

# VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

## Brief report

**Date:** 09/30/2007  
**Currency:** EUR

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

**VAT Reg. no.**  
G84530526

**Management Company**  
Europa de Titulización, S.G.F.T

**Originator**  
Banco de Valencia

**Servicer**  
Banco de Valencia

**Lead Managers**  
Bancaja  
Deutsche Bank

**Bond Underwriters and Placement Agents**  
Bancaja  
Deutsche Bank  
Dexia  
Fortis Bank

**Bond Paying Agent**  
Bancaja

**Market**  
AIAF Mercado de Renta Fija

**Register of Book Securities**  
Iberclear

**Treasury Account**  
Bancaja

**Start-up Loan**  
Banco de Valencia

**Swap**  
Banco de Valencia

**Swap Collateral**  
Bancaja

**Assets Custodian**  
Banco de Valencia

**Fund Auditors**  
Ernst&Young

### Issued securities: Mortgage-Backed Bonds

Bonds issue									
Series ISIN Code	Issue date N° bonds	Principal outstanding (Bond Unit / Series Total / %Factor) Current Original		Interest type Reference rate and margin Payment Date	Interest Rate Next coupon	Redemption		Rating Fitch / Moody's Current Original	
						Final maturity (legal) Next	Next		
Series A ES0382745000	12/12/2005 9,095	76,327.11 694,195,065.45 76.33%	100,000.00 909,500,000.00	Floating 3-M Euribor+0.140% 24.Jan/Apr/Jul/Oct	4.3680% 10/24/2007 852.014087 Gross 724.211974 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	10/24/2007 "Pass-Through"	AAA Aaa	AAA Aaa
Series B ES0382745018	12/12/2005 212	100,000.00 21,200,000.00 100.00%	100,000.00 21,200,000.00	Floating 3-M Euribor+0.320% 24.Jan/Apr/Jul/Oct	4.5480% 10/24/2007 1,162.266667 Gross 987.926667 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Pro rata deferred start / Secutorial	A+ A1	A+ A1
Series C ES0382745026	12/12/2005 94	100,000.00 9,400,000.00 100.00%	100,000.00 9,400,000.00	Floating 3-M Euribor+0.550% 24.Jan/Apr/Jul/Oct	4.7780% 10/24/2007 1,221.044444 Gross 1,037.887777 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Pro rata deferred start / Secutorial	BBB+ Baa3	BBB+ Baa3
Series D ES0382745034	12/12/2005 99	100,000.00 9,900,000.00 100.00%	100,000.00 9,900,000.00	Floating 3-M Euribor+3.500% 24.Jan/Apr/Jul/Oct	7.7280% 10/24/2007 1,974.933333 Gross 1,678.693333 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined Due to Cash Reserve reduction	CCC- Ca	CCC- Ca
<b>Total</b>		734,695,065.45 950,000,000.00							

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)													
Series	Option	Average life Years	Date	% Monthly CPR (SMM)									
				0.34	0.51	0.69	0.87	1.06	1.25	1.44	1.64		
Series A	With optional redemption *	Average life	7.65	04/23/2015	6.70	5.90	5.25	4.72	4.26	3.89	3.56		
		Final Maturity	15.91	07/24/2023	14.41	12.91	11.65	10.65	9.65	8.90	8.15		
	Without optional redemption *	Average life	8.10	10/04/2015	7.16	6.39	5.74	5.19	4.72	4.31	3.97		
		Final Maturity	28.42	07/24/2036	28.42	28.42	28.42	28.42	28.42	28.42	28.42		
	Series B	With optional redemption *	Average life	10.79	06/11/2018	9.49	8.38	7.46	6.72	6.07	5.54	5.06	
			Final Maturity	15.91	07/24/2023	14.41	12.91	11.65	10.65	9.65	8.90	8.15	
Without optional redemption *		Average life	11.50	02/25/2019	10.23	9.15	8.23	7.45	6.78	6.20	5.70		
		Final Maturity	28.42	01/24/2036	28.42	28.42	28.42	28.42	28.42	28.42	28.42		
Series C		With optional redemption *	Average life	10.79	06/12/2018	9.49	8.38	7.46	6.72	6.07	5.54	5.06	
			Final Maturity	15.91	07/24/2023	14.41	12.91	11.65	10.65	9.65	8.90	8.15	
	Without optional redemption *	Average life	11.50	02/25/2019	10.23	9.15	8.23	7.46	6.78	6.20	5.70		
		Final Maturity	28.42	01/24/2036	28.42	28.42	28.42	28.42	28.42	28.42	28.42		
	Series D	With optional redemption *	Average life	11.67	05/01/2019	10.38	9.20	8.24	7.47	6.75	6.20	5.67	
			Final Maturity	15.91	07/24/2023	14.41	12.91	11.65	10.65	9.65	8.90	8.15	
Without optional redemption *		Average life	17.99	08/23/2025	17.45	17.03	16.70	16.44	16.23	16.05	15.90		
		Final Maturity	28.17	10/24/2035	28.17	28.17	28.17	28.17	28.17	28.17	28.17		

