the General Manager duly informed of the status and position of cases of arrears, involving Area Managers' offices and Branch staff in recovery management and responsibility, informing of and communicating the guidelines issued by the General Manager's Office in this regard to all Levels and Branches and ensuring their compliance.

There is an automatic process whereby debt is classified as being delinquent, based on the regulations in force, when payments are in excess of 90 days overdue. The current system also has manual means to bring forward delinquency if the risk situation is highly deteriorated. A contract moved to arrears results in its being considered delinquent with all the ensuing implications, inter alia no longer considering the risk transaction to be an asset, default interest being applied, other bodies being notified and starting the recovery process.

When a debt becomes delinquent, the Branches send all necessary documents on file to the Recovery Area where it is either assigned to a debt collection agency for the same to be recovered out of court, if the debt totals less than €3,000 or, in the case of higher debts, a legal complaint is prepared as soon as practicable, trying to have attachments entered before all other creditors.

Given the various risk types, the nature of each delinquency requires a different processing treatment, and efficient human resource distribution is therefore of the essence. The Recovery Area hence consists of several teams for an enhanced and swift recovery process.

The case Management and Accounting team reviews and governs their admission. Each case is reviewed, checking that the necessary documents are available, and everything is in place for legal proceedings to be commenced if need be. Where the obligors are truly interested in settling the debt, legal proceedings are avoided and a friendly settlement is attempted.

When the case accounting team clears the way for legal proceedings to be commenced, the team of External Lawyers takes control of the next stage, distributing and managing the allocation of proceedings to lawyers, other than those that are already under way because of their special features through the Insolvency team. Legal cases are continuously monitored, and daily controls are established which provide documentary support for movements over the history of the case, namely provisions, deadlines, letters, telegrams, protection in the resolution of incidents and all other resultant activities until the dispute is over.

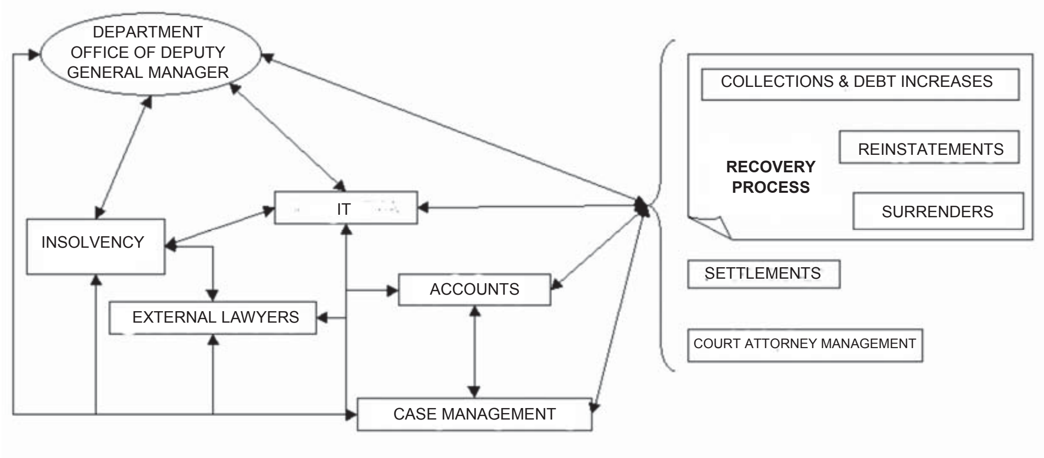
Cases of petty debts (€0 to €3,000) are handed over to collection agencies by the Management System team and the team moreover supervises the actions taken. An attempt at settling these cases out of court shall last for not more than 90 days, and the case shall thereafter, if a friendly settlement is not arrived at, be sent to the case accounting team.

Dation or surrender in lieu of payment is a recently implemented instrument which is still currently in process of development, and is aimed at recovering the debt before it becomes overdue and delinquent, the aim moreover being to avoid commencement of legal proceedings. Given the current circumstances, this legal transaction has also been extended to cases which are also past due, broadening the reach of this tool. The Surrenders team manages proposals and submits the same to the surrenders committee to be approved or reversed, designing the strategy to be following in each transaction.

Finally, the Bad Debts team deals with doing such things as may be necessary to recover bad debts where there is any likelihood of collection.

The recovery process at BANCO DE VALENCIA is further aided by other support teams in the Recoveries Area (Settlement and Court Attorney Management team, Managing, Appraising and Verification team, etc.) and by computer applications allowing delinquent accounts to be efficiently managed on a daily basis.

Recoveries Area Flow Diagram



2.2.8 Indication of representations and collaterals given to the issuer relating to the assets.

Representations of the Originator.

BANCO DE VALENCIA shall, as holder of the Loans until the date of establishment of the Fund and as issuer of the Pass-Through Certificates, represent as follows to the Fund, the Management Company and the Lead Managers in the Deed of Constitution.

1. In relation to BANCO DE VALENCIA.

(1) That BANCO DE VALENCIA is a credit institution duly incorporated in accordance with the laws in force for the time being, entered in the Companies Register and the Bank of Spain’s Register of Credit Institutions, and is authorised to grant loans to SMEs and operate in the mortgage market.

(2) That neither at today’s date nor at any time since it was incorporated has BANCO DE VALENCIA been decreed to be insolvent (or formerly bankrupt or in suspension of payments), nor in any circumstance generating a liability which might result in the credit institution authorisation being revoked.

(3) That BANCO DE VALENCIA has obtained all necessary authorisations, including those required of its corporate bodies and, as the case may be, third parties who may be affected by the assignment of the Loan receivables, to assign the Loan receivables to the Fund and issue the Pass-Through Certificates, to validly execute the Fund Deed of Constitution, the agreements relating to the establishment of the Fund and to fulfil the undertakings made.

(4) That BANCO DE VALENCIA has audited annual accounts for the last three years ended as at December 31, 2008, 2007 and 2006 which have been filed with the CNMV. The audit reports on the annual accounts for those years have no provisos.

2. In relation to the Loans.

(1) That the Loans have all been duly originated in a public document, being either a public deed or a loan agreement, and that BANCO DE VALENCIA keeps a first copy of the public deed or the valid loan agreement at the Management Company’s disposal, as the case may be.

(2) That in order to be assigned to the Fund upon being established, BANCO DE VALENCIA shall choose from the selected loans (i) loans that are in good standing or that have no payments that are more than one (1) month overdue and (ii) with an aggregate outstanding principal amount for each obligor from lowest to highest up to an Outstanding Balance equal to or slightly above EUR five hundred million (500,000,000.00). The Outstanding Balance of Loans with overdue payments shall not however exceed 5% of the Outstanding Balance of the Loans at the assignment date.

(3) That all the Loans exist and are valid and enforceable in accordance with the applicable laws.

(4) That it holds legal and beneficial title to all the Loans, clear of any liens and claims, and there is no obstacle whatsoever for the Loans to be assigned. In this sense, the respective public documents (deed) supporting the Loans contain no clauses preventing their assignment or requiring any authorisation or notice for such assignment to be made.

(5) That the Loans are all denominated in euros and payable exclusively in euros.

(6) That the Loan Obligors all are non-financial small and medium-sized enterprises (SMEs, as defined internally by BANCO DE VALENCIA -annual turnover not in excess of EUR one hundred million (100,000,000.00)-) domiciled in Spain.

(7) That it has strictly adhered to the policies for granting credit in force from time to time in granting all the Loans and in accepting, as the case may be, the subrogation of subsequent borrowers to the initial borrower's position, and in this connection the policies for granting credits and loans to enterprises currently in force are given in section 2.2.7 of the Building Block to the Prospectus.

(8) That it is not aware of the existence of any lawsuits whatsoever in relation to the Loans that might be detrimental to their validity and enforceability.

(9) That the Loans are clearly identified in the information system of BANCO DE VALENCIA as from being granted or subrogated to BANCO DE VALENCIA and are serviced, analysed and monitored by BANCO DE VALENCIA in accordance with the usual set procedures.

(10) That upon the Fund being established, it has not come to BANCO DE VALENCIA's notice that any of the Loan Obligors has been decreed to be insolvent.

(11) That upon the Fund being established, the sum of the Outstanding Balance of the Loans of a same Obligor is not in excess of 0.83% of the Outstanding Balance of the Loans.

(12) That the Loan security arrangements, if any, are valid and enforceable in accordance with the applicable laws, and BANCO DE VALENCIA is not aware of the existence of any circumstance which might prevent the security arrangements from being enforced.

(13) That upon the Fund being established, it is not aware of having received any notice whatsoever of total prepayment of the Loans.

(14) That none of the Loans has a final maturity date extending beyond December 5, 2042.

(15) That it is not aware that the Obligors may howsoever object to paying any amount relating to the Loans.

(16) That upon the Fund being established, at least one instalment has matured on each Loan and is not overdue.

(17) That nobody has a pre-emptive right over the Fund, as holder of the Loan receivables.

(18) That both the grant of the Loans and the assignment of their receivables to the Fund and all aspects related thereto are ordinary actions in the course of business of BANCO DE VALENCIA and are at arm's length.

(19) That after being granted or subrogated to BANCO DE VALENCIA the Loans have been serviced and are still being serviced by BANCO DE VALENCIA in accordance with its set customary procedures.

(20) That the data and information relating to the loans selected to be assigned to the Fund given in section 2.2.2 of the Building Block to the Prospectus, fairly present their status on the relevant date and are accurate.

(21) That the capital or principal of all the Loans has been fully drawn down by the Obligor.

(22) That, based on its internal records, none of the Loans consist of financing granted to real estate developers for building or renovating homes and/or business or industrial properties designed to be sold, or of finance lease transactions.

(23) That the Loans all stand as a valid and binding payment obligation for the relevant Obligor and are enforceable on their own terms.

(24) That the Loan payment obligations are all satisfied by directly debiting an account opened at BANCO DE VALENCIA.

(25) That none of the Loans have clauses allowing deferment of periodic interest payment and principal repayment, other than the principal repayment exclusion period there may be at the origination date of each Loan.

(26) That none of the Loans are an extension or rearrangement of previous loans in arrears.

3. In relation to the Pass-Through Certificates and the Mortgage Loans.

(1) That the particulars of the Mortgage Loans and the Pass-Through Certificates, represented in a multiple registered certificate, accurately reflect their current status and are true and complete.

(2) That the Pass-Through Certificates are issued in accordance with the contents of additional provision five of Act 3/1994, as currently worded, and other applicable laws.

(3) That the Mortgage Loans are all secured with a senior real estate mortgage on the legal and beneficial ownership of each and every one of the mortgaged properties or, as the case may be, a junior real estate mortgage resulting from debts originated by previous mortgages for which BANCO DE VALENCIA has documents supporting economic repayment but are yet to be struck off the register, which are not encumbered with any restrictions on their disposal, conditions subsequent or any other limitation as to title.

(4) That the Mortgage Loans are all originated in a public deed, and the mortgages are all duly established and entered in the relevant Land Registries. The entry of the mortgaged properties is in force and has not been howsoever objected to and is subject to no limitation whatsoever taking precedence over the mortgage, in accordance with the applicable laws.

(5) That the Mortgage Loans do not have any of the characteristics of credits excluded or restricted by article 32.2 of Royal Decree 685/1982 and that no Mortgage Loan is secured with a mortgage for which a contradictory registry entry exists recording a claim, sub-mortgage or attachment, and no Mortgage Loan is subject to any condition precedent or secured by a security or maximum-sum mortgage.

(6) That the mortgages are established on properties wholly legally and beneficially owned by the respective mortgagor, and BANCO DE VALENCIA is not aware of the existence of litigation over the ownership of those properties which might detract from the mortgages.

(7) That the mortgaged properties underlying the Mortgage Loans are not, and are not ineligible as, assets excluded for standing as security under article 31 of Royal Decree 685/1982.

(8) That all the mortgaged real properties (i) are located in Spain, (ii) have been appraised by duly qualified institutions approved by BANCO DE VALENCIA, evidence of which appraisal has been provided in the form of an appropriate certificate, and (iii) in the case of real properties relating to constructions in general, building work has been completed.

(9) That the public deeds originating the Mortgage Loans provide that until the latter are fully repaid the Obligor is bound to have the mortgaged properties insured against the risk of fire and other damages during the contract term, at least satisfying the minimum requirements laid down by the mortgage market laws in force for the time being.

(10) That the Mortgage Loans are not perfected in registered, negotiable or bearer securities, other than the Pass-Through Certificates hereby issued for subscription by the Fund.

(11) That the Mortgage Loans are not earmarked for any issue whatsoever of mortgage bonds, mortgage certificates or pass-through certificates, other than the issue of the Pass-Through Certificates.

(12) That it is not aware of any circumstance which might prevent foreclosure of the mortgage security.

(13) That nobody has a preferred right over the Fund in and to the Mortgage Loans, as holder of the Pass-Through Certificates.

(14) That the Pass-Through Certificates shall be issued for the same term remaining until maturity of and at the same interest rate as each of the underlying Mortgage Loans.

2.2.9 Substitution of the securitised assets.

Set rules for substituting Loans or Pass-Through Certificates or otherwise repayment to the Fund.

1. In the event of prepayment of the Loans upon the relevant Loan capital being prepaid, there will be no substitution of the Non-Mortgage Loan receivables or of the relevant Pass-Through Certificates.

2. In the event that during the full term of the Loans it should be found that any of them fail to conform to the representations given in section 2.2.8 above upon the Fund being established, BANCO DE VALENCIA agrees, subject to the Management Company's consent, to proceed forthwith to remedy and, if that is not possible, substitute or, as the case may be, redeem the affected Loans not substituted, by automatically terminating the assignment of the affected Loan receivables and, as the case may be, cancelling the relevant Pass-Through Certificate, subject to the following rules:

(i) The party becoming acquainted with the existence of a Loan in that circumstance, be it the Originator or the Management Company, shall advise the other party thereof. The Originator shall have a period of not more than fifteen (15) Business Days from said notice to remedy that circumstance if it may be so remedied or proceed to a substitution of the affected Loans, notifying the Management Company of the characteristics of the loans intended to be assigned to take their stead, which shall fulfil the representations given in section 2.2.8 above and be of the same kind as to residual term, interest rate and outstanding principal value as the affected Loans and also credit quality in terms of ratio of outstanding principal to the appraisal value of the mortgaged property or properties of the Mortgage Loans to be replaced, in order for the financial balance of the Fund not to be affected by such substitution, nor indeed the rating of the Bonds in connection with the provisions of section 7.5 of the Securities Note. Once the Management Company has checked the appropriateness of the substitute loan or loans, and after advising the Originator expressly of loans suitable for such substitution, such substitution shall be made by terminating the assignment of the affected Loan receivables and, as the case may be, cancelling the relevant Pass-Through Certificate, and simultaneously assigning the new substitute loans and, as the case may be, issuing the new substitute pass-through certificates.

The substitution shall be recorded in a public deed subject to the same formalities established for the assignment of the Loan receivables upon the Fund being established, in accordance with the specific characteristics of the new loans assigned. The Management Company shall provide the CNMV, the undertaking in charge of the Bond accounting record and the Rating Agency with a copy of the public deed.

(ii) In the event that there should be no substitution of the affected Loans in accordance with rule (i) above, the assignment of the affected Loan receivables not substituted shall be terminated and, as the case may be, the relevant Pass-Through Certificate will be cancelled. That termination shall take place by a repayment in cash to the Fund by the Originator of the outstanding principal of the affected Loans not substituted, interest accrued and not paid, calculated until the repayment date, and any other amount owing to the Fund under those Loans.

(iii) In the event of (i) and (ii) above occurring, BANCO DE VALENCIA shall be vested in all the rights attaching to those Loans accruing from the date of substitution or repayment to the Fund or accrued and not due, and overdue amounts on that same date.

