

VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

Brief report

Date: 12/31/2008
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) | | Interest type Reference rate and margin Payment Date | Interest Rate Next coupon | Redemption | | Rating Fitch / Moody's | | |
| | | Current | Original | | | Final maturity (legal) | Next | Current | Original | |
| Series A ES0382745000 | 12/12/2005 9,095 | 64,898.51 590,251,948.45 64.90% | 100,000.00 909,500,000.00 | Floating 3-M Euribor+0.140% 24.Jan/Apr/Jul/Oct | 5.0760% 01/26/2009 860,164852 Gross 705.335179 Net | 01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct | 01/26/2009 "Pass-Through" | AAA Aaa | AAA Aaa | |
| Series B ES0382745018 | 12/12/2005 212 | 100,000.00 21,200,000.00 100.00% | 100,000.00 21,200,000.00 | Floating 3-M Euribor+0.320% 24.Jan/Apr/Jul/Oct | 5.2560% 01/26/2009 1,372.400000 Gross 1,125.368000 Net | 01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct | To be determined "Pass-Through" Pro rata deferred start / Secuential | A+ A1 | A+ A1 | |
| Series C ES0382745026 | 12/12/2005 94 | 100,000.00 9,400,000.00 100.00% | 100,000.00 9,400,000.00 | Floating 3-M Euribor+0.550% 24.Jan/Apr/Jul/Oct | 5.4860% 01/26/2009 1,432.455556 Gross 1,174.613556 Net | 01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct | To be determined "Pass-Through" Pro rata deferred start / Secuential | BBB+ Baa3 | BBB+ Baa3 | |
| Series D ES0382745034 | 12/12/2005 99 | 100,000.00 9,900,000.00 100.00% | 100,000.00 9,900,000.00 | Floating 3-M Euribor+3.500% 24.Jan/Apr/Jul/Oct | 8.4360% 01/26/2009 2,202.733333 Gross 1,806.241333 Net | 01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct | To be determined Due to Cash Reserve reduction | CCC- Ca | CCC- Ca | |
| Total | | 630,751,948.45 | 950,000,000.00 | | | | | | | |

| Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR) | | | | | | | | | | | | | | | | | | | |
|---|-------------------------------|-------------------------|-------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | % Monthly CPR (SMM) | | 0,17 | | 0,34 | | 0,51 | | 0,69 | | 0,87 | | 1,06 | | 1,25 | | 1,44 | |
| | | % Annual equivalent CPR | | Years | Date | Years | Date | Years | Date | Years | Date | Years | Date | Years | Date | Years | Date | Years | Date |
| Series A | With optional redemption * | Average life | Years | 8.58 | 08/20/2017 | 7.45 | 06/07/2016 | 6.51 | 07/29/2015 | 5.75 | 10/24/2014 | 5.10 | 02/28/2014 | 4.57 | 08/20/2013 | 4.15 | 03/17/2013 | 3.77 | 01/11/2012 |
| | | Final Maturity | Years | 16.01 | 01/24/2025 | 14.50 | 07/24/2023 | 13.01 | 01/24/2022 | 11.76 | 10/24/2020 | 10.50 | 07/24/2019 | 9.50 | 07/24/2018 | 8.75 | 10/24/2017 | 8.01 | 01/24/2017 |
| | | Date | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | |
| | Without optional redemption * | Average life | Years | 9.10 | 02/28/2018 | 8.01 | 01/25/2017 | 7.10 | 02/29/2016 | 6.35 | 05/28/2015 | 5.71 | 07/10/2014 | 5.16 | 03/22/2014 | 4.70 | 03/10/2013 | 4.29 | 10/05/2013 |
| | | Final Maturity | Years | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 |
| | | Date | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | |
| Series B | With optional redemption * | Average life | Years | 10.61 | 08/31/2019 | 9.26 | 04/25/2018 | 8.11 | 02/03/2017 | 7.17 | 03/23/2016 | 6.36 | 02/06/2015 | 5.70 | 05/10/2014 | 5.18 | 03/28/2014 | 4.70 | 06/10/2013 |
| | | Final Maturity | Years | 16.01 | 01/24/2025 | 14.50 | 07/24/2023 | 13.01 | 01/24/2022 | 11.76 | 10/24/2020 | 10.50 | 07/24/2019 | 9.50 | 07/24/2018 | 8.75 | 10/24/2017 | 8.01 | 01/24/2017 |
| | | Date | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | |
| | Without optional redemption * | Average life | Years | 11.29 | 06/05/2020 | 9.98 | 01/15/2019 | 8.88 | 08/12/2017 | 7.94 | 12/30/2016 | 7.14 | 03/15/2016 | 6.47 | 11/07/2015 | 5.89 | 12/14/2014 | 5.38 | 11/06/2014 |
| | | Final Maturity | Years | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 |
| | | Date | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | |
| Series C | With optional redemption * | Average life | Years | 10.61 | 08/31/2019 | 9.26 | 04/26/2018 | 8.11 | 02/03/2017 | 7.17 | 03/24/2016 | 6.36 | 02/06/2015 | 5.70 | 05/10/2014 | 5.18 | 03/28/2014 | 4.70 | 06/10/2013 |
| | | Final Maturity | Years | 16.01 | 01/24/2025 | 14.50 | 07/24/2023 | 13.01 | 01/24/2022 | 11.76 | 10/24/2020 | 10.50 | 07/24/2019 | 9.50 | 07/24/2018 | 8.75 | 10/24/2017 | 8.01 | 01/24/2017 |
| | | Date | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | |
| | Without optional redemption * | Average life | Years | 11.29 | 07/09/2020 | 9.98 | 01/15/2019 | 8.88 | 08/12/2017 | 7.94 | 12/30/2016 | 7.15 | 03/16/2016 | 6.47 | 12/07/2015 | 5.89 | 12/14/2014 | 5.38 | 11/06/2014 |
| | | Final Maturity | Years | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 | 31.02 | 01/24/2040 |
| | | Date | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | |
| Series D | With optional redemption * | Average life | Years | 11.49 | 07/19/2020 | 10.15 | 03/19/2019 | 8.96 | 09/01/2018 | 8.00 | 01/22/2017 | 7.11 | 02/03/2016 | 6.40 | 06/17/2015 | 5.86 | 01/12/2014 | 5.34 | 05/27/2014 |
| | | Final Maturity | Years | 16.01 | 01/24/2025 | 14.50 | 07/24/2023 | 13.01 | 01/24/2022 | 11.76 | 10/24/2020 | 10.50 | 07/24/2019 | 9.50 | 07/24/2018 | 8.75 | 10/24/2017 | 8.01 | 01/24/2017 |
| | | Date | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | | 01/24/2040 | |
| | Without optional redemption * | Average life | Years | 19.07 | 02/15/2028 | 18.50 | 07/19/2027 | 18.06 | 11/02/2027 | 17.73 | 10/13/2026 | 17.47 | 10/07/2026 | 17.27 | 04/27/2026 | 17.10 | 02/25/2026 | 16.96 | 06/01/2026 |
| | | Final Maturity | Years | 30.77 | 10/24/2039 | 30.77 | 10/24/2039 | 30.77 | 10/24/2039 | 30.77 | 10/24/2039 | 30.77 | 10/24/2039 | 30.77 | 10/24/2039 | 30.77 | 10/24/2039 | 30.77 | 10/24/2039 |
| | | Date | | 10/24/2039 | | 10/24/2039 | | 10/24/2039 | | 10/24/2039 | | 10/24/2039 | | 10/24/2039 | | 10/24/2039 | | 10/24/2039 | |