\* Optional clean up call when the amount of the outstanding balance of the securitised assets is less than 10 per 100 of the initial outstanding balance.  
Hypothesis of delinquency and default assumptions of the securitised assets: 0%

### Credit enhancement and financial operations

Credit enhancement (CE)					
	Current		At issue date		
		% CE		% CE	
Series A	94.49%	694,195,065.45	5.59%	95.74%	909,500,000.00
Series B	2.89%	21,200,000.00	2.66%	2.23%	21,200,000.00
Series C	1.28%	9,400,000.00	1.37%	0.99%	9,400,000.00
Series D	1.35%	9,900,000.00	1.04%		9,900,000.00
Issue of Bonds		734,695,065.45			950,000,000.00
Reserve Fund	1.37%	9,900,000.00	1.05%		9,900,000.00

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	32,599,214.10	4.188%	
Servicer ppal collect not yet credited	1,403,346.57		
Servicer ints collect not yet credited	465,702.72		
Liabilities	Available	Balance	Interest
Start-up Loan	658,173.64	6.228%	

### Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	10,022	12,241	
Principal			
Principal outstanding	706,766,169.64	940,242,690.85	
Average loan	70,521.47	76,810.94	
Minimum	1.27	3,356.13	
Maximum	473,702.36	496,461.58	
Interest rate			
Weighted average (wac)	4.92%	3.11%	
Minimum	3.50%	1.00%	
Maximum	7.00%	5.25%	
Final maturity			
Weighted average (WARM) (months)	222	239	
Minimum	10/16/2007	01/04/2007	
Maximum	12/20/2035	11/05/2035	
Index (principal outstanding distribution)			
3-month EURIBOR/MIBOR	0.01%	0.01%	
1-year EURIBOR/MIBOR	2.49%	2.19%	
1-year EURIBOR/MIBOR (Mortgage Market)	97.47%	97.78%	
Mortgage Market: Banks	0.01%	0.01%	
Mortgage Market: All Institutions	0.02%	0.02%	

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	0.57	7.15	0.29	7.77
10.01 - 20%	2.81	15.72	1.93	15.83
20.01 - 30%	5.90	25.62	3.82	25.38
30.01 - 40%	10.20	35.27	6.58	35.62
40.01 - 50%	13.04	45.36	10.97	45.35
50.01 - 60%	18.24	55.27	15.89	55.36
60.01 - 70%	26.33	65.28	22.49	65.47
70.01 - 80%	22.81	73.16	38.04	75.26
80.01 - 90%	0.08	85.28		
90.01 - 100%	0.02	96.93		
Weighted average (WALTV)	55.55		60.76	
Minimum	0.00		2.08	
Maximum	96.93		80.00	

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### Prepayments

	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.49%	0.64%	0.75%	0.87%	0.88%
Annual Percentage Rate (CPR)	5.74%	7.37%	8.64%	9.98%	10.08%

### Geographic distribution

	Current	At constitution date
Andalucia	4.60%	4.64%
Aragon	6.26%	6.24%
Asturias	0.00%	0.00%
Balearic Islands	0.45%	0.41%
Basque Country	0.01%	0.04%
Canary Islands	0.01%	0.01%
Castilla-La Mancha	0.31%	0.36%
Castilla-Leon	0.04%	0.03%
Catalonia	0.75%	0.77%
Ceuta	0.03%	0.03%
Extremadura	0.01%	0.01%
Galicia	0.02%	0.01%
La Rioja	0.81%	0.83%
Madrid	7.19%	7.40%
Murcia	13.43%	13.14%
Navarra	0.41%	0.43%
Valencia	65.66%	65.64%

### Current delinquency

Aging	Assets	Overdue debt					Outstanding debt	Total debt	% Total debt / Appraisal Value	
		Principal	Interest	Other	Total	%				
Up to 1 month	1,096	278,283.87	289,405.51	0.00	567,689.38	58.01	73,522,878.43	74,090,567.81	79.31	46.49
1 to 2 months	136	61,208.67	75,109.86	0.00	136,318.53	13.93	10,037,262.87	10,173,581.40	10.89	48.46
2 to 3 months	95	70,063.44	76,069.12	0.00	146,132.56	14.93	6,462,449.04	6,608,581.60	7.07	53.72
3 to 6 months	13	11,004.98	19,234.68	0.00	30,239.66	3.09	1,284,359.46	1,314,599.12	1.41	69.42
6 to 12 months	12	22,856.85	28,331.50	0.00	51,188.35	5.23	770,357.76	821,546.11	0.88	52.11
12 to 18 months	3	12,992.85	14,015.45	0.00	27,008.30	2.76	234,488.67	261,496.97	0.28	46.19
18 to 24 months	2	10,042.95	9,963.42	0.00	20,026.37	2.05	130,637.73	150,664.10	0.16	62.03
<b>Total</b>	<b>1,357</b>	<b>466,453.61</b>	<b>512,149.54</b>	<b>0.00</b>	<b>978,603.15</b>		<b>92,442,433.96</b>	<b>93,421,037.11</b>		<b>47.44</b>

Each range includes the beginning but not the ending time

#### Additional information