3. In particular, the amendment by the Originator during the life of the Loans of their terms without regard to the limits established in the special laws applicable and, in particular, to the terms agreed between the Fund, represented by the Management Company, and the Originator in this Prospectus, in the Deed of Constitution and in the Servicing Agreement, which would therefore be an absolutely exceptional amendment, would constitute a unilateral breach by the Originator of its duties which should not be borne by the Fund or by the Management Company.

   Upon any such breach occurring, the Fund may, through the Management Company: (i) demand payment of the relevant damages and losses and (ii) request replacement or repayment of the affected Loans, in accordance with the procedure provided for in paragraph 2 above of this section, which shall not result in the Originator guaranteeing that the transaction will be successfully completed, but only the requisite redress of the effects resulting from the breach of its duties, in accordance with article 1124 of the Civil Code.

   The expenses originated by the actions to remedy the Originator's breach shall be borne thereby and cannot be charged to the Fund or the Management Company. The Management Company shall notify the CNMV of each and every replacement of Loans on the terms of the procedure provided for in paragraph 2 above.

2.2.10 Relevant insurance policies relating to the assets.

The public deeds originating the Mortgage Loans provide that until the latter are fully repaid the Obligor is bound to have the mortgaged properties insured against the risk of fire and other damages during the contract term, at least satisfying the minimum requirements laid down by the mortgage market laws in force for the time being, assigning to BANCO DE VALENCIA the insured capital and other indemnities payable by the Insurer.

No details are included regarding concentration of the insurers because the current status of the insurance policies taken out by the corporate obligors and their data are not supported or updated in the Originator's computer records, wherefore there could be concentration in one or several insurers.

2.2.11 Information relating to the obligors where the securitised assets comprise obligations of 5 or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the assets, or where an obligor accounts for a material portion of the assets.

Not applicable.

2.2.12 Details of the relationship, if it is material to the issue, between the issuer, guarantor and obligor.

There are no relationships between the Fund, the Originator, the Management Company and other parties involved in the transaction other than as set forth in section 5.2 of the Registration Document.

2.2.13 Where the assets comprise fixed income securities, a description of the principal terms.

Not applicable.

2.2.14 Where the assets comprise equity securities, a description of the principal terms.

Not applicable.

2.2.15 If the assets comprise equity securities that are not traded on a regulated or equivalent market, where they represent more than ten (10) per cent of the securitised assets, a description of the principal terms.

Not applicable.

2.2.16 Valuation reports relating to the property and cash flow/income streams where a material portion of the assets are secured on real property.

The appraisal values of the properties securing the selected mortgage loans correspond to appraisals made by appraisers for the purpose of granting and arranging the selected mortgage loans.

2.3 Actively managed assets backing the issue.

Not applicable.

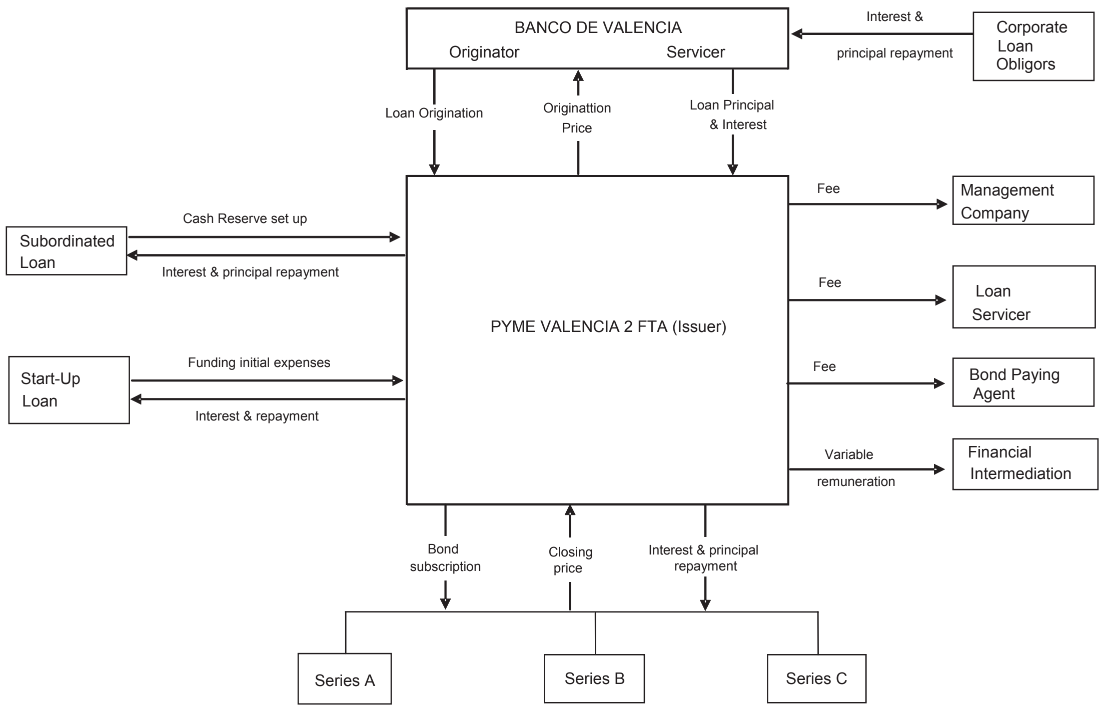
2.4 Where the issuer proposes to issue further securities backed by the same assets, statement to that effect and description of how the holders of that class will be informed.

Not applicable.

3. STRUCTURE AND CASH FLOW

3.1 Description of the structure of the transaction, including if necessary, a diagram.

Transaction structure diagram.



Initial balance sheet of the Fund.

The balance sheet of the Fund on the Closing Date will be as follows:

ASSETS		LIABILITIES	
Fixed Assets	**500,630,000.00**	**Bond Issue**	**500,000,000.00**
Loans	500,158,951.00	Series A Bonds	407,500,000.00
(adjustment excess to EUR 158,951.00)		Series B Bonds	17,500,000.00
		Series C Bonds	75,000,000.00
Set-up and issue expenses*	471,049.00		
Current assets	**to be determined**	**Other long-term liabilities**	**100,330,000.00**
Treasury Account*	99,700,000.00	Start-Up Loan	3,330,000.00
Accrued interest receivable**	to be determined	Subordinated Loan	97,000,000.00
		Short-term creditors	**to be determined**
		Loan interest accrued **	to be determined
Total assets	**603,330,000.00**	**Total liabilities**	**603,330,000.00**

MEMORANDUM ACCOUNTS	
Principal Cash Reserve	87,000,000.00
Interest Cash Reserve	10,000,000.00

(Amounts in EUR)

* Assuming that all Fund set-up and Bond issue and admission expenses are met on the Closing Date, and that they amount to EUR 471,049.00, as detailed and set out in section 6 of the Securities Note.

** As set forth in section 3.3.3 of this Building Block.

3.2 Description of the entities participating in the issue and of the functions to be performed by them.

(i) EUROPEA DE TITULIZACIÓN is the Management Company that will establish, manage and be the authorised representative of the Fund.

(ii) BANCO DE VALENCIA is the originator of the Loan receivables to be assigned to the Fund upon being established, shall be the Fund's counterparty under the Start-Up Loan, Subordinated Loan, Loan Servicing and Pass-Through Certificate Custody and Financial Intermediation Agreements. In addition, BANCO DE VALENCIA shall be the Subscriber of the Bond Issue under the Bond Issue Management and Subscription Agreement.

(iii) BANCAJA, J.P. MORGAN and the Management Company have jointly structured the financial terms of the Fund and the Bond Issue.

(iv) BANCAJA shall be the Fund's counterparty under the Bond Issue Paying Agent and Guaranteed Interest (Treasury Account) Agreements.

(v) BANCAJA and J.P. MORGAN shall be the Lead Managers of the Bond Issue.

(vi) GARRIGUES, as independent advisers, have provided legal advice for establishing the Fund and the Bond Issue, and have reviewed the tax implications thereof.

(vii) Deloitte has audited the most significant features of a sample of BANCO DE VALENCIA's selected loans.

(viii) Moody's is the Rating Agency that has assigned the rating to each Bond Issue Series.

The description of the institutions referred to in the above paragraphs is given in section 5.2 of the Registration Document.

The Management Company represents that the summary descriptions of those agreements, given in the relevant sections of this Prospectus, which it shall enter into for and on behalf of the Fund, include the most substantial and relevant information on each agreement, duly reflect their contents and that no information has been omitted which might affect the contents of the Prospectus.

3.3 Description of the method and date of the sale, transfer, novation or assignment of the assets or of any rights and/or obligations in the assets to the issuer.

3.3.1 Perfecting the assignment of the Loan receivables to the Fund.

The Management Company, for and on behalf of the Fund, and BANCO DE VALENCIA as Originator, shall in the Deed of Constitution perfect the agreement assigning the Loan receivables to the Fund, effective from that same date, as follows:

(i) The assignment of the Mortgage Loan receivables shall be perfected upon BANCO DE VALENCIA issuing and the Fund subscribing for pass-through certificates (the "**Pass-Through Certificates**") as established by Act 2/1981 and by additional provision five of Act 3/1994, as currently worded, and other applicable laws.

The Pass-Through Certificates shall be represented by means of a multiple registered certificate which shall contain the minimum data currently provided for pass-through certificates in article 64 of Royal Decree 685/1982, March 17, implementing certain aspects of Mortgage Market Regulation Act 2/1981 ("**Royal Decree 685/1982**"), and the registration particulars of the mortgaged properties securing the Mortgage Loans.

The Pass-Through Certificates may be transferred by a written statement on the very certificate and, in general, by any of the means admitted by Law. Transfer of the Pass-Through Certificate and the new holder's address shall be notified by the transferee to the issuer. They may only be acquired or held by institutional investors, and may not be acquired by the unspecialised public.

Both in the event that any Pass-Through Certificate should be substituted, as prescribed in section 2.2.9.2 of this Building Block, and in the event that the Management Company, acting for and on behalf of the Fund, should proceed to foreclose a Mortgage Loan, as prescribed in section 3.7.2.1.7 of this Building Block, and moreover if, upon Early Liquidation of the Fund, in the events and on the terms of section 4.4.3 of the Registration Document, said Pass-Through Certificates have to be sold, BANCO DE VALENCIA agrees to split, as the case may be, any multiple certificate into such individual or multiple certificates as may be necessary, or to substitute or exchange the same for the above purposes.

The multiple certificate representing the Pass-Through Certificates and the multiple or individual certificates, if any, into which the same is split shall be deposited at BANCO DE VALENCIA, and relations between the Fund and BANCO DE VALENCIA shall be governed by the Loan Servicing and Pass-Through Certificate Custody Agreement to be entered into between BANCO DE VALENCIA and the Management Company for and on behalf of the Fund. That deposit shall be made for the benefit of the Fund and therefore BANCO DE VALENCIA shall custody the documents supporting the Pass-Through Certificates deposited, on the Management Company's instructions.

BANCO DE VALENCIA, as the issuer, shall keep a special book in which it shall enter the Pass-Through Certificates issued and the changes of address notified by the Pass-Through Certificate holders, also including therein (i) Mortgage Loan origination and maturity dates, amount and settlement method; and (ii) the registration particulars of the mortgages securing the Mortgage Loans.

Given that subscription for and holding of the Pass-Through Certificates is restricted to institutional or professional investors and that the Fund is an institutional investor and further that the Fund has subscribed for the Pass-Through Certificates, for the purposes of paragraph two of article 64.6 of Royal Decree 685/1982, the issue of the Pass-Through Certificates shall not be subject to a marginal note on each entry of the mortgage underlying each Mortgage Loan in the Land Registry.

(ii) The Non-Mortgage Loan receivables shall be assigned by BANCO DE VALENCIA directly without any underlying security being issued by means of their sale by BANCO DE VALENCIA and acquisition by the Fund.

The assignment by BANCO DE VALENCIA to the Fund of the Loan receivables shall not be notified to either Obligors or third-party guarantors or the insurers with which the Obligors may have entered into the damage insurance contracts, if any, attaching to the Mortgage Loans underlying the Pass-Through Certificates. Where the Loans have other security interests or third-party personal guarantees other than a real estate mortgage, the assignment will not be initially notified either to the custodian of the assets, where that is an undertaking other than the Servicer, or to the Obligors' guarantors. Where the Loans have security interests in which the custodian of the assets is the Servicer proper, the same shall be deemed to have received notice of the transfer in the Deed of Constitution.

However, in the event of insolvency, administration by the Bank of Spain, liquidation or substitution of the Servicer, or because the Management Company deems it reasonably justified, the Management Company may demand the Servicer to notify Obligors (and third-party guarantors and mortgaged property insurers, if any), of the transfer to the Fund of the outstanding Loan receivables, and that the payments derived therefrom will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors and third-party guarantors and mortgaged property insurers, if any, within five (5) Business Days of receiving the request and in the event of the Servicer becoming insolvent, the Management Company itself shall directly or, as the case may be, through a new Servicer it shall have designated, notify Obligors and third-party guarantors and mortgaged property insurers, if any.

Similarly and in the same events, the Management Company may request the Servicer to do such things and satisfy such formalities as may be necessary, including third-party notices and entries in the relevant accounting records, in order to guarantee maximum enforceability of the assignment of the Loan receivables and collaterals with respect to third parties, all on the terms given in section 3.7.2.1.7 of this Building Block.

3.3.2 Loan receivables assignment terms.

1. The Non-Mortgage Loan receivables will be assigned and Mortgage Loan Pass-Through Certificates will be issued fully and unconditionally for the entire term remaining from the date on which the Fund is established, until maturity of each Loan.

   In accordance with article 348 of the Commercial Code and 1529 of the Civil Code, the Originator will be liable to the Fund for the existence and lawfulness of the Loans, and for the personality with which the assignment is made, but shall not be liable for the solvency of the Obligors.

   The Originator shall not bear the risk of default on the Loans and shall therefore have no liability whatsoever for the Obligors' default of principal, interest or any other amount whatsoever they may owe under the Loans, and shall not be answerable either for the enforceability of the securities collateral thereto. It will not be howsoever liable either to directly or indirectly guarantee that the transaction will be properly performed, nor give any guarantees or security, nor indeed agree to repurchase or substitute the Loans, saving as provided for in section 2.2.9 of this Building Block.

2. The assignment of Loan receivables shall be made for all the outstanding principal pending repayment on the assignment date, which shall be the date of establishment of the Fund, and for all ordinary and late-payment interest on each Loan assigned.

3. The Fund shall have rights in and to the Loans from the date on which they are assigned and the Fund is established. Specifically, without limitation and for illustrative purposes only, the assignment shall confer on the Fund the following rights in relation to each Loan:

   a) To receive all Loan outstanding capital or principal repayment amounts accrued.

b) To receive all Loan capital ordinary interest amounts accrued. Ordinary interest will also include interest accrued and not due on each Loan from the last interest settlement date, on or before the assignment date, and overdue interest, if any, at that same date.

c) To receive all late-payment interest amounts on the Loans.

d) To receive any other amounts, assets, properties, securities or rights received as payment of Loan principal, interest or expenses, either in the form of the auction sale price or amount determined by a court decision or notarial procedure in enforcing the mortgage or non-mortgage securities, on the sale or utilisation of properties, assets or securities awarded or, upon foreclosing, in the administration or interim possession of the properties, assets or securities in foreclosure proceedings.

e) To receive all possible rights or compensations on the Loans accruing for the Originator and derived therefrom, including those derived from the damage insurance contracts, if any, attached to the properties mortgaged by the Mortgage Loans which are also assigned to the Fund, and those derived from any right collateral to the Loans, excluding the fees established for each Loan, which shall remain for the benefit of the Originator.

4. In the event of Loan prepayment upon a full or partial repayment of the capital, there will be no direct substitution of the affected Loans.

5. The Fund’s rights resulting from the Loans shall be linked to payments made by the Obligors and shall therefore be directly affected by the evolution, late payments, prepayments or any other incident in connection therewith.

