

VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

Brief report

Date: 07/31/2010
Currency: EUR

Date of constitution
 12/07/2005

VAT Reg. no.
 V84530526

Management Company
 Europea de Titulización, S.G.F.T

Originator
 Banco de Valencia

Servicer
 Banco de Valencia

Lead Managers
 Bancaja
 Deutsche Bank

Bond Underwriters and Placement Agents
 Bancaja
 Deutsche Bank
 Dexia
 Fortis Bank

Bond Paying Agent
 Banco Cooperativo

Market

AIAF Mercado de Renta Fija

Register of Book Securities
 Iberclear

Treasury Account
 Banco Popular Español S.A

Start-up Loan
 Banco de Valencia

Swap
 Banco de Valencia

Swap Collateral
 Bancaja

Assets Custodian
 Banco de Valencia

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

Issued securities: Mortgage-Backed Bonds

Bonds Issue									
Series ISIN Code	Issue date N° bonds	Principal outstanding (Bond Unit / Series Total / %Factor)		Interest type Reference rate and margin Payment Date	Interest Rate Next coupon	Redemption		Rating	
		Current	Original			Final maturity (legal)	Next	Fitch / Moody's Current	Original
Series A ES0382745000	12/12/2005 9,095	52.505.45 477.537.067.75	100,000.00 909,500,000.00	Floating 3-M Euribor+0.140% 24.Jan/Apr/Jul/Oct	1.0240% 10/25/2010 135.907440 Gross 110.085026 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	10/25/2010 "Pass-Through"	AAA Aaa	AAA Aaa
Series B ES0382745018	12/12/2005 212	100,000.00 21,200,000.00	100,000.00 21,200,000.00	Floating 3-M Euribor+0.320% 24.Jan/Apr/Jul/Oct	1.2040% 10/25/2010 304.344444 Gross 246.519000 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Pro rata deferred start / Secuential	A+ A1	A+ A1
Series C ES0382745026	12/12/2005 94	100,000.00 9,400,000.00	100,000.00 9,400,000.00	Floating 3-M Euribor+0.550% 24.Jan/Apr/Jul/Oct	1.4340% 10/25/2010 362.483333 Gross 293.611500 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Pro rata deferred start / Secuential	BBB+ Baa3	BBB+ Baa3
Series D ES0382745034	12/12/2005 99	100,000.00 9,900,000.00	100,000.00 9,900,000.00	Floating 3-M Euribor+3.500% 24.Jan/Apr/Jul/Oct	4.3840% 10/25/2010 1,108.177778 Gross 897.624000 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined Due to Cash Reserve reduction	CCCR 2 Ca	CC- Ca
Total		518,037,067.75	950,000,000.00						

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)													
Series	Optional redemption *	Average life	Years	% Monthly CPR (SMM)									
				% Annual equivalent CPR									
				0.17	0.34	0.51	0.69	0.87	1.06	1.25	1.44		
Series A	With optional redemption *	Average life	Years	7.27	6.40	5.65	5.05	4.57	4.10	3.77	3.43		
		Final Maturity	Years	13.24	11.99	10.74	9.74	8.99	7.99	7.49	6.74		
	Without optional redemption *	Average life	Years	7.96	7.10	6.38	5.76	5.23	4.78	4.38	4.04		
		Final Maturity	Years	29.75	29.75	29.75	29.75	29.75	29.75	29.75	29.75		
			Date	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	
			Date	01/06/2018	06/24/2017	02/09/2016	10/01/2016	06/07/2015	03/01/2015	08/22/2014	10/04/2014		
Series B	With optional redemption *	Average life	Years	8.60	7.67	6.89	6.22	5.66	5.17	4.73	4.36		
		Final Maturity	Years	29.75	29.75	29.75	29.75	29.75	29.75	29.75	29.75		
	Without optional redemption *	Average life	Years	8.74	7.97	7.19	6.53	6.00	5.57	5.17	4.81		
		Final Maturity	Years	13.24	11.99	10.74	9.74	8.99	7.99	7.49	6.74		
			Date	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	
			Date	01/06/2018	06/24/2017	02/09/2016	10/01/2016	06/07/2015	03/01/2015	08/22/2014	10/04/2014		
Series C	With optional redemption *	Average life	Years	8.74	7.97	7.19	6.53	6.00	5.57	5.17	4.81		
		Final Maturity	Years	13.24	11.99	10.74	9.74	8.99	7.99	7.49	6.74		
	Without optional redemption *	Average life	Years	8.60	7.67	6.89	6.22	5.66	5.17	4.73	4.36		
		Final Maturity	Years	29.75	29.75	29.75	29.75	29.75	29.75	29.75	29.75		
			Date	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	04/24/2040	
			Date	01/06/2018	06/24/2017	02/09/2016	10/01/2016	06/07/2015	03/01/2015	08/22/2014	10/04/2014		
Series D	With optional redemption *	Average life	Years	17.08	16.77	16.53	16.34	16.20	16.08	15.98	15.90		
		Final Maturity	Years	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50		
	Without optional redemption *	Average life	Years	8.74	7.97	7.19	6.53	6.00	5.57	5.17	4.81		
		Final Maturity	Years	13.24	11.99	10.74	9.74	8.99	7.99	7.49	6.74		
			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	01/24/2040	
			Date	08/26/2027	02/05/2027	04/02/2027	11/28/2026	06/10/2026	08/24/2026	07/19/2026	06/19/2026		