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

Credit enhancement and financial operations

| Credit enhancement (CE) | | | | | |
|-------------------------|--------|----------------|-------|---------------|----------------|
| | | Current | | At issue date | |
| | | % CE | | % CE | |
| Series A | 93.58% | 590,251,948.45 | 6.52% | 95.74% | 909,500,000.00 |
| Series B | 3.36% | 21,200,000.00 | 3.11% | 2.23% | 21,200,000.00 |
| Series C | 1.49% | 9,400,000.00 | 1.59% | 0.99% | 9,400,000.00 |
| Series D | 1.57% | 9,900,000.00 | 1.04% | | 9,900,000.00 |
| Issue of Bonds | | 630,751,948.45 | | | 950,000,000.00 |
| Reserve Fund | 1.59% | 9,900,000.00 | 1.05% | | 9,900,000.00 |

| Other financial operations (current) | | | |
|--|-----------|---------------|----------|
| Assets | | Balance | Interest |
| Treasury Account | | 30,558,079.25 | 5.050% |
| Servicer ppal collect not yet credited | | 310,129.85 | |
| Servicer ints collect not yet credited | | 59,595.22 | |
| Liabilities | Available | Balance | Interest |
| Start-up Loan | | 423,111.64 | 6.936% |
| Swap collateralized amount | Amount | Credited | |
| CSA * | 0.00 | | |
| Cash | | 0.00 | |
| Securities | | 0.00 | |

* Credit Support Amount in favour of the Fund

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Collateral: Residential mortgage loans

| General | | |
|--|----------------|----------------------|
| | Current | At constitution date |
| Count | 9,098 | 12,241 |
| Principal | | |
| Principal outstanding | 607,205,029.31 | 940,242,690.85 |
| Average loan | 66,740.50 | 76,810.94 |
| Minimum | 43.13 | 3,356.13 |
| Maximum | 460,206.08 | 496,461.58 |
| Interest rate | | |
| Weighted average (wac) | 5.72% | 3.11% |
| Minimum | 3.50% | 1.00% |
| Maximum | 7.63% | 5.25% |
| Final maturity | | |
| Weighted average (WARM) (months) | 211 | 239 |
| Minimum | 01/05/2009 | 01/04/2007 |
| Maximum | 12/05/2039 | 11/05/2035 |
| Index (principal outstanding distribution) | | |
| 3-month EURIBOR/MIBOR | 0.01% | 0.01% |
| 1-year EURIBOR/MIBOR | 2.36% | 2.19% |
| 1-year EURIBOR/MIBOR (Mortgage Market) | 97.60% | 97.78% |
| Mortgage Market: Banks | 0.00% | 0.01% |
| Mortgage Market: All Institutions | 0.03% | 0.02% |