6. The Fund shall defray any and all expenses or costs resulting for the Originator derived from recovery actions in the event of a breach by the Obligors of their obligations, including enforcement proceedings against the same.

7. In the event of renegotiation consented to by the Management Company, for and on behalf of the Fund, of the Loans, or their due dates, the change in the terms shall affect the Fund.

8. Until the execution of the Deed of Constitution, BANCO DE VALENCIA shall be the beneficiary of the damage insurance contracts entered into by the Obligors in relation to the properties mortgaged as security for the Mortgage Loans, up to the insured amount.

   BANCO DE VALENCIA shall thereupon perfect the assignment attached to the issue of the Pass-Through Certificates of the rights BANCO DE VALENCIA has as the beneficiary of those damage insurance contracts taken out by the Obligors. As the holder of the Pass-Through Certificates, the Fund shall be entitled to any and all such insurance amounts received by BANCO DE VALENCIA.

3.3.3 Loan receivables sale or assignment price.

The price for selling the Non-Mortgage Loan receivables and subscribing for the Pass-Through Certificates shall be at par with the outstanding capital or principal. The aggregate price payable by the Fund represented by the Management Company to BANCO DE VALENCIA for the assignment of the Loan receivables shall be an amount equivalent to the sum of (i) the face value of the capital or principal outstanding on each Loan, and (ii) ordinary interest accrued and not due and overdue interest, if any, on each Loan at the assignment date (the “**accrued interest**”).

The Management Company shall pay the total Loan receivables assignment price on behalf of the Fund as follows:

1. The part of the assignment price consisting of the face value of the capital of all the Loans, item (i) of paragraph one of this section, shall be paid by the Fund on the Closing Date of the Bond Issue, for same day value, upon subscription for the Bond Issue being paid up, by means of instructions given by the Management Company to BANCO DE VALENCIA to debit the Treasury Account opened in the

Fund's name. BANCO DE VALENCIA shall receive no interest on deferred payment until the Closing Date.

2. The part of the price consisting of interest accrued on each Loan, item (ii) of paragraph one of this section, shall be paid by the Fund on each collection date, as described in section 3.4.1 below, falling on the first interest settlement date of each Loan. Payment of accrued interest shall be made without regard to the Fund Priority of Payments.

If the establishment of the Fund and hence the assignment of the Loan receivables should terminate, in accordance with the provisions of section 4.4.4.(v) of the Registration Document, (i) the Fund's obligation to pay the total Loan receivables assignment price shall terminate, and (ii) the Management Company shall be obliged to restore to BANCO DE VALENCIA any rights whatsoever accrued for the Fund upon the Loan receivables being assigned.

3.4 Explanation of the flow of funds.

3.4.1 How the cash flow from the assets will meet the issuer's obligations to holders of the securities.

Loan amounts due to and received by the Fund will be paid by the Servicer into the Fund's Treasury Account on the first day after the date on which they are received by the Servicer or the following business day if that is not a business day, and for same day value, in accordance with the set terms and conditions. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Valencia.

The weighted average interest rate of the loans selected at February 26, 2009, as detailed in section 2.2.2.k) of this Building Block, is 5.79%, which is above the 2.19% weighted average nominal interest rate of the Bonds that has been presumed for hypothetical purposes in the table contained in section 4.10 of the Securities Note.

Quarterly on each Payment Date Bondholders will be paid interest accrued and principal repayment on the Bonds in each Series on the terms set for each of them and in the Priority of Payments given in section 3.4.6.2 of this Building Block.

3.4.2 Information on any credit enhancement.

3.4.2.1 Description of the credit enhancement.

The following credit enhancement transactions are incorporated to the financial structure of the Fund:

(i) Principal Cash Reserve and Interest Cash Reserve set up by drawing down the Subordinated Loan.

Mitigate the credit risk derived from delinquency and default on the Loans and the interest rate risk occurring in the Fund because the Loans are subject to fixed interest and floating interest with benchmark indices and reset and settlement periods differing from the floating interest established for the Bonds based on 3-month Euribor with quarterly accrual and settlement periods.

(ii) Treasury Account.

Partly mitigates the loss of return on the liquidity of the Fund due to the timing difference between income received daily on the Loans and until interest payment and principal repayment on the Bonds occurs on the next succeeding Payment Date.

(iii) Subordination and deferment in interest payment and principal repayment between the Bonds in the different Series, derived from their place in the application of the Available Funds as well as the rules for Distribution of Available Funds for Amortisation in the Priority of Payments, or in the application of the Liquidation Available Funds in the Liquidation Priority of Payments, are a means for distinctly hedging the different Series.

3.4.2.2 Cash Reserve.

The Management Company shall set up two cash reserves (the "**Principal Cash Reserve**" and the "**Interest Cash Reserve**") on the Closing Date by drawing fully the Subordinated Loan principal and shall subsequently, on each Payment Date, keep the Required Principal Cash Reserve and the Required Interest Cash Reserve amount provisioned in the Priority of Payments.

The characteristics of the Principal and Interest Cash Reserves shall be as follows:

3.4.2.2.1 Principal Cash Reserve.

Principal Cash Reserve amount.

1. The Principal Cash Reserve shall be set up on the Closing Date in an initial amount equal to EUR eighty-seven million (87,000,000.00) (the "**Initial Principal Cash Reserve**").

2. Subsequently to being set up, on each Payment Date, the Principal Cash Reserve shall be provisioned up to the Required Principal Cash Reserve amount established hereinafter out of the Available Funds in the Priority of Payments of the Fund.

   The required Principal Cash Reserve amount on each Payment Date (the "**Required Principal Cash Reserve**") shall be the lower of:

   (i) EUR eighty-seven million (87,000,000.00).

   (ii) The higher of:

      a) 34.80% of the Outstanding Principal Balance of the Bond Issue.

      b) EUR forty-three million five hundred thousand (43,500,000.00).

3. Notwithstanding the above, the Required Principal Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Principal Cash Reserve amount on the preceding Payment Date whenever any of the following circumstances concur on the Payment Date:

   i) That on the Determination Date preceding the relevant Payment Date the amount of the Outstanding Balance of Delinquent Loans is in excess of 1.00% of the Outstanding Balance of Non-Doubtful Loans.

   ii) That the Principal Cash Reserve could not be provisioned up to the Required Principal Cash Reserve amount on the relevant Payment Date.

   ii) That three (3) years have not elapsed since the date of establishment of the Fund.

Yield.

The Principal Cash Reserve amount shall remain credited to the Treasury Account, and will be remunerated on the terms of the Guaranteed Interest Rate Account (Treasury Account) Agreement.

Application.

The Principal Cash Reserve shall be applied on each Payment Date to satisfying Fund payment obligations in the Priority of Payments and in the Liquidation Priority of Payments.

3.4.2.2.2 Interest Cash Reserve.

Interest Cash Reserve amount.

1. The Interest Cash Reserve shall be set up on the Closing Date in an initial amount equal to EUR ten million (10,000,000.00) (the "**Initial Interest Cash Reserve**").

2. Subsequently to being set up, on each Payment Date, the Interest Cash Reserve shall be provisioned up to the Required Interest Cash Reserve amount established hereinafter out of the Available Funds in the Priority of Payments of the Fund.

The required Interest Cash Reserve amount on each Payment Date (the "**Required Interest Cash Reserve**") shall be the lower of:

(i) EUR ten million (10,000,000.00).

(ii) Double the aggregate amounts to be applied in first (1st) to fourth (4th) place, both inclusive, in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of this Building Block, on each Payment Date.

Yield.

The Interest Cash Reserve amount shall remain credited to the Treasury Account, and will be remunerated on the terms of the Guaranteed Interest Rate Account (Treasury Account) Agreement.

Application.

The Interest Cash Reserve shall be applied on each Payment Date to satisfying Fund payment obligations in the Priority of Payments and in the Liquidation Priority of Payments.

3.4.3 Details of any subordinated debt finance.

3.4.3.1 Subordinated Loan.

The Management Company shall, for and on behalf of the Fund, on the date of establishment of the Fund enter with BANCO DE VALENCIA into an agreement whereby BANCO DE VALENCIA shall grant to the Fund a commercial subordinated loan totalling EUR ninety-seven million (97,000,000.00) (the "**Subordinated Loan Agreement**"). The Subordinated Loan amount shall be delivered on the Closing Date and be applied to setting up the Initial Principal Cash Reserve and the Initial Interest Cash Reserve on the terms for which provision is made in section 3.4.2.2 of this Building Block, although granting of the Loan by no means guarantees performance of the securitised Mortgage Loans.

Subordinated Loan principal shall be repaid on each Payment Date in an amount equal to the positive difference existing between the outstanding Subordinated Loan principal at the Determination Date preceding the relevant Payment Date and the sum of the Required Principal Cash Reserve amount and the Required Interest Cash Reserve amount at the relevant Payment Date, and in the application priority established for repayment thereof in the application of Available Funds in the Priority of Payments.

In the event that the Fund should not have sufficient liquidity to make the relevant Subordinated Loan repayment on a Payment Date, in the Priority of Payments, the portion of principal not repaid shall be repaid on the next succeeding Payment Date along with the amount that should be repaid, as the case may be, on that same Payment Date, until fully repaid.

The Subordinated Loan shall at all events be finally due on the Final Maturity Date or, as the case may be, on the date on which the Management Company proceeds to Early Liquidation subject to the Liquidation Priority of Payments of the Fund.

Outstanding Subordinated Loan principal shall earn floating annual nominal interest, determined quarterly in each Interest Accrual Period, which shall be the result of adding: (i) the Reference Rate determined for the Bonds, and (ii) a 1.50% margin. This interest will be payable only if the Fund should have sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments. Interest shall be settled and be payable on the expiry date of each Interest Accrual Period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each Interest Accrual Period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be June 25, 2009.

Interest accrued and not paid on a Payment Date shall not be accumulated to the Subordinated Loan principal and shall not earn late-payment interest.

All Subordinated Loan amounts due and not paid to BANCO DE VALENCIA because of a shortfall of Available Funds shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments. Payment of amounts not paid on preceding Payment Dates shall take precedence over amounts falling due under the Subordinated Loan on that Payment Date, satisfying in the first place overdue interest and secondly principal repayment, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

The Subordinated Loan Agreement shall be fully terminated in the event that the Rating Agency should not confirm the any of the provisional ratings assigned to each Bond Series as final ratings by 2pm (CET) on March 16, 2009.

3.4.3.2 Start-Up Loan.

The Management Company shall, for and on behalf of the Fund, enter with BANCO DE VALENCIA into a commercial loan agreement totalling EUR three million three hundred and thirty thousand (3,330,000.00) (the "**Start-Up Loan Agreement**"). The Start-Up Loan amount shall be delivered on the Closing Date and be allocated to financing the Fund set-up and Bond issue and admission expenses, to partly financing acquisition of the Loan receivables, at the difference between the total face capital of the assignment of the Loans and the face amount of the Bond Issue, and to covering the timing difference existing between Loan interest collection and Bond interest payment on the first Payment Date.

Outstanding Start-Up Loan principal will earn annual floating nominal interest, determined quarterly for each Interest Accrual Period, which shall be the result of adding: (i) the Reference Rate determined for the Bonds, and (ii) a 2.00% margin. Interest shall be settled and be payable on the expiry date of each interest accrual period on each Payment Date, and shall be calculated based on: (i) the exact number of days in each interest accrual period and (ii) a three-hundred-and-sixty- (360-) day year. The first interest settlement date shall be June 25, 2009. Interest will be payable on the relevant Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

Interest accrued and not paid on a Payment Date will not be accumulated to the Start-Up Loan principal and shall not earn late-payment interest.

Start-Up Loan principal will be repaid quarterly on each Payment Date as follows:

(i) The portion of Start-Up Loan principal actually used to finance the Fund set-up and Bond issue and admission expenses and the timing difference existing between Loan interest collection and Bond interest payment on the first Payment Date shall be repaid in twenty (20) consecutive quarterly instalments in an equal amount, on each Payment Date, the first of which shall be the first Payment Date, June 25, 2009, and the following until the Payment Date falling on March 25, 2014, inclusive.

(ii) The portion of Start-Up Loan principal used to finance partially assignment of the Loan receivables and the unused portion, if any, shall be repaid on the first Payment Date, June 25, 2009.

All Start-Up Loan amounts due and not paid to BANCO DE VALENCIA because of a shortfall of Available Funds shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments. Payment of amounts not paid on preceding Payment Dates shall take precedence over amounts falling due under the Start-Up Loan on that Payment Date, satisfying in the first place overdue interest and secondly principal repayment, in the Priority of Payments or Liquidation Priority of Payments, as the case may be.

The Start-Up Loan Agreement shall not be terminated in the event of the Fund being terminated, in accordance with the provisions of section 4.4.4 (v) of the Prospectus Registration Document. In that event, the Start-Up Loan shall be used to pay the Fund set-up and Bond issue expenses and all other obligations undertaken by the Management Company, for and on behalf of the Fund, originated upon the Fund being established and which are due and payable, and principal repayment shall be deferred and subordinated to satisfaction of those obligations, out of the Fund's remaining resources.

3.4.3.3 Subordination of Series B and Series C Bonds.

Series B Bond interest payment and principal repayment is deferred with respect to Series A Bonds, saving the provisions of section 4.9.3.5 of the Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Series C Bond interest payment and principal repayment is deferred with respect to Series A and Series B Bonds, saving the provisions of section 4.9.3.5 of the Securities Note in relation to the Conditions for Pro Rata Amortisation of Series A, B and C principal, as provided in the Priority of Payments and in the Liquidation Priority of Payments.

Sections 4.6.1 and 4.6.2 of the Securities Note detail the order numbers in the priority of payments of the Fund of Bond interest payment and principal repayment in each Series in the Priority of Payments and in the Liquidation Priority of Payments.

3.4.4 Investment parameters for the investment of temporary liquidity surpluses and parties responsible for such investment.

3.4.4.1 Treasury Account.

The Management Company, for and on behalf of the Fund, and BANCAJA shall enter into a Guaranteed Interest Rate Account (Treasury Account) Agreement whereby BANCAJA will guarantee a certain variable yield on the amounts paid by the Fund through its Management Company into a financial account. The Guaranteed Interest Rate Account (Treasury Account) Agreement shall specifically determine that all amounts received by the Fund will be paid into a financial account in euros (the "**Treasury Account**") opened at BANCAJA, in the name of the Fund by the Management Company, which amounts shall mostly consist of the following:

(i) cash amount received upon subscription for the Bond Issue being paid up;

(ii) Loan principal repaid and interest collected;

(iii) any other Loan amounts received payable to the Fund;

(iv) Subordinated Loan principal drawn down and the Principal Cash Reserve and the Interest Cash Reserve amount from time to time;

(v) Start-Up Loan principal drawn down;

(vi) the amounts of the returns obtained on Treasury Account balances; and

(vii) the amounts, if any, of interim withholdings on the return on investments to be effected on each relevant Payment Date on the Bond interest paid by the Fund, until due for payment to the Tax Administration.

BANCAJA shall pay an annual nominal interest rate, variable quarterly and settled quarterly, other than for the first interest accrual period, the duration of and the interest settlement for which shall be based on the duration of that period, applicable for each interest accrual period (differing from the Interest Accrual Period established for the Bonds) to the positive daily balances if any on the Treasury Account, equal to the Bond Reference Rate determined for each Bond Interest Accrual Period substantially matching each Treasury Account interest period. Interest shall be settled on the expiry date of each interest accrual period on each settlement date, on March 18, June 18, September 18 and December 18, and shall be calculated based on: (i) the exact number of days in each interest accrual period, and (ii) a three-hundred-and-sixty-(360-) day year. The first interest accrual period shall comprise the days elapsed between the date of establishment of the Fund and the first settlement date, June 18, 2009.