* 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		% CE	% CE
Series A	92.18%	477.537.067.75	7.97%	95.74%	909.500.000.00	4.31%
Series B	4.09%	21.200.000.00	3.80%	2.23%	21.200.000.00	2.05%
Series C	1.81%	9.400.000.00	1.95%	0.99%	9.400.000.00	1.05%
Series D	1.91%	9.900.000.00	1.04%		9.900.000.00	
Issue of Bonds		518,037,067.75			950,000,000.00	
Reserve Fund	1.95%	9,900,000.00	1.05%		9,900,000.00	

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

* Credit Support Amount in favour of the Fund

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Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	8,249	12,241	
Principal			
Principal outstanding	510,093,292.97	940,242,690.85	
Average loan	61,836.99	76,810.94	
Minimum	5.19	3,356.13	
Maximum	437,882.43	496,461.58	
Interest rate			
Weighted average (wac)	2.11%	3.11%	
Minimum	1.50%	1.00%	
Maximum	5.25%	5.25%	
Final maturity			
Weighted average (WARM) (months)	198	239	
Minimum	08/01/2010	01/04/2007	
Maximum	01/05/2040	11/05/2035	
Index (principal outstanding distribution)			
3-month EURIBOR/MIBOR	0.01%	0.01%	
1-year EURIBOR/MIBOR	2.17%	2.19%	
1-year EURIBOR/MIBOR (Mortgage Market)	97.78%	97.78%	
Mortgage Market: Banks	0.00%	0.01%	
Mortgage Market: All Institutions	0.03%	0.02%	

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	1.02	6.90	0.29	7.77
10.01 - 20%	4.38	15.77	1.93	15.83
20.01 - 30%	8.41	25.46	3.82	25.38
30.01 - 40%	12.19	35.21	6.58	35.62
40.01 - 50%	16.67	45.15	10.97	45.35
50.01 - 60%	24.04	55.35	15.89	55.36
60.01 - 70%	28.07	64.95	22.49	65.47
70.01 - 80%	5.22	71.60	38.04	75.26
Weighted average (WALTV)	50.00		60.76	
Minimum	0.00		2.08	
Maximum	79.99		80.00	

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

Geographic distribution		
	Current	At constitution date
Andalucia	4.75%	4.64%
Aragon	6.71%	6.24%
Asturias	0.00%	0.00%
Balearic Islands	0.50%	0.41%
Basque Country	0.01%	0.04%
Canary Islands	0.01%	0.01%
Castilla-La Mancha	0.30%	0.36%
Castilla-Leon	0.02%	0.03%
Catalonia	0.73%	0.77%
Ceuta	0.02%	0.03%
Extremadura	0.02%	0.01%
Galicia	0.01%	0.01%
La Rioja	0.88%	0.83%
Madrid	6.86%	7.40%
Murcia	13.88%	13.14%
Navarra	0.35%	0.43%
Valencia	64.97%	65.64%

Current delinquency										
Aging	Assets	Overdue debt				Total	%	Outstanding debt	Total debt	% Total debt / Appraisal Value
		Principal	Interest	Other						
Delinquencies										
Up to 1 month	315	93,908.49	29,019.18	0.00	122,927.67	6.56	19,815,158.36	19,938,086.03	36.52	44.01
from > 1 to ≤ 2 months	134	87,339.36	30,999.33	0.00	118,338.69	6.31	9,367,310.41	9,485,649.10	17.37	44.39
from > 2 to ≤ 3 months	152	164,573.43	64,384.92	0.00	228,958.35	12.22	11,438,099.02	11,667,057.37	21.37	50.25
from > 3 to ≤ 6 months	13	14,024.43	4,903.29	0.00	18,927.72	1.01	633,229.92	652,157.64	1.19	40.72
from > 6 to < 12 months	54	72,157.00	40,576.91	0.00	112,733.91	6.01	3,764,220.88	3,876,954.79	7.10	47.74
from ≥ 12 to < 18 months	33	135,513.18	117,897.68	0.00	253,410.86	13.52	2,571,912.39	2,825,323.25	5.18	54.00
from ≥ 18 to < 24 months	26	165,373.56	173,053.31	0.00	338,426.87	18.06	2,522,678.14	2,861,105.01	5.24	56.08
from ≥ 2 years	35	313,907.89	366,633.92	0.00	680,541.81	36.31	2,607,992.61	3,288,534.42	6.02	71.17
Subtotal	762	1,046,797.34	827,468.54	0.00	1,874,265.88	100.00	52,720,601.73	54,594,867.61	100.00	47.65
Doubt debts (subjectives)										
	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	762	1,046,797.34	827,468.54	0.00	1,874,265.88		52,720,601.73	54,594,867.61		47.65