| LTV Distribution | | | | |
|--------------------------|---------|-------|----------------------|-------|
| | Current | | At constitution date | |
| | % Pool | % LTV | % Pool | % LTV |
| 0.01 - 10% | 0.78 | 7.11 | 0.29 | 7.77 |
| 10.01 - 20% | 3.39 | 15.81 | 1.93 | 15.83 |
| 20.01 - 30% | 7.24 | 25.43 | 3.82 | 25.38 |
| 30.01 - 40% | 10.91 | 35.28 | 6.58 | 35.62 |
| 40.01 - 50% | 14.55 | 45.25 | 10.97 | 45.35 |
| 50.01 - 60% | 19.96 | 55.26 | 15.89 | 55.36 |
| 60.01 - 70% | 28.95 | 65.22 | 22.49 | 65.47 |
| 70.01 - 80% | 14.13 | 72.42 | 38.04 | 75.26 |
| 80.01 - 90% | 0.06 | 84.34 | | |
| 90.01 - 100% | 0.02 | 94.77 | | |
| Weighted average (WALTV) | | | | |
| | 53.08 | | 60.76 | |
| Minimum | 0.03 | | 2.08 | |
| Maximum | 94.77 | | 80.00 | |

| Prepayments | | | | | |
|------------------------------|---------------|---------------|---------------|----------------|------------|
| | Current month | Last 3 months | Last 6 months | Last 12 months | Historical |
| Single month. mort. (SMM) | 0.59% | 0.52% | 0.54% | 0.60% | 0.78% |
| Annual Percentage Rate (CPR) | 6.86% | 6.07% | 6.34% | 6.94% | 9.02% |

| Geographic distribution | | |
|-------------------------|---------|----------------------|
| | Current | At constitution date |
| Andalucia | 4.69% | 4.64% |
| Aragon | 6.50% | 6.24% |
| Asturias | | 0.00% |
| Balearic Islands | 0.47% | 0.41% |
| Basque Country | 0.01% | 0.04% |
| Canary Islands | 0.01% | 0.01% |
| Castilla-La Mancha | 0.29% | 0.36% |
| Castilla-Leon | 0.02% | 0.03% |
| Catalonia | 0.75% | 0.77% |
| Ceuta | 0.03% | 0.03% |
| Extremadura | 0.01% | 0.01% |
| Galicia | | 0.01% |
| La Rioja | 0.85% | 0.83% |
| Madrid | 7.06% | 7.40% |
| Murcia | 13.72% | 13.14% |
| Navarra | 0.40% | 0.43% |
| Valencia | 65.18% | 65.64% |

| Current delinquency | | | | | | | | | |
|----------------------------------|--------|--------------|------------|-------|--------------|--------|------------------|---------------|--------------------------------|
| Aging | Assets | Overdue debt | | | | | Outstanding debt | Total debt | % Total debt / Appraisal Value |
| | | Principal | Interest | Other | Total | % | | | |
| <i>Delinquencies</i> | | | | | | | | | |
| Up to 1 month | 382 | 93,130.10 | 110,196.81 | 0.00 | 203,326.91 | 16.72 | 25,550,114.93 | 25,753,441.84 | 45.68 |
| from > 1 to ≤ 2 months | 141 | 76,551.60 | 92,821.49 | 0.00 | 169,373.09 | 13.93 | 10,525,948.65 | 10,695,321.74 | 18.97 |
| from > 2 to ≤ 3 months | 119 | 88,264.67 | 133,501.32 | 0.00 | 221,765.99 | 18.23 | 9,726,685.96 | 9,948,451.95 | 17.64 |
| from > 3 to ≤ 6 months | 31 | 34,935.24 | 62,371.12 | 0.00 | 97,306.36 | 8.00 | 3,018,789.86 | 3,116,096.22 | 5.53 |
| from > 6 to < 12 months | 32 | 56,870.33 | 72,490.31 | 0.00 | 129,360.64 | 10.64 | 2,120,651.09 | 2,250,011.73 | 3.99 |
| from ≥ 12 to < 18 months | 47 | 111,062.50 | 183,538.46 | 0.00 | 294,600.96 | 24.22 | 3,712,619.98 | 4,007,220.94 | 7.11 |
| from ≥ 18 to < 24 months | 4 | 19,423.77 | 20,054.22 | 0.00 | 39,477.99 | 3.25 | 197,867.65 | 237,345.64 | 0.42 |
| from ≥ 2 years | 3 | 20,427.80 | 40,618.93 | 0.00 | 61,046.73 | 5.02 | 314,383.92 | 375,430.65 | 0.67 |
| Subtotal | 759 | 500,666.01 | 715,592.66 | 0.00 | 1,216,258.67 | 100.00 | 55,167,062.04 | 56,383,320.71 | 100.00 |
| <i>Doubt debts (subjectives)</i> | | | | | | | | | |
| | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 759 | 500,666.01 | 715,592.66 | 0.00 | 1,216,258.67 | | 55,167,062.04 | 56,383,320.71 | 49.31 |