In the event that the rating of the short-term unsecured and unsubordinated debt obligations of BANCAJA or the institution in which the Treasury Account is opened (the "**Treasury Account Provider**") should, at any time during the life of the Bond Issue, be downgraded below P-1 by Moody's, the Management Company shall, within not more than thirty (30) days from the time of the occurrence of that circumstance, after notifying the Rating Agency, do any of the things described hereinafter allowing a suitable level of guarantee to be maintained with respect to the Treasury Account Provider's commitments derived from the Guaranteed Interest Rate Account (Treasury Account) Agreement in order for there to be no detriment to the rating given to the Bonds by the Rating Agency:

a) Obtaining from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's a first demand guarantee securing for the Fund, merely upon the Management Company so requesting, prompt payment by the Treasury Account Provider of its obligation to repay the amounts credited to the Treasury Account, for such time as the Treasury Account Provider remains downgraded below P-1.

b) Transferring the Treasury Account to an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, and arranging the highest possible yield for its balances, which may differ from that arranged with the Treasury Account Provider under the Guaranteed Interest Rate Account (Treasury Account) Agreement.

c) In addition, if the above options are not possible on the terms provided for, the Management Company may invest the balances for periods not extending beyond the following Payment Date, in short-term fixed-income assets in euros issued by institutions with short-term unsecured and unsubordinated debt obligations rated at least as high as A1 and P-1 for long- and short-term debt obligations by Moody's, including short-term securities issued by the Spanish State, in which case the yield obtained could also differ from that obtained initially with the Treasury Account Provider and provided that the Treasury Account is opened at an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's.

d) In the event of b) or c) occurring and that BANCAJA's short-term unsecured and unsubordinated debt obligations should subsequently be upgraded back to P-1 by Moody's, the Management Company shall subsequently transfer the balances back to BANCAJA under the Guaranteed Interest Rate Account (Treasury Account) Agreement

All costs, expenses and taxes incurred in connection with putting in place and arranging the above shall be borne by BANCAJA or the substituted Treasury Account Provider, as the case may be.

The Treasury Account Provider shall agree, forthwith upon its credit rating being downgraded, to use commercially reasonable efforts in order that the Management Company may do any of (a), (b) or (c) above.

3.4.5 Collection by the Fund of payments in respect of the assets.

The Servicer shall manage collection of all Loan amounts payable by the Obligors, and any other item including under the mortgaged property damage insurance contracts securing the Mortgage Loans. The Servicer shall use every effort in order for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Loans.

Loan amounts received by the Servicer shall be paid by the Servicer in full into the Fund's Treasury Account on the first day after the day on which they were received by the Servicer, or the following business day if that is not a business day, and for same day value, in accordance with the set terms and conditions. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Valencia.

In the event of the Servicer's long-term credit rating being downgraded below Baa3 by Moody's, the Servicer will make a cash deposit for the benefit of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, or arrange an unconditional irrevocable credit facility upon the Management Company's first demand with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's.

The deposit amount or the maximum limit of the credit facility arranged shall be equivalent to the estimated aggregate amount of Loan repayment and interest instalments during the month with the highest collection of repayment and interest instalments from the date of downgrade below Baa3 by Moody's, in the event that the Loan delinquency rate should be 0.00% and the CPR should be 10.00%.

The Fund may only draw on that deposit or liquidity facility the Loan amounts it shall not receive, if any, owing to the Fund and received by the Servicer.

The Management Company may issue the same instructions in the event that the Servicer's short-term unsecured and unsubordinated debt obligations should not be rated by Moody's.

The Servicer shall at no event pay any Loan payment amount whatsoever to the Fund not previously received from the Obligors.

3.4.6 Order of priority of payments made by the issuer.

3.4.6.1 Source and application of funds on the Bond Closing Date and until the first Payment Date, exclusive.

The source and application of the amounts available for the Fund on the Bond Issue Closing Date shall be as follows:

1. **Source:** the Fund shall have the following funds:
   a) Bond subscription payment.
   b) Drawdown of Start-Up Loan principal.
   c) Drawdown of Subordinated Loan Principal.

2. **Application:** in turn, the Fund will apply the funds described above to the following payments:
   a) Payment of the price for acquiring the Non-Mortgage Loan receivables and subscribing for the Pass-Through Certificates at their face value.
   b) Payment of the Fund set-up and Bond issue and admission expenses.
   c) Setting up the Initial Principal Cash Reserve and the Initial Interest Cash Reserve.

3.4.6.2 Source and application of funds from the first Payment Date, inclusive, until the last Payment Date or liquidation of the Fund, exclusive. Priority of Payments.

On each Payment Date, other than the Final Maturity Date or upon Early Liquidation of the Fund, the Management Company shall proceed successively to apply the Available Funds and the Available Funds for Amortisation in accordance with the order of priority of payments given hereinafter for each of them (the "**Priority of Payments**").

3.4.6.2.1 Available Funds: source and application.

1. **Source.**

   The available funds on each Payment Date (the "**Available Funds**") to meet the payment or withholding obligations listed in section 2 below shall be the following amounts credited to the Treasury Account identified as such by the Management Company (based on information received from the Servicer concerning the items applied):

   a) Loan principal repayment income received during the Determination Period preceding the relevant Payment Date.

   b) Loan ordinary and late-payment interest income received during the Determination Period preceding the relevant Payment Date.

   c) The return received on amounts credited to the Treasury Account.

   d) The Principal Cash Reserve and the Interest Cash Reserve amount on the Determination Date preceding the relevant Payment Date.

   e) Any other amounts received by the Fund during the Determination Period preceding the relevant Payment Date, including those resulting from the sale or utilisation of assets, properties, securities or rights awarded to the Fund.

   f) Additionally, on the first Payment Date, the portion of Start-Up Loan not used.

Income under a), b) and f) above received by the Fund and credited to the Treasury Account from the Determination Date, exclusive, preceding the relevant Payment Date, shall not be included among the Available Funds on the relevant Payment Date, and that amount shall remain credited to the Treasury Account, to be included in the Available Funds on the following Payment Date.

2. Application.

The Available Funds shall be applied on each Payment Date to meeting payment or withholding obligations falling due on each Payment Date in the following order of priority, irrespective of the time of accrual, other than the application established in the 1st place, which may be made at any time as and when due:

1. Payment of the Fund's properly supported taxes and ordinary(1) and extraordinary(2) expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and amounts reimbursable to the Servicer, provided they are all properly supported, and the loan servicing fee in the event of substitution of BANCO DE VALENCIA as Servicer, shall be made to the Servicer under the Servicing Agreement in this priority.

2. Payment of interest due on Series A Bonds.

3. Payment of interest due on Series B Bonds unless this payment is deferred to 7th place in the order of priority.

   This payment shall be deferred to 7th place when on the Determination Date preceding the relevant Payment Date the cumulative Outstanding Balance of Doubtful Loans since the Fund was established, the latter reckoned at the amount of the Outstanding Balance as at the Doubtful Loan classification date, is in excess of 41.10% of the initial Outstanding Balance of the Loans upon the Fund being established and provided that Series A Bonds have not been and are not to be fully amortised on the relevant Payment Date.

4. Payment of interest due on Series C Bonds unless this payment is deferred to 8th place in the order of priority.

   This payment shall be deferred to 8th place when on the Determination Date preceding the relevant Payment Date the cumulative Outstanding Balance of Doubtful Loans since the Fund was established, the latter reckoned at the amount of the Outstanding Balance as at the Doubtful Loan classification date, is in excess of 23.70% of the initial Outstanding Balance of the Loans upon the Fund being established and provided that Series A and Series B Bonds have not been and are not to be fully amortised on the relevant Payment Date.

5. Withholding of an amount sufficient for the Required Interest Cash Reserve amount to be maintained.

6. Amortisation withholding in an amount equivalent to the positive difference existing at the Determination Date preceding the relevant Payment Date between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the Outstanding Balance of Non-Doubtful Loans.

   Depending on the liquidity existing on each Payment Date, the amount actually applied to Amortisation Withholding shall be included among the Available Funds for Amortisation to be applied in accordance with the rules for Distribution of Available Funds for Amortisation established in section 4.9.3.5 of the Securities Note.

7. Payment of interest due on Series B Bonds when this payment is deferred from 3rd place in the order of priority as established therein.

8. Payment of interest due on Series C Bonds when this payment is deferred from 4th place in the order of priority as established therein.

9. Withholding of an amount sufficient for the Required Principal Cash Reserve amount to be maintained.

10. Payment of Subordinated Loan interest due.

11. Repayment of Subordinated Loan principal to the extent amortised.

12. Payment of Start-Up Loan interest due.

13. Repayment of Start-Up Loan principal to the extent amortised.

14. Payment to the Servicer of the fee established under the Servicing Agreement.

    In the event that any other institution should replace BANCO DE VALENCIA as Loan Servicer, payment of the servicing fee accrued by the other institution, to wit the new servicer, shall take the place of paragraph 1 above, along with the other payments included therein.

15. Payment of the Financial Intermediation Margin.

When accounts payable for different items exist in a same priority order number on a given Payment Date and the Available Funds are not sufficient to settle the amounts due under all of them, the application of the remaining Available Funds shall be prorated among the amounts payable under each such item, and the amount applied to each item shall be distributed in the priority in which the accounts payable fall due.

(1) The following shall be considered ordinary expenses of the Fund:

a) Any expenses deriving from mandatory administrative verifications, registrations and authorisations, other than payment of the set-up and Bond issue expenses.

b) Rating Agency fees for monitoring and maintaining the Bond rating.

c) Expenses relating to keeping the Bond accounting record representing the Bonds by means of book entries, admission to trading in organised secondary markets and maintaining all of the foregoing.

d) Expenses of auditing the annual accounts.

e) Bond amortisation expenses.

f) Expenses deriving from announcements and notices relating to the Fund and/or the Bonds.

The Fund's ordinary expenses in its first year, including the management fee due to the Management Company and those derived from the Paying Agent Agreement, are estimated at EUR two hundred thousand (200,000.00). Because most of those expenses are directly related to the Outstanding Principal Balance of the Bond Issue and the Outstanding Balance of the Loans and those balances shall fall throughout the life of the Fund, the Fund's ordinary expenses will also fall as time goes by.

(2) The following shall be considered extraordinary expenses of the Fund:

a) Expenses, if any, deriving from preparing and perfecting an amendment of the Deed of Constitution and of the agreements, and from entering into additional agreements.

b) Expenses required to enforce Loans and their collaterals, and deriving from any recovery actions required.

c) Extraordinary expenses of audits and legal advice.

d) The remaining amount, if any, of the initial Fund set-up and Bond issue and admission expenses in excess of the Start-Up Loan principal.

e) In general, any other extraordinary expenses required or not determined among ordinary expenses borne by the Fund or by the Management Company for and on behalf of the Fund.

3.4.6.2.2 Available Funds for Amortisation: source and application.

1. Source.

The Available Funds for Amortisation on each Payment Date shall be the Amortisation Withholding amount actually applied in sixth (6th) place of the Available Funds on the relevant Payment Date.

2. Distribution of Available Funds for Amortisation between each Series.

The rules for Distribution of Available Funds for Amortisation are given in section 4.9.3.5 of the Securities Note.

3.4.6.3 Fund Liquidation Priority of Payments.

The Management Company shall proceed to liquidate the Fund upon the Fund being liquidated on the Final Maturity Date or upon Early Liquidation in accordance with the provisions of sections 4.4.3 and 4.4.4 of the Registration Document, by applying the following available funds (the "**Liquidation Available Funds**"): (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Loan receivables and the remaining assets, and (iii) the amount drawn under the credit facility or the loan to be arranged and used exclusively for final amortisation of the Bonds then outstanding, as provided for in section 4.4.3.3.(iii) of the Registration Document, in the following order of priority of payments (the "**Liquidation Priority of Payments**"):

1. Reserve to meet the final tax, administrative or advertising termination and liquidation expenses.

2. Payment of the Fund's properly supported taxes and ordinary and extraordinary expenses, whether or not they were disbursed by the Management Company, including the management fee due to the latter, and all other expenses and service fees, including those derived from the Paying Agent Agreement. Only expenses prepaid or disbursed on the Fund's behalf by and Loan amounts reimbursable to the Servicer, provided they are all properly supported, and the loan servicing fee in the event of substitution of BANCO DE VALENCIA as Servicer, shall be made to the Servicer under the Servicing Agreement in this priority.

3. Payment of interest due on Series A Bonds.

4. Repayment of Series A Bond principal.

5. Payment of interest due on Series B Bonds.

6. Repayment of Series B Bond principal.

7. Payment of interest due on Series C Bonds.

8. Repayment of Series C Bond principal.

9. In the event of the credit facility or the loan being arranged as provided for in section 4.4.3.3.(iii) of the Registration Document, payment of the financial expenses accrued and repayment of principal of the credit facility or the loan taken out.

10. Payment of Subordinated Loan interest due.

11. Repayment of Subordinated Loan principal.

12. Payment of Start-Up Loan interest due.

13. Repayment of Start-Up Loan principal.

14. Payment to BANCO DE VALENCIA of the fee established under the Servicing Agreement.

In the event that any other institution should replace BANCO DE VALENCIA as Loan Servicer, payment of the servicing fee accrued by the other institution, to wit the new servicer, shall take the place of paragraph 2 above, along with the other payments included therein.

15. Payment of the Financial Intermediation Margin.

When accounts payable for different items exist in a same priority order number on the Final Maturity Date or upon Early Liquidation and the Liquidation Available Funds are not sufficient to settle the amounts due under all of them, the application of the remaining Liquidation Available Funds shall be prorated among the amounts payable under each such item, and the amount applied to each item shall be distributed in the priority in which the accounts payable fall due.

3.4.6.4 Financial Intermediation Margin.

The Management Company shall, for and on behalf of the Fund, enter with the Originator into a Financial Intermediation Agreement designed to remunerate the Originator for the financial intermediation process carried out, enabling the financial transformation defining the Fund's activity, the assignment to the Fund of the Loan receivables and the rating assigned to each Bond Series.

The Originator shall be entitled to receive from the Fund a variable subordinated remuneration (the "**Financial Intermediation Margin**") which shall be determined and accrue upon expiration of every quarterly period, comprising, other than for the first period, the three calendar months next preceding each Payment Date, in an amount equal to the positive difference, if any, between income and expenditure, including losses brought forward from previous years, if any, accrued by the Fund with reference to its accounts and before the close of the months of February, May, August and November, these being the last month of each quarterly period. Exceptionally, the first period shall be comprised between the date on which the Fund is established and May 30, 2009, inclusive, which is the last day of the calendar month preceding the first Payment Date, June 25, 2009.

The Financial Intermediation Margin accrued at the close of the months of February, May, August and November shall be settled on the Payment Date next succeeding the last day of each of said months, provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

If the Fund should not have sufficient liquidity on a Payment Date in the Priority of Payments to pay the full Financial Intermediation Margin, the unpaid amount shall accumulate without any penalty whatsoever on the Financial Intermediation Margin accrued, as the case may be, in the following quarterly period and shall be paid on the following Payment Dates on which the Available Funds allow payment in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments. The Financial Intermediation Margin amounts not paid on preceding Payment Dates shall be paid with priority over the amount payable on the relevant Payment Date.

The Financial Intermediation Agreement shall be fully terminated in the event that the Rating Agency should not confirm any of the provisional ratings assigned to each Bond Series as final by 2pm (CET) on March 16, 2009.

3.4.7 Other arrangements upon which payments of interest and principal to investors are dependent.

3.4.7.1 Bond Issue Paying Agent.

The Management Company shall, for and on behalf of the Fund, enter with BANCAJA into a paying agent agreement to service the Bond Issue (the "**Paying Agent Agreement**").

The obligations to be taken on by BANCAJA (the "**Paying Agent**") under this Paying Agent Agreement are summarily as follows:

(i) On each Bond Payment Date, paying interest and, as the case may be, repaying Bond principal through Iberclear, after deducting the total amount of the interim tax withholding for return on investments to be made by the Management Company, on the Fund's behalf, in accordance with applicable tax laws.

(ii) On each Interest Rate Fixing Date, notifying the Management Company of the Reference Rate determined to be used as the basis for the Management Company to calculate the Nominal Interest Rate applicable to each Bond Series.

In the event that the rating of the Paying Agent's short-term unsecured and unsubordinated debt obligations should, at any time during the life of the Bond Issue, be downgraded below P-1 by Moody's, the Management Company shall within not more than thirty (30) days, from the time of the occurrence of such circumstance, do any of the following: (i) obtain from an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, an unconditional and irrevocable first demand guarantee securing payment to the Fund, merely upon the Management Company so requesting, of the commitments made by the Paying Agent, for such time as the Paying Agent remains downgraded below P-1, or (ii) revoke the Paying Agent's designation and thereupon designate another institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's to take its place before terminating the Paying Agent Agreement, or, as the case may be, under a new payment agent agreement, and subject to prior notice being served on the Rating Agency. Should BANCAJA be replaced as Paying Agent, the Management Company shall be entitled to change the fee payable to the substitute institution, which may be higher than that established with BANCAJA under the Paying Agent Agreement. All Paying Agent substitution costs, expenses and taxes incurred shall be borne by the substituted institution.

The Paying Agent shall agree, forthwith upon its credit rating being downgraded, to use commercially reasonable efforts in order that the Management Company may do either of (i) or (ii) above.

In consideration of the services provided by the Paying Agent, the Fund shall pay it a 0.01% fee, inclusive of taxes, if any, on the amount to be distributed to Bondholders on each Bond Payment Date during the term of the Paying Agent Agreement, payable on the same Payment Date, provided that the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, the Liquidation Priority of Payments.

In the event that, in the Priority of Payments, the Fund should not have sufficient liquidity to pay said full fee, then the amounts accrued and not paid shall be accumulated without any penalty whatsoever to the fee falling due on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid on the Payment Date on which they are settled, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

The Paying Agent Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each Series as final ratings by 2pm (CET) on March 16, 2009.

3.5 Name, address and significant business activities of the originator of the securitised assets.

The originator and assignor of the securitised Loans is BANCO DE VALENCIA, S.A.

Registered office: Pintor Sorolla numbers 2 and 4, 46002 Valencia (Spain)

Significant economic activities of BANCO DE VALENCIA.

BANCO DE VALENCIA, a financial Group, is mainly in the banking business though it has interests in the field of insurance, unit trust and pension fund management, stock broking, global custody, asset management and broking in major cash, capital and currency markets.

The following is consolidated selected financial information at December 31, 2008, at December 31, 2008 and at December 31, 2007 and how these two dates compare. Both the financial information at December 31, 2008 and the financial information at December 31, 2007 has been audited. The information has been prepared by BANCO DE VALENCIA in accordance with Bank of Spain Circular 6/2008 and matches the information published by BANCO DE VALENCIA.

	31.12.2008 (A)	**31.12.2007** (B)	Year-On-Year Change ∆% ((A)-(B))/(B)
BALANCE SHEET (EUR thousand)			
Total Assets	22,370,126	19,633,198	13.94%
Customer credit (net)	18,539,907	17,569,146	5.53%
Funds Manager	17,109,132	16,399,517	4.33%
Balance Sheet External Funds	16,323,591	15,271,911	6.89%
Other Funds Managed	785,541	1,127,606	-30.34%
Turnover	35,904,613	34,144,751	5.15%
Contingent risks	2,016,314	2,162,844	-6.77%
Contingent commitments	2,895,387	3,025,613	-4.30%
Net Assets	1,324,358	1,345,668	-1.58%
Equity	1,278,293	1,210,884	5.57%
Minority Interests	5,757	25,709	-77.61%
Valuation Adjustments	40,308	109,075	-63.05%
PROFIT & LOSS ACCOUNT (EUR thousand)			
Delinquency Rate	2.99%	0.62%	382.26%
Mortgage delinquency rate	1.61%	0.53%	203.77%
Non-mortgage delinquency rate	5.09%	0.71%	616.90%
Delinquency Coverage Ratio	79.80%	315.59%	-74.71%
Doubtful risks	561,262	108,343	418.04%
Provision for bad debts	447,869	341,920	30.99%
Interest margin	369,298	325,941	13.30%
Gross margin	505,890	477,489	5.95
Pre-tax profit or loss	201,020	197,627	1.72%
Year's net profit or loss	150,326	135,861	10.65%
RATIOS			
ROA	0.96%	1.10%	-12.73%
ROE	12.84%	16.44%	-21.90%
Efficiency ratio	34.90%	34.29%	1.78%
Capital ratio	10.53%	11.24%	-6.32%
TIER I	7.17%	7.22%	-0.69%
TIER II	3.36%	4.02%	-16.42%
Core capital	6.24%	6.25%	-0.16%
BANCO VALENCIA SHARE			
Number of shares	464,120,864	113,755,114	308.00%
Book value	2.85	11.83	-75.91%
Closing price	7.53	40.00	-81.18%
Net earnings per share	0.32	1.31	-75.57%
PER	23.25	30.61	-24.04%
Stock-exchange capitalisation	3,494,830	4,550,205	-23.19%
Number of shareholders	34,630	32,266	7.33%
BRANCHES AND EMPLOYEES			
Branches	452	449	0.67%
Employees	2,227	2,171	2.58%

3.6 Return on and/or repayment of the securities linked to others which are not assets of the issuer.

Not applicable.

3.7 Administrator, calculation agent or equivalent.

3.7.1 Management, administration and representation of the Fund and of the holders of the securities.

The Management Company, EUROPEA DE TITULIZACIÓN, shall be responsible for managing and being the authorised representative of the Fund, on the terms set in Royal Decree 926/1998, Act 19/1992, failing a provision in Royal Decree 926/1998 and to the extent applicable, and other applicable laws, and on the terms of the Deed of Constitution.

The Management Company shall discharge for the Fund the functions attributed to it in Royal Decree 926/1998.

It is also the Management Company's duty, as the manager of third-party portfolios, to represent and enforce the interests of the holders of the Bonds issued by the Fund and of all its other ordinary creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time. Bondholders and all other ordinary creditors of the Fund shall have no recourse against the Fund Management Company, other than for a breach of its duties or failure to observe the provisions of the Deed of Constitution and the Prospectus.

3.7.1.2 Administration and representation of the Fund.

The Management Company's obligations and actions in fulfilment of its duty to manage and be the authorised representative of the Fund are the following, for illustrative purposes only and without prejudice to any other actions provided in this Prospectus:

(i) Keeping the Fund's accounts duly separate from the Management Company's own, rendering accounts and satisfying tax and any other statutory obligations of the Fund.

(ii) Making such decisions as may be appropriate in connection with the liquidation of the Fund, including the decision to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue, in accordance with the provisions of this Prospectus and of the Deed of Constitution of the Fund. Moreover, making all appropriate decisions in the event of the establishment of the Fund terminating.

(iii) Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agency and any other supervisory body.

(iv) Appointing and, as the case may be, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts.

(v) Providing Bondholders, the CNMV and the Rating Agency with all such information and notices as may be prescribed by the laws in force for the time being and specifically as established in the Deed of Constitution and in this Prospectus.

(vi) Complying with the calculation duties provided for and taking the actions laid down in this Prospectus and in the Deed of Constitution and in the various Fund transaction agreements or in such others as the Management Company may enter into in due course for and on behalf of the Fund.

(vii) The Management Company may extend or amend the agreements entered into on behalf of the Fund, or substitute, as the case may be, each of the Fund service providers on the terms provided for in each agreement, and indeed, if necessary, enter into additional agreements, including a credit facility or loan agreement in the event of Early Liquidation of the Fund, and amend the Deed of Constitution, provided that circumstances preventing the foregoing in accordance with the laws and regulations in force from time to time do not occur. In any event, those actions shall require that the Management Company notify and first secure the authorisation, if necessary, of the CNMV or competent administrative body and notify the Rating Agency, and provided that such actions are not detrimental to the rating assigned to the Bonds by the Rating Agency. The Deed of Constitution or the agreements may also be corrected upon a request by the CNMV.

(viii) Exercising the rights attaching to the ownership of the Non-Mortgage Loan receivables and the Pass-Through Certificates acquired by the Fund and, in general, carrying out all such acts of administration and disposition as may be required for properly managing and being the authorised representative of the Fund.

(ix) Checking that the Loan income amount actually received by the Fund matches the amounts that must be received by the Fund, on the terms of assignment of the Loan receivables and on the terms of their respective agreements communicated by the Originator, and that the Loan amounts receivable are provided by the Servicer to the Fund within the time-periods and on the terms provided for under the Servicing Agreement.

(x) Determining on each Interest Rate Fixing Date and for each Interest Accrual Period thereafter, the Nominal Interest Rate to be applied for each Bond Series and calculating and settling the accrued interest amounts payable on each Payment Date.

(xi) Calculating and determining on each Determination Date the principal to be amortised and repaid on each Bond Series on the relevant Payment Date.

(xii) Determining the interest rate applicable to each of the relevant borrowing, lending and hedge transactions and calculating and settling the interest and fee amounts receivable and payable by the Fund under the same, and the fees payable for the various financial services arranged for.

(xiii) Taking the actions for which provision is made in relation to the debt ratings or the financial position of the Fund counterparties in the financial and service provision agreements listed in section 3.2 of this Building Block.

(xiv) Watching that the amounts credited to the Treasury Account return the yield set in the respective Agreements.

(xv) Calculating the Available Funds, the Available Funds for Amortisation, the Liquidation Available Funds and the payment or withholding obligations to be complied with, and applying the same in the Priority of Payments or the Liquidation Priority of Payments, as the case may be.

(xvi) Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the Bonds.

3.7.1.3 Resignation and substitution of the Management Company.

The Management Company shall be substituted in managing and representing the Fund, in accordance with articles 18 and 19 of Royal Decree 926/1998 set forth hereinafter and with subsequent rules statutorily established in that connection.

Resignation.

(i) The Management Company may resign its duties to manage and be the authorised representative of all or part of the funds managed whenever it deems this fit, applying to be substituted in a letter addressed to the CNMV, including a designation of the substitute management company. That letter shall enclose a letter from the new management company, declaring its willingness to take over those duties and applying for the appropriate authorisation.

(ii) The CNMV's substitution authorisation shall be subject to meeting of the following requirements:

(a) The substituted Management Company's delivery of the accounting records and data files to the new management company. That delivery will only be taken to have been made when the new management company is able to fully take over its function and that circumstance is notified to the CNMV.

(b) The rating accorded to the Bonds by the Rating Agency should not fall as a result of the proposed substitution.

(iii) The Management Company may in no event resign its duties until and unless all requirements and formalities have been complied with in order for its substitute to take over its duties.

(iv) The substitution expenses originated shall be borne by the resigning Management Company and may in no event be passed on to the Fund.

(v) The substitution shall be published within fifteen days by means of a notice inserted in two nationwide newspapers and in the bulletin of the organised secondary market where the Bonds issued by the Fund are listed. Furthermore, the Management Company shall notify the Rating Agency and the Lead Managers of that substitution.

Forced substitution.

(i) In the event that the Management Company should be adjudged insolvent or have its licence to operate as a securitisation fund management company revoked by the CNMV, it shall find a substitute management company, in accordance with the provisions of the foregoing section.

(ii) In the event for which provision is made in the preceding section, if four months should have elapsed from the occurrence determining the substitution and no new management company should have been found willing to take over management, the Fund shall be liquidated early, the Bonds issued by the same shall be redeemed and the loans shall be repaid, in accordance with the provisions of this Prospectus and of the Deed of Constitution.

The Management Company agrees to execute such public and private documents as may be necessary for it to be substituted by another management company, in accordance with the system for which provision is made in the preceding paragraphs of this section. The substitute management company shall be substituted in the Management Company's rights and duties under this Prospectus. Furthermore, the Management Company shall hand to the substitute management company such accounting records and data files as it may have to hand in connection with the Fund.

3.7.1.4 Subcontracting.

The Management Company shall be entitled to subcontract or subdelegate to reputable creditworthy third parties the provision of any of the services it has to provide as the manager and authorised representative of the Fund, as established in this Prospectus, provided that the subcontractor or delegated party waives the right to take any action holding the Fund liable. In any event, subcontracting or delegating any service (i) may not result in an additional cost or expense for the Fund, (ii) shall have to be legally possible, (iii) shall not result in the rating accorded to each Bond Series by the Rating Agency being downgraded, and (iv) shall be notified to the CNMV and, where statutorily required, first be authorised by the CNMV. Notwithstanding any subcontracting or subdelegation, the Management Company shall not be exonerated or released, under that subcontract or subdelegation, from any of the liabilities undertaken in this Prospectus which may legally be attributed or ascribed to it.

3.7.1.5 Management Company's remuneration.

In consideration of the functions to be discharged by the Management Company, the Fund will pay it a management fee consisting of:

(i) An initial fee which shall accrue upon the Fund being established and be payable on the Closing Date.

(ii) A periodic fee on the Outstanding Principal Balance of the Bond Issue, which shall accrue daily from the establishment of the Fund until it terminates and shall be settled and paid by Interest Accrual Periods in arrears on each Payment Date subject to the Priority of Payments or, as the case may be, the Liquidation Priority of Payments. The periodic fee amount on each Payment Date may not be lower than the minimum amount determined. The minimum amount shall be cumulatively reset in the same proportion, from the year 2010, inclusive, and be effective from January 1 of each year.

If on a Payment Date, in the Priority of Payments, the Fund should not have sufficient liquidity to settle the above-mentioned fee, the amount due shall accrue interest at the Bond Reference Rate, payable on the following Payment Date for the relevant Interest Accrual Period. The unpaid amount and interest due shall build up for payment on the fee payable on the following Payment Date, unless that absence of liquidity should continue, in which case the amounts due shall build up until fully paid, in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

3.7.2 Servicing and custody of the securitised assets.

BANCO DE VALENCIA, Originator of the Loan receivables to be assigned to the Fund, as established in article 2.2.b) of Royal Decree 926/1998, and for the Pass-Through Certificates as established in article 61.3 of Royal Decree 685/1982, shall continue as attorney for the Management Company to be responsible for servicing and managing the Loans, and relations between BANCO DE VALENCIA and the Fund, represented by the Management Company, shall be governed by the Loan Servicing and Pass-

Through Certificate Custody Agreement (the "**Servicing Agreement**") in relation to custody and servicing of the Loans and custody of the Pass-Through Certificates.

BANCO DE VALENCIA (the "**Servicer**" in that Agreement) shall accept the appointment received from the Management Company and thereby agrees as follows:

(i) To service and manage the Loans acquired by the Fund subject to the system terms and ordinary servicing and management procedures established in the Servicing Agreement.

(ii) To continue servicing the Loans, devoting the same time and efforts to them as it would devote and use to service its own loans and in any event on the terms for which provision is made in the Servicing Agreement.

(iii) That the procedures it applies and will apply to service and manage the Loans are and will continue to be in accordance with the laws and statutory regulations in force applicable thereto.

(iv) To full faithfully observe the instructions issued by the Management Company.

(v) To pay the Fund damages and losses resulting from a breach of the obligations undertaken, although the Servicer shall not be liable for actions put in place on the Management Company's instructions.

In any event, the Servicer waives the privileges and authorities conferred on it by law as the manager of collections for the Fund, as servicer of the Loans, and as custodian of the relevant agreements and of the Pass-Through Certificates, and in particular those for which provision is made in articles 1730 and 1780 of the Civil Code and 276 of the Commercial Code.

3.7.2.1 Ordinary system and procedures for servicing and managing the Loans.

1. Custody of deeds, agreements, documents and files.

The Servicer shall keep all Loan deeds, agreements, documents and data files in safe custody and shall not give up their possession, custody or control other than with the Management Company's prior written consent for it to do so, unless a document should be required to institute proceedings to claim a Loan, or any other competent authority should so require informing the Management Company.

The Servicer shall allow the Management Company or the auditors of the Fund duly authorised thereby reasonable access at all times to such deeds, agreements, documents and files. The Servicer shall, in addition, whenever it is asked to do so by the Management Company, provide within two (2) Business Days of that request and free of charge, a copy or photocopy of any of such deeds, agreements and documents.

2. Collection management.

The Servicer shall continue managing collection of all Loan amounts payable by the Obligors and any other item including under the mortgaged property insurance contracts securing the Mortgage Loans. The Servicer shall use all reasonable efforts for payments to be made by the Obligors to be collected in accordance with the contractual terms and conditions of the Loans.

Loan amounts due to and received by the Servicer shall be paid by the Servicer in full into the Fund's Treasury Account on the first day after the day on which they were received by the Servicer, or the following business day if that is not a business day, and for same day value, in accordance with the set terms and conditions. In this connection, business days shall be taken to be all those that are business days in the banking sector in the city of Valencia.

In the event of the Servicer's long-term credit rating being downgraded below Baa3 by Moody's, the Servicer will make a cash deposit for the benefit of the Fund with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's, or arrange an unconditional irrevocable credit facility upon the Management Company's first demand with an institution with short-term unsecured and unsubordinated debt obligations rated at least as high as P-1 by Moody's.

The deposit amount or the maximum limit of the credit facility arranged shall be equivalent to the estimated aggregate amount of Loan repayment and interest instalments during the month with the highest collection of repayment and interest instalments from the date of downgrade below Baa3 by Moody's, in the event that the Loan delinquency rate should be 0.00% and the CPR should be 10.00%.

The Fund may only draw on that deposit or liquidity facility the Loan amounts it shall not receive, if any, owing to the Fund and received by the Servicer.

The Management Company may issue the same instructions in the event that the Servicer's short-term unsecured and unsubordinated debt obligations should not be rated by Moody's.

The Servicer may at no event pay any amount whatsoever to the Fund not previously received from the Obligors as payment for the Loans.

3. Fixing the interest rate.

In the case of floating-rate Loans, the Servicer shall continue fixing the interest rates applicable in each interest period as established in the respective Loan agreements, submitting such communications and notices as may be established therein.

4. Information.

The Servicer shall regularly communicate to the Management Company the information concerning the individual characteristics of each Loan, fulfilment by the Obligors of their obligations under the Loans, delinquency status, changes in the characteristics of the Loans, and actions for payment in the event of late payment, legal actions and auction of real estate or assets, the foregoing subject to the procedures and with the frequency established in the Servicing Agreement.

Furthermore, the Servicer shall prepare and hand to the Management Company such additional information concerning the Loans or the rights attaching thereto as the Management Company may request, and in particular the documents required for the Management Company, as the case may be, to bring legal actions.

5. Loan subrogation.

The Servicer shall be authorised to permit substitutions in the Obligor's position under the Loan agreements, exclusively where the new Obligor's characteristics are not less creditworthy than those of the former Obligor and those characteristics observe the lending policies described in section 2.2.7 of this Building Block, and further provided that the expenses derived from that change are fully borne by the Obligors. The Management Company may fully or partially limit this authority of the Servicer or set conditions therefor, in the event that those substitutions might adversely affect the ratings accorded to the Bonds by the Rating Agency.

In relation to the Mortgage Loans, a mortgagor may apply to the Servicer for subrogation under the Mortgage Loans pursuant to Act 2/1994. Subrogation of a new creditor under the Mortgage Loan and the ensuing payment of the amount due shall, as the case may be, result in prepayment of the Mortgage Loan and early amortisation of the respective Pass-Through Certificate.

6. Authorities and actions in relation to Loan renegotiation procedures.

The Servicer may not voluntarily cancel the Loans or their security arrangements for any reason other than payment of the Loan, relinquish or settle in regard thereto, forgive the Loans in full or in part or extend the same, or in general do anything that may diminish the legal effectiveness or economic value of the Loans or of the security arrangements, without prejudice to its heeding requests by Obligors using the same efforts and procedure as if they were own loans.

Notwithstanding the above, the Management Company, as manager of third-party portfolios and having regard to Obligors' requests to the Servicer directly or under Act 2/1994, may instruct or first authorise the Servicer to agree with the Obligor, subject to the terms and conditions for which provision is made in this section, for a novation changing the relevant Loan, either by an interest rate renegotiation or by an extension of the maturity period, provided in the case of Mortgage Loans that those novations are not detrimental to the mortgage ranking as a first mortgage.

Without prejudice to the provisions hereinafter, any novation changing a Loan subscribed by the Servicer shall be made exclusively with the prior consent of the Management Company, on behalf of the Fund, and the Servicer agrees to seek such consent from the Management Company as soon as it is aware that an Obligor has requested a change. The Management Company may nevertheless initially authorise the Servicer to entertain and accept Loan interest rate and term renegotiations, without requiring the Management Company's prior consent, subject to the following general enabling requirements:

a) Renegotiating the fixed rate or the margin applicable for determining the floating rate.

Loan interest rate may be renegotiated subject to the following rules and limitations:

1. The Servicer may under no circumstances entertain of its own accord, without being requested to do so by the Obligor, renegotiations of the fixed rate or the margin applicable for determining the floating rate ("**Interest Rate Renegotiation**") which may result in the interest rate applicable to a Loan decreasing. In any event, any Loan Interest Rate Renegotiation shall be taken on and settled bearing in mind the Fund's interests and the Servicer shall, without encouraging Interest Rate Renegotiation, act in relation to such Interest Rate Renegotiation bearing in mind the Fund's interests at all times.

2. The Servicer shall observe in each Interest Rate Renegotiation that the new terms are at arm's length and no different from those applied by the Servicer proper in renegotiating or granting its fixed- or floating-rate loans, depending on whether the renegotiated Loan is a fixed- or a floating-rate loan. In this connection, arm's length interest rate (fixed or floating depending on whether a fixed- or floating-rate Loan is being renegotiated) shall be deemed to be the interest rate offered by the Servicer on the Spanish market for loans granted to finance SMEs, the amounts and terms being substantially similar to the renegotiated Loan.

3. The fixed interest rate of a Loan shall under no circumstances be renegotiated down in the event that the average interest rate of all fixed-rate Loans weighted by the outstanding principal of each fixed-rate Loan is below 4.50%.

4. Interest Rate Renegotiation of a floating-rate Loan shall in no event be made to a fixed rate and the applicable margin may not be reduced if previously or as a result of the renegotiation the average margin or spread weighted by the outstanding principal of the Loans over their benchmark index is below 75 basis points.

The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel or suspend or amend the Servicer's Interest Rate Renegotiation power.

b) Extending the period of maturity.

The final maturity or final amortisation date of the Loans may be deferred ("**extending the term**") subject to the following rules and limitations:

(i) The Servicer may in no case entertain on its own account, i.e. without it being so requested by the Obligor, a change in the final maturity date of the Loan which may result in an extension thereof. The Servicer, without encouraging an extension of the term, shall act in relation to such extension bearing in mind the Fund's interests at all times.

(ii) The aggregate of the capital or principal assigned to the Fund of the Loans with respect to which the maturity date is extended may not exceed 10% of the face amount of the Bond Issue.

(iii) The term of a specific Loan may be extended provided that the following requirements are met:

a) That the same Loan capital or principal repayment instalment frequency is at all events maintained or increased and the same repayment system is maintained.

b) That the new final maturity or final repayment date does not extend beyond December 5, 2042.

The Management Company may, on the Fund's behalf, at any time during the term of the Servicing Agreement, cancel or suspend or amend the Servicer's power to extend the term.

If there should be any renegotiation of the interest rate of a Loan or its due dates, the Servicer shall forthwith notify the Management Company of the terms resulting from each renegotiation. Such notice shall be made through the software or data file provided for the terms of the Loans to be updated.

In the event of a renegotiation of the interest rate of the Loans or their due dates, consented to by the Management Company, for and on behalf of the Fund, the change in the terms shall affect the Fund.

The contractual documents supporting the novation of the renegotiated Loans will be kept by the Servicer, in accordance with the provisions of paragraph 2 of this section.

7. Action against Obligors in the event of Loan default.

Actions in the event of late payment.

The Servicer shall use the same efforts and procedure for claiming overdue Loan amounts it applies for the rest of its portfolio loans.

In the event of default of payment obligations by the Obligor, the Servicer shall do the things described in the Servicing Agreement, taking for that purpose the steps it would ordinarily take if they were its own portfolio loans and in accordance with standard banking usage and practice for collecting overdue amounts, and shall be bound to advance such expenses as may be necessary for those actions to be taken, without prejudice to its right to be reimbursed by the Fund. Needless to say, these actions include all such legal and other actions as the Servicer may deem necessary to claim and collect the amounts due by the Obligors or their guarantors.

Legal actions.

The Servicer shall, using its fiduciary title to the Loans or using the power referred to in the following paragraph, take all relevant actions against Obligors failing to meet their Loan payment obligations and against guarantors, if any. Such an action shall be brought using the appropriate court enforcement procedures prescribed in articles 517 et seq. of the Civil Procedure Act.

In the above connection and for the purposes prescribed in articles 581.2 and 686.2 of the Civil Procedure Act, and in the event that this should be necessary, the Management Company shall confer in the Deed of Constitution as full and extensive a power of attorney as may be required at Law on BANCO DE VALENCIA in order that the latter may, acting through any of its attorneys properly empowered for those purposes, on the Management Company's instructions, for and on behalf of the Fund, or in its own name but for the Management Company as the Fund's authorised representative, demand in or out of court that any Loan Obligor and guarantors, if any, pay the debt and take legal action against the same, in addition to other authorities required to discharge its duties as Servicer. These authorities may be extended and amended in another deed if necessary or appropriate.

The Servicer shall generally commence the relevant legal proceedings, if, for a period of six (6) months, a Loan Obligor having failed to honour his payment obligations should not resume payments to the Servicer and the latter, with the Management Company's consent, should not obtain a payment commitment satisfactory to the Fund's interests. The Servicer shall in any event forthwith proceed to file an executive action if the Management Company, acting for the Fund, and after analysing the specific circumstances of the case, should deem this necessary.

If six (6) months should elapse from the oldest default without the Obligor having resumed payments or the Servicer, with the Management Company's consent, securing a payment commitment satisfactory to the Fund's interests, and the Servicer should fail to file the recovery action without there being proper reasons therefor, the Management Company may, on behalf of the Fund, proceed directly to commence the appropriate legal proceedings to fully claim the debt.

In the event that the proceedings commenced by the Servicer should be stopped without there being proper reasons therefor, the Management Company may, as the case may be, on behalf of the Fund, take over from the latter and continue with the legal proceedings.

In addition to the Servicer's legal actions against Obligors as provided for above in this section, the Management Company, for the Fund, may also take action against Obligors who are in breach of their Loan payment obligations and against guarantors, if any. That action shall be brought observing the formalities for the relevant legal procedure in accordance with the provisions of the Civil Procedure Act, satisfying, as the case may be, the requirements as to right of action allowing that to be done.

If this should be legally required, and for the purposes prescribed in the Civil Procedure Act, BANCO DE VALENCIA shall confer in the Deed of Constitution as full and extensive an irrevocable power of attorney as may be required at Law in order for the Management Company, acting for and on behalf of BANCO DE VALENCIA, to demand through a notary public any Loan Obligor and third-party guarantors, if any, to pay the debt.

1. As for the Mortgage Loans, in the event of default by any Obligor, the Management Company, acting for and on behalf of the Fund, shall have the following remedies provided for mortgage participation certificates in article 66 of Royal Decree 685/1982, which also apply to the pass-through certificates:

   (i) To demand the Servicer to apply for foreclosure.

   (ii) To take part on an equal standing with the Servicer, as issuer of the Pass-Through Certificates, in the foreclosure the latter shall have instituted against the Obligor, intervening to that end in any foreclosure proceedings commenced by the former.

   (iii) If the Servicer should fail to take that action within sixty (60) calendar days of a notice served through a Notary demanding payment of the debt, the Management Company shall, for and on behalf of the Fund, be secondarily entitled to apply for Mortgage Loan foreclosure claiming both principal and interest.

   (iv) In the event that the proceedings instituted by the Servicer should come to a standstill, the Fund, duly represented by the Management Company, may be subrogated in the position of the former and continue the foreclosure proceedings, without the above period having to elapse.

   In the events provided in paragraphs (iii) and (iv), the Management Company, for and on behalf of the Fund, may apply to the Judge or Notary with jurisdiction to commence or continue with the respective foreclosure proceedings, attaching to the application the original Pass-Through Certificate, the notice served though a Notary Public provided for in (iii) above and an office certificate as to mortgage registration and subsistence. The Servicer shall be bound to issue a certification of the balance outstanding on the Mortgage Loan.

   The Management Company, for and on behalf of the Fund as holder of the Pass-Through Certificates, may also take part on an equal standing with BANCO DE VALENCIA in the foreclosure proceedings and may in this sense, on the terms for which provision is made in the Civil Procedure Act, request the award of the mortgaged property as Mortgage Loan payment. The Management Company shall proceed, directly or through the Servicer, to sell the property awarded within the shortest possible space of time and at arm's length.

2. In the event of default by the Obligor (or third-party guarantors, if any) of Non-Mortgage Loan payment obligations, the Management Company, acting for the Fund shall have an executive action against those Obligors (and third-party guarantors, if any), taking the steps provided for such proceedings in the Civil Procedure Act (articles 517.4 and 517.5).

In the event of default by the Obligor (or third-party guarantors, if any) of payment obligations of Loans secured with pledges, the Management Company, acting for the Fund, shall avail of an action to enforce those pledges, after entering, as the case may be, the assignment of the respective Loan in the relevant register. In particular, in the case of Loans secured with a money pledge, and subject to delivery, as the case may be, of the bank-book, passbook, receipt or public deed supporting the pledged credit right or entry o recording therein or in the relevant originals, protocols or records concerning transfer of the pledge, the enforcement means provided for in the agreement proper, in the Civil Procedure Act and in the Civil Code (article 1872).

The description of the above actions and procedures shall not imply a waiver by the Servicer or the Management Company of any other court or out-of-court actions or procedures whatsoever available against the Obligors or any guarantors or other third parties, if any, to recover the amounts due or keep in place or enforce the Loan security arrangements.

The Servicer agrees to promptly advise of payment demands, legal actions and all and any other circumstances affecting collection of overdue Loans amounts. Furthermore, the Servicer will provide the Management Company with all such documents as the latter may request in relation to said Loans and in particular the documents required for the Management Company to take legal actions, as the case may be.

8. Mortgage Loan mortgaged property damage insurance.

The Servicer shall not take or fail to take any action resulting in cancellation of any fire and damage insurance policy covering the Mortgage Loan mortgaged properties or reducing the amount payable in any claim thereunder. The Servicer shall use all reasonable efforts and in any event use the rights conferred under the insurance policies or the Mortgage Loans in order to keep those policies in full force and effect in relation to each Mortgage Loan and the respective mortgaged property.

Whenever the Servicer receives notice of non-payment of policy premiums by any Obligor the Servicer may demand the Obligor to pay the same and indeed take out fire and damage insurance on the Obligor's behalf where it is able to do so under the Mortgage Loan deed, advancing payment of the premiums, without prejudice to being reimbursed by the Obligor for amounts so paid.

In the event of a claim, each Servicer shall coordinate actions for collecting compensations derived from the property damage insurance policies on the terms and conditions of the Mortgage Loans and the actual policies, paying the amounts received to the Fund.

9. Set-off.

In the exceptional event that any of Loan Obligor should have a liquid credit right, due and payable vis-à-vis the Servicer, and because the assignment is made without the Obligor being aware, any Loan should be fully or partially set-off against that credit, the Servicer shall remedy that circumstance or, if it cannot be remedied, shall proceed to pay to the Fund the amount set off plus accrued interest which would have been payable to the Fund until the date on which payment is made, calculated on the terms applicable to the relevant Loan.

10. Subcontracting.

The Servicer may subcontract any of the services it may have agreed to provide under the Servicing Agreement other than those that may not be so delegated in accordance with the laws in force for the time being. That subcontracting may in no event result in an additional cost or expense for the Fund or the Management Company, and may not result in the rating assigned to each Bond Series by the Rating Agency being downgraded. Notwithstanding any subcontracting or subdelegation, the Servicer shall not be excused or released under that subcontract or subdelegation from any of the liabilities undertaken in the Servicing Agreement which may legally be attributed or ascribed to it.

11. Auction of real property and other assets.

The Servicer agrees to notify the Management Company of the places, dates, terms and valuation of the real estate mortgaged as security for the Mortgage Loans and of the assets attached as security for the Loans, auctions scheduled, and proposed action and bid, in suitable advance in order that the

Management Company may put in place such actions as it shall see fit and submit instructions on the subject to the Servicer in suitable time.

The Servicer agrees to attend auctions of real property and other assets, but shall thereat abide at all times by the instructions it shall have received from the Management Company, and shall therefore only tender a bid or apply for the award of the real property or asset to the Fund, fulfilling the instructions received from the Management Company.

In the event of real estate or other assets being awarded to the Fund, the Management Company shall proceed, directly or through the Servicer, to sell the same within the shortest possible space of time and at arm's length and the Servicer shall actively assist in expediting their disposal. Regular and maintenance expenses required for the properties and assets awarded to the Fund shall be defrayed by the Fund until those properties and assets are alienated.

3.7.2.2 Term and substitution.

The services shall be provided by the Servicer until all the obligations undertaken by the Servicer as Originator of the Loans assigned to the Fund terminate, once all the Loans have been repaid, or when the liquidation of the Fund concludes after it terminates, without prejudice to a possible early revocation of its appointment under the Servicing Agreement.

In the event of insolvency of the Servicer or of administration by the Bank of Spain or in the event of a breach by the Servicer of the obligations imposed on the Servicer under the Servicing Agreement or in the event of the Servicer's credit rating falling or being lost or its financial circumstances changing to an extent that may be detrimental to or place the financial structure of the Fund or Bondholders' rights and interests at risk, the Management Company shall, in addition to demanding the Servicer to fulfil the obligations laid down in the Servicing Agreement, proceed, where this is legally possible, inter alia and after notifying the Rating Agency, to do any of the following in order for there to be no detriment to the rating assigned to the Bonds by the Rating Agency: (i) demand the Servicer to subcontract or subdelegate to another institution the performance of the obligations and undertakings made in the Servicing Agreement; (ii) have another institution with sufficient credit rating and quality secure all or part of the Servicer's obligations; (iii) post collateral in the form of cash or securities in favour of the Fund in an amount sufficient to secure all or part of the Servicer's obligations, and (iv) terminate the Servicing Agreement, in which case the Management Company shall previously designate a new Servicer with sufficient credit quality and accepting the obligations contained in the Servicing Agreement or, as the case may be, in a new servicing agreement. In the event of insolvency of the Servicer, only (iv) above shall be valid. Any additional expense or cost derived from the aforesaid actions shall be covered by the Servicer and at no event by the Fund or the Management Company.

Notwithstanding the above provisions, in the event of the rating of a Servicer's long-term unsecured and unsubordinated debt obligations being downgraded below Baa3 by Moody's, the relevant Servicer agrees within not more than 60 calendar days of the aforesaid downgrade to enter into a replacement undertaking with another institution in order for the latter to discharge the responsibilities for which provision is made in the Servicing Agreement with respect to the Mortgage Loans serviced by the relevant Servicer, merely upon request by the Management Company if required to do so and provided that such action is not detrimental to the Rating Agencies' rating assigned to the Bonds.

Furthermore, in the event of insolvency, administration by the Bank of Spain, liquidation or substitution of the Servicer or because the Management Company deems this reasonably justified, the Management Company may demand the Servicer to notify Obligors (and third-party guarantors or the Mortgage Loan mortgaged property insurers, if any) of the transfer to the Fund of the outstanding Loan receivables, and that the payments thereunder will only be effective as a discharge if made into the Treasury Account opened in the name of the Fund. However, both in the event of the Servicer failing to notify Obligors and third-party guarantors and Mortgage Loan mortgaged property insurers, if any, within five (5) Business Days of receiving the request and in the event of insolvency or liquidation of the Servicer, the Management Company itself shall notify Obligors and third-party guarantors and Mortgage Loan mortgaged property insurers, if any, directly or, as the case may be, through a new Servicer it shall have designated.

Similarly, and in the same events, the Management Company may request the Servicer to do such things and satisfy such formalities as may be necessary, including third-party notices and entries in the relevant accounting records, in order to guarantee maximum efficiency of the assignment of Loan receivables and ancillary guarantees with respect to third parties, all on the terms given in section 3.7.2.1.7 of this Building Block.

Upon early termination of the Servicing Agreement, the outgoing Servicer shall provide the new Servicer, on demand by the Management Company and as determined thereby, with the necessary documents and data files it may have in order for the new Servicer to carry on the relevant activities.

The Servicing Agreement shall be fully terminated in the event that the Rating Agency should not confirm the provisional ratings assigned to each Series as final ratings by 2pm (CET) on March 16, 2009.

3.7.2.3 Liability of the Servicer and indemnity.

The Servicer shall at no time have any liability whatsoever in relation to the Management Company's obligations as manager of the Fund and manager of Bondholders' interests, nor in relation to the Obligors' Loan obligations, without prejudice to the liabilities undertaken thereby in the Deed of Constitution as Originator of the Loan receivables acquired by the Fund.

The Servicer agrees to indemnify the Fund or its Management Company for any damage, loss or expense resulting for the same on account of any breach by the Servicer of its obligations to service, manage and report on the Loans and custody the Pass-Through Certificates, established under the Servicing Agreement, or in the event of breach of the provisions of paragraph 3 of section 2.2.9 of this Building Block.

The Management Company shall, for and on behalf of the Fund, have recourse against the Servicer in the event of a the breach of the obligation to pay to the Fund any and all principal repayment and interest and other Loan amounts owing to the Fund paid by the Obligors does not result from the Obligors' default and is attributable to the Servicer.

Upon the Loans terminating, the Fund shall, through its Management Company, retain a right of action against the Servicer until fulfilment of its obligations.

Neither Bondholders nor any other creditor of the Fund shall have any direct right of action whatsoever against the Servicer; that action shall lie with the Management Company, as the representative of the Fund, who shall have that action on the terms described in this section.

3.7.2.4 Servicer's remuneration.

In consideration of the custody, servicing and management of the Loans and custody of the documents supporting the Pass-Through Certificates, the Servicer shall be entitled to receive in arrears on each Payment Date during the term of the Servicing Agreement, a servicing fee equal to 0.01% per annum, inclusive of VAT if there is no exemption, which shall accrue on the exact number of days elapsed in each Determination Period preceding the Payment Date and on the mean daily Outstanding Balance of the Loans serviced during that Determination Period. If BANCO DE VALENCIA should be replaced in that servicing task, the Management Company will be entitled to change the above percentage fee for the new Servicer, which may be in excess of that agreed with BANCO DE VALENCIA. The servicing fee will be paid on the relevant Payment Date provided that the Fund has sufficient liquidity in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

If the Fund should fail, through its Management Company, due to a liquidity shortfall in the Fund Priority of Payments, to pay on a Payment Date the full fee due to the Servicer, overdue amounts shall accumulate without any penalty whatsoever on the fee payable on the following Payment Dates, until fully paid.

Furthermore, on each Payment Date, the Servicer shall be entitled to reimbursement of all Loan servicing and management expenses of an exceptional nature incurred, such as in connection with legal and/or recovery actions, including procedural expenses and costs, or managing and overseeing the sale of assets or properties, if any, awarded to the Fund, after first justifying the same. Those expenses will be paid whenever the Fund has sufficient liquidity and in the Priority of Payments or, as the case may be, in the Liquidation Priority of Payments.

3.8 Name, address and brief description of any swap, credit, liquidity or account counterparties.

BANCO DE VALENCIA is the Fund's counterparty under the transactions listed below. The details relating to BANCO DE VALENCIA and its activities are respectively given in section 5.2 of the Securities Note and in section 3.5 of this Building Block.

(i) Subordinated Loan:

Subordinated Loan Agreement

Description in section 3.4.3.1 of this Building Block.

(ii) Start-Up Loan:

Start-Up Loan Agreement

Description in section 3.4.3.2 of this Building Block.

(iii) Financial Intermediation:

Financial Intermediation Agreement

Description in section 3.4.6.4 of this Building Block.

BANCAJA is the Fund's counterparty under the transactions listed below. The details relating to BANCAJA and its activities are respectively given in section 5.2 of the Registration Document.

(i) Treasury Account:

Guaranteed Interest Rate Account (Treasury Account) Agreement

Description in section 3.4.4.1 of this Building Block.

4. POST-ISSUANCE REPORTING

4.1 Obligations and deadlines set to publicise and submit to the CNMV the periodic information on the economic and financial status of the Fund.

As part of its Fund management and administration duty, the Management Company agrees to submit as promptly as possible or by the deadlines given, the information described hereinafter and such additional information as may be reasonably required of it.

4.1.1 Ordinary information.

The Management Company agrees to give the notices detailed below, observing the recurrence provided in each case.

a) Notices to Bondholders referred to each Payment Date.

1. Within the period comprised between the Interest Rate Fixing Date and not more than two (2) Business Days after each Payment Date, it shall proceed to notify Bondholders of the Nominal Interest Rate resulting for each Bond Series for the Interest Accrual Period after that Payment Date.

2. Quarterly, at least one (1) calendar day in advance of each Payment Date, it shall proceed to notify Bondholders of the following information:

   i) Interest resulting from the Bonds in each Series, along with the amortisation of the Bonds.

   ii) Furthermore, and if appropriate, interest and amortisation amounts accrued thereby and not settled due to a shortfall of Available Funds, in accordance with the rules of the Fund Priority of Payments.

iii) The Outstanding Principal Balances of the Bonds in each Series, after the amortisation to be settled on each Payment Date, and the ratio of such Outstanding Principal Balances to the initial face amount of each Bond.

iv) Obligors' Loan principal prepayment rate during the calendar quarter preceding the Payment Date.

v) The average residual life of the Bonds in each Series estimated assuming that Loan principal prepayment rates shall be maintained and making all other assumptions as provided in section 4.10 of the Securities Note.

The foregoing notices shall be made in accordance with the provisions of section 4.1.3 below and will also be notified to the CNMV, the Paying Agent, AIAF and Iberclear, not less than one (1) Business Day before each Payment Date.

b) Information referred to each Payment Date:

In relation to the Loans on the Determination Date preceding the Payment Date:

1. Outstanding Balance.
2. Interest and principal amount of instalments in arrears.
3. Interest rate and, if the interest floats, benchmark indices of the Loans.
4. Loan maturity dates.
5. Outstanding Balance of Doubtful Loans and cumulative amount of Doubtful Loans from the date of establishment of the Fund.

In relation to the Fund's economic and financial position:

1. Report on the source and subsequent application of the Available Funds and the Available Funds for Amortisation in accordance with the Priority of Payments of the Fund.

c) Annually, in relation to the Fund's Annual Accounts:

Annual Accounts (balance sheet, profit & loss account and management report) and audit report within the period provided for by law to do so or, otherwise, within four (4) months of the close of each fiscal year, which shall also be filed with the CNMV.

4.1.2 Extraordinary notices.

The following shall be the subject of an extraordinary notice:

1. The Nominal Interest Rate of each Series and the Nominal Interest Rate determined for each Bond Series for the first Interest Accrual Period.

2. Other:

   Any material event occurring in relation to the Loans, the Bonds, the Fund and the Management Company proper, which may materially influence trading of the Bonds and, in general, any relevant change in the Fund's assets or liabilities, change in the Deed of Constitution, or in the event of termination of the establishment of the Fund or a decision in due course to proceed to Early Liquidation of the Fund and Early Amortisation of the Bond Issue in any of the events provided in this Prospectus. In the latter event, the Management Company shall send to the CNMV the notarial certificate of termination of the Fund and the liquidation procedure followed will be as referred to in section 4.4.4 of the Registration Document.

4.1.3 Procedure to notify Bondholders.

Notices to Bondholders to be made by the Management Company in accordance with the above, in regard to the Fund, shall be given as follows:

1. Ordinary notices.

   Ordinary notices shall be given by publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by publication in an extensively circulated business and financial or general newspaper in Spain. The Management Company or the Paying Agent may additionally disseminate that information or other information of interest to Bondholders through dissemination channels and systems typical of financial markets, such as Reuters, Bloomberg or any other similarly characterised means.

2. Extraordinary notices.

   Unless otherwise provided in the Deed of Constitution and in the Prospectus, extraordinary notices shall be given by publication in the daily bulletin of AIAF Mercado de Renta Fija or any other replacement or similarly characterised bulletin, or by publication in an extensively circulated business and financial or general newspaper in Spain, and those notices shall be deemed to be given on the date of that publication, any Business Day or other calendar day (as established in this Prospectus) being valid for such notices.

   Exceptionally, the Nominal Interest Rate determined for the Bonds in each Series for the first Interest Accrual Period shall be notified in writing by the Management Company by 2pm (CET) on March 16, 2009 to the Subscriber and the Lead Managers. The Management Company will also notify this to the CNMV, the Paying Agent, AIAF and Iberclear.

3. Notices and other information.

   The Management Company may provide Bondholders with notices and other information of interest to them through its own Internet pages or other similarly characterised teletransmission means.

4.1.4 Information to the CNMV.

The Management Company shall proceed to advise the CNMV of the periodic and extraordinary notices and information given in accordance with the provisions of the preceding sections, and of such other information as the CNMV may require of it or by the laws in force from time to time, irrespective of the above.

4.1.5 Information to the Rating Agency.

The Management Company shall provide the Rating Agency with periodic information as to the position of the Fund and the performance of the Loans in order that it may monitor the rating of the Bonds and extraordinary notices. The Management Company shall also provide that information when it is reasonably required to do so and, in any event, whenever there is a significant change in the conditions of the Fund, in the agreements entered into by the Fund through its Management Company or in the interested parties.

Mario Masiá Vicente, as General Manager for and on behalf of EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN signs this Prospectus at Madrid, on March 10, 2009.

GLOSSARY OF DEFINITIONS

"Act 19/1992" shall mean Investment Trusts and Companies System and Mortgage Securitisation Funds Act 19/1992, July 7.

"Act 2/1981" shall mean Mortgage Market Regulation Act 2/1981, March 25, as currently worded.

"Act 2/1994" shall mean Mortgage Loan Subrogation and Amendment Act 2/1994, March 30, as currently worded.

"Act 3/1994" shall mean Act 3/1994, April 14, adapting Spanish laws in the matter of credit institutions to the Second Banking Coordination Directive and introducing other changes in relation to the financial system, as currently worded.

"AIAF" shall mean AIAF Mercado de Renta Fija.

"Amortisation Withholding" shall mean, on each Payment Date, the positive difference, if any, at the Determination Date preceding the relevant Payment Date, between (i) the Outstanding Principal Balance of the Bond Issue, and (ii) the Outstanding Balance of Non-Doubtful Loans.

"Available Funds for Amortisation" shall mean the amount to be allocated to Bond amortisation on each Payment Date which shall be the Amortisation Withholding amount applied in sixth (6^{th}) place of the Available Funds on the relevant Payment Date.

"Available Funds" shall mean, in relation to the Priority of Payments and on each Payment Date, the amounts to be allocated to meeting the Fund's payment or withholding obligations, which shall have been credited to the Treasury Account, as established in section 3.4.6.2.1 of the Building Block.

"BANCAJA" shall mean CAJA DE AHORROS DE VALENCIA, CASTELLÓN Y ALICANTE, BANCAJA

"BANCO DE VALENCIA" shall mean BANCO DE VALENCIA, S.A.

"Bond Issue Management and Subscription Agreement" shall mean the Bond Issue management and subscription agreement entered into between the Management Company, for and on behalf of the Fund, and BANCAJA and J.P. MORGAN as Lead Managers of the Bond Issue and BANCO DE VALENCIA as Subscriber of the Bond Issue.

"Bond Issue" shall mean the issue of asset-backed bonds issued by the Fund having a face value of EUR five hundred million (500,000,000.00), consisting of five thousand (5,000) Bonds comprised of three Series (Series A, Series B and Series C).

"Bond Paying Agent Agreement" shall mean the Bond paying agent agreement entered into by the Management Company, for and on behalf of the Fund, and BANCAJA, as Paying Agent.

"Bonds" shall mean Series A Bonds, Series B Bonds and Series C Bonds issued by the Fund.

"Business Day" shall mean any day other than a public holiday in the city of Madrid or non-business day in the TARGET 2 calendar.

"CET" shall mean "Central European Time".

"Closing Date" shall mean March 17, 2009, the date on which the cash amount for subscribing for the Bonds shall be paid up.

"CNMV" shall mean National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

"Conditions for Pro Rata Amortisation" shall mean the conditions set down in section 4.9.3.5 of the Securities Note for amortisation of Series B and/or C Bonds.

"CPR" shall mean the effective constant annual early amortisation or prepayment rate at which average lives and durations of the Bonds are estimated in this Prospectus.

"Deed of Constitution" shall mean the public deed recording the establishment of the Fund, assignment by BANCO DE VALENCIA to the Fund of Non-Mortgage Loan and Mortgage Loan receivables, the latter by issuing Pass-Through Certificates, and issue by the Fund of the Asset-Backed Bonds.

"Delinquent Loans" shall mean Loans that are delinquent at a date with arrears in excess of three (3) months in payment of overdue amounts, excluding Doubtful Loans.

"Deloitte" shall mean Deloitte S.L.

"Determination Dates" shall mean the dates falling on the fourth (4^{th}) Business Day preceding each Payment Date.

"Determination Period" shall mean the exact number of days elapsed between every two consecutive Determination Dates, each Determination Period excluding the beginning Determination Date and including the ending Determination Date. Exceptionally, (i) the duration of the first Determination Period shall be equal to the days elapsed between the date of establishment of the Fund, inclusive, and the first Determination Date, June 19, 2009, inclusive, and (ii) the duration of the last Determination Period shall be equal to the days elapsed a) until the Final Maturity Date or the date on which Early Liquidation of the Fund concludes, as provided for in section 4.4.4.3 of the Registration Document, on which the assets remaining in the Fund have all been liquidated and the Liquidation Available Funds have all been distributed in the Liquidation Priority of Payments of the Fund, b) from the Determination Date preceding the Payment Date preceding the date referred to in a), not including the first date but including the last date.

"Distribution of Available Funds for Amortisation" shall mean the rules for applying the Available Funds for Amortisation between each Series on each Payment Date established in section 4.9.3.5 of the Securities Note.

"Doubtful Loans" shall mean Loans that are delinquent at a date with a period of arrears equal to or greater than eighteen (18) months in payment of overdue amounts or classified as bad debts by the Management Company because there are reasonable doubts as to their full repayment based on indications or information obtained from the Servicer.

"Early Amortisation" shall mean Bond amortisation on a date preceding the Final Maturity Date in the Early Liquidation Events of the Fund in accordance with and subject to the requirements established in section 4.4.3 of the Registration Document.

"Early Liquidation Events" shall mean the events contained in section 4.4.3 of the Registration Document in which the Management Company, following notice duly served on the CNMV, is entitled to proceed to early liquidation of the Fund.

"Early Liquidation of the Fund" shall mean liquidation of the Fund and thereby early amortisation of the Bond Issue on a date preceding the Final Maturity Date, in the events and subject to the procedure established in section 4.4.3 of the Registration Document.

"Euribor" shall mean the Euro Interbank Offered Rate which is the term interbank deposit offered rate in euros calculated as the daily average of the quotations supplied for fifteen maturity terms by a panel consisting of 43 Banks, from among the most active banks in the Euro zone. The rate is quoted based on a count of the actual days to maturity and a 360-day year, and is fixed at 11am (CET), accurate to three decimal places.

"Final Maturity Date" shall mean the final Bond amortisation date, i.e. March 25, 2047 or the following Business Day if that is not a Business Day.

"Financial Intermediation Agreement" shall mean the agreement designed to remunerate BANCO DE VALENCIA for the financial intermediation process carried out, enabling the financial transformation defining the Fund's activity, the assignment to the Fund of the Loan receivables and the rating assigned to each Bond Series, entered into between the Management Company, for and on behalf of the Fund, and BANCO DE VALENCIA.

"Fund" shall mean PYME VALENCIA 2 FONDO DE TITULIZACIÓN DE ACTIVOS.

"Guaranteed Interest Rate Account (Treasury Account) Agreement" shall mean the guaranteed interest rate account (Treasury Account) agreement entered into by the Management Company, for and on behalf of the Fund, and BANCAJA.

"Iberclear" shall mean Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A.

"Initial Interest Cash Reserve" shall mean the Interest Cash Reserve set up on the Closing Date by drawing down the Subordinated Loan totalling EUR ten million (10,000,000.00).

"Initial Principal Cash Reserve" shall mean the Principal Cash Reserve set up on the Closing Date by drawing down the Subordinated Loan totalling EUR eighty-seven million (87,000,000.00).

"Interest Accrual Period" shall mean the days elapsed between every two consecutive Payment Dates, including the beginning Payment Date, but not including the ending Payment Date. The first Interest Accrual Period shall begin on the Closing Date, inclusive, and end on the first Payment Date, exclusive.

"Interest Cash Reserve" shall mean the Initial Interest Cash Reserve set up on the Closing Date and subsequently provisioned up to the Required Interest Cash Reserve amount.

"Interest Rate Fixing Date" shall mean the second Business Day preceding each Payment Date.

"IRR" shall mean internal rate of return as defined in section 4.10.1 of the Securities Note.

"Lead Managers" shall mean BANCAJA and J.P. MORGAN.

"Liquidation Available Funds" shall mean, in relation to the Liquidation Priority of Payments, on the Final Maturity Date or upon Early Liquidation, the amounts to be allocated to meeting the Fund's payment or withholding obligations, as follows: (i) the Available Funds, (ii) the amounts obtained by the Fund from time to time upon disposing of the Loan receivables and the remaining assets, and (iii) the amount drawn under the credit facility or the loan to be arranged and used exclusively for final amortisation of the Bonds then outstanding, as provided for in section 4.4.3.3.(iii) of the Registration Document.

"Liquidation Priority of Payments" shall mean the priority of the Fund's payment or withholding obligations for applying the Liquidation Available Funds on the Final Maturity Date or upon Early Liquidation of the Fund.

"Loan Servicing and Pass-Through Certificate Custody Agreement" shall mean the Loan custody and servicing and Pass-Through Certificate supporting document custody agreement entered into between the Management Company, acting for and on behalf of the Fund, and BANCO DE VALENCIA, as Servicer.

"Loans" shall mean the bilateral loans owned by BANCO DE VALENCIA granted to non-financial small and medium-sized enterprises (SMEs, as defined internally by BANCO DE VALENCIA -annual turnover not in excess of EUR one hundred million (100,000,000.00)-) domiciled in Spain, assigned by BANCO DE VALENCIA to the Fund upon being established.

In this Prospectus the term "Loans" shall be used to refer collectively to the Non-Mortgage Loan receivables and the Mortgage Loan receivables or the Pass-Through Certificates perfecting their assignment.

"Management Company" shall mean EUROPEA DE TITULIZACIÓN, S.A., SOCIEDAD GESTORA DE FONDOS DE TITULIZACIÓN.

"Moody's" shall mean both Moody's Investors Service España, S.A. and Moody's Investors Service Limited, the holding company to which Moody's Investors Service España, S.A. is affiliated.

"Mortgage Loans" shall mean the Loans with real estate mortgage security whose receivables are assigned by BANCO DE VALENCIA to the Fund upon BANCO DE VALENCIA issuing and the Fund subscribing for Pass-Through Certificates.

"Nominal Interest Rate" shall mean the nominal interest rate, variable quarterly and payable quarterly, applicable to each Series and determined for each Interest Accrual Period, which shall be the result of adding (i) the Reference Rate and (ii) a margin for each Series as detailed in section 4.8.1.2 of the Securities Note.

"Non-Delinquent Loans" shall mean Loans that at a date are not deemed to be Delinquent Loans, also excluding Doubtful Loans.

"Non-Doubtful Loans" shall mean Loans that are not deemed to be Doubtful Loans at a date.

"Non-Mortgage Loans" shall mean Loans without special security, secured by pledging money, securities or other assets and/or with third-party personal guarantees, assigned by BANCO DE VALENCIA to the Fund upon being sold by BANCO DE VALENCIA and acquired by the Fund.

"Obligors" shall mean the Loan borrowers (non-financial small and medium-sized enterprises domiciled in Spain).

"Originator" shall mean BANCO DE VALENCIA, originator of the Loan receivables.

"Outstanding Balance of the Loans" shall mean the sum of outstanding capital or principal and overdue capital or principal not paid into the Fund for each and every one of the Loans.

"Outstanding Principal Balance of the Bond Issue" shall mean the sum of the Outstanding Principal Balance of Series A, B and C making up the Bond Issue.

"Outstanding Principal Balance of the Series" shall mean the sum of the outstanding principal to be repaid (outstanding balance) at a date on all the Bonds making up the Series.

"Pass-Through Certificates" shall mean the pass-through certificates issued on the Mortgage Loans by BANCO DE VALENCIA.

"Paying Agent" shall mean the firm servicing the Bonds. The Paying Agent shall be BANCAJA (or any other institution taking its stead as Paying Agent).

"Payment Date" shall mean March 25, June 25, September 25 and December 25 in each year or the following Business Day if any of those is not a Business Day. The first Payment Date shall be June 25, 2009.

"Principal Cash Reserve" shall mean the Initial Principal Cash Reserve set up on the Closing Date and subsequently provisioned up to the Required Principal Cash Reserve amount.

"Priority of Payments" shall mean the priority for applying the Fund's payment or withholding obligations both for applying the Available Funds and for distribution of Available Funds for Amortisation on each Payment Date other than the Final Maturity Date or upon Early Liquidation of the Fund.

"Rating Agency" shall mean Moody's.

"Reference Rate" shall mean, other than for the first Interest Accrual Period, three- (3-) month Euribor fixed at 11am (CET) on the Interest Rate Fixing Date, or, if this Euribor rate should not be available or be impossible to obtain, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note. The Reference Rate for the first Interest Accrual Period shall mean the rate resulting from a straight-line interpolation, taking into account the number of days in the first Interest Accrual Period, between three- (3-) month Euribor and four- (4-) month Euribor, fixed at 11am (CET) on the Business Day preceding the Closing Date, or, upon the failure or impossibility to obtain these Euribor rates, the substitute rates for which provision is made in section 4.8.1.3 of the Securities Note.

"Regulation 809/2004" shall mean Commission Regulation (EC) No. 809/2004, April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as currently worded.

"Required Interest Cash Reserve" shall mean, on each Payment Date, the lower of: (i) EUR ten million (10,000,000.00) and (ii) double the aggregate amounts to be applied in first (1^{st}) to fourth (4^{th}) place, both inclusive, in the application of Available Funds in the Priority of Payments established in section 3.4.6.2.1.2 of this Building Block, on each Payment Date.

"Required Principal Cash Reserve" shall mean, on each Payment Date, the lower of: (i) EUR eighty-seven million (87,000,000.00) and (ii) the higher of a) 34.80% of the Outstanding Principal Balance of the Bond Issue and b) a sum of EUR forty-three million five hundred thousand (43,500,000.00). Notwithstanding the above, the Required Cash Reserve shall not be reduced on the relevant Payment Date and shall remain at the Required Cash Reserve amount on the preceding Payment Date whenever any of the circumstances provided for in section 3.4.2.2 of the Building Block concur on the Payment Date.

"Royal Decree 116/1992" shall mean Book Entries and Stock Exchange Transaction Clearing and Settlement Royal Decree 116/1992, February 14, as currently worded.

"Royal Decree 1310/2005" shall mean Royal Decree 1310/2005, November 4, partly implementing Securities Market Act 24/1988, July 28, in regard to admission to trading of securities in official secondary markets, public offerings for sale or subscription and the prospectus required for that purpose.

"Royal Decree 685/1982" shall mean Royal Decree 685/1982, March 17, implementing, at the registration date of this Prospectus, certain aspects of Mortgage Market Regulation Act 2/1981, and Royal Decree 1289/1991, August 2, amending certain of the previous Royal Decree's articles, as currently worded.

"Royal Decree 926/1998" shall mean Royal Decree 926/1998, May 14, regulating asset securitisation funds and securitisation fund management companies.

"Securities Market Act" shall mean Securities Market Act 24/1988, July 28, amended by Act 37/1998, November 16, and Act 44/2002, November 22, and Royal Decree Law 5/2005, March 11, among other amendments.

"Series A Bonds" shall mean Series A Bonds issued by the Fund having a total face amount of EUR four hundred and seven million five hundred thousand (407,500,000.00) comprising four thousand and seventy-five (4,075) Bonds having a unit face value of EUR one hundred thousand (100,000).

"Series A" shall mean Series A Bonds issued by the Fund.

"Series B Bonds" shall mean Series B Bonds issued by the Fund having a total face amount of EUR seventeen million five hundred thousand (17,500,000.00) comprising one hundred and seventy-five (175) Bonds having a unit face value of EUR one hundred thousand (100,000).

"Series B" shall mean Series B Bonds issued by the Fund.

"Series C Bonds" shall mean Series C Bonds issued by the Fund having a total face amount of EUR seventy-five million (75,000,000.00) comprising seven hundred and fifty (750) Bonds having a unit face value of EUR one hundred thousand (100,000).

"Series C" shall mean Series C Bonds issued by the Fund.

"Servicer" shall mean the institution in charge of Loan custody and servicing and Pass-Through Certificate supporting document custody under the Loan Servicing and Pass-Through Custody Agreement, i.e. BANCO DE VALENCIA (or any other institution taking its stead as Servicer).

"Servicing Agreement" shall mean the Loan Servicing and Pass-Through Certificate Custody Agreement.

"SMEs" shall mean small and medium-sized enterprises as defined internally by BANCO DE VALENCIA - annual turnover not in excess of EUR one hundred million (100,000,000.00).

"Start-Up Loan Agreement" shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BANCO DE VALENCIA, totalling EUR three million three hundred and thirty thousand (3,330,000.00).

"Start-Up Loan" shall mean the loan granted by BANCO DE VALENCIA to the Fund, in accordance with the provisions of the Start-Up Loan Agreement.

"Subordinated Loan Agreement" shall mean the commercial subordinated loan agreement entered into by the Management Company, for and on behalf of the Fund, and BANCO DE VALENCIA, totalling EUR ninety-seven million (97,000,000.00).

"Subordinated Loan" shall mean the loan granted by BANCO DE VALENCIA to the Fund, in accordance with the provisions of the Subordinated Loan Agreement.

"Treasury Account" shall mean the financial account in euros opened at BANCAJA in the Fund's name, in accordance with the provisions of the Guaranteed Interest Rate Account (Treasury Account) Agreement, through which the Fund will make and receive all payments.