

VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria



Brief report

Date: 06/30/2006
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	94,351.98 858,131,258.10 94.35%	100,000.00 909,500,000.00	Floating 3-M Euribor + 0.140% 24.Jan/Apr/Jul/Oct	2.9160% 07/24/2006 695.468445 Gross 591.148178 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	07/24/2006 "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	3.0960% 07/24/2006 782.600000 Gross 665.210000 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Pro rata deferred start / Sequential	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	3.3260% 07/24/2006 840.738889 Gross 714.628056 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Pro rata deferred start / Sequential	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	6.2760% 07/24/2006 1,586.433333 Gross 1,348.468333 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined Due to Cash Reserve reduction	CCC- Ca	CCC- Ca
Total		898,631,258.10	950,000,000.00						

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)												
				% Monthly CPR (SMM)								
				0,00	0,60	0,69	0,78	0,87	0,97	1,06	1,15	
				% Annual equivalent CPR								
				0,00	7,00	8,00	9,00	10,00	11,00	12,00	13,00	
Series A	With optional redemption *	Average life	Years	10.29	6.24	5.86	5.51	5.21	4.92	4.66	4.43	
		Final Maturity	Date	10/10/2016	09/22/2012	05/06/2012	12/31/2011	09/14/2011	05/29/2011	02/26/2011	12/03/2010	
	Without optional redemption *	Average life	Years	20.58	14.83	14.08	13.33	12.82	12.07	11.58	11.07	
		Final Maturity	Date	01/24/2027	04/24/2021	07/24/2020	10/24/2019	04/24/2019	07/24/2018	01/24/2018	07/24/2017	
	With optional redemption *	Average life	Years	10.57	6.60	6.22	5.88	5.57	5.29	5.02	4.78	
		Final Maturity	Date	01/19/2017	02/01/2013	09/18/2012	05/16/2012	01/23/2012	10/11/2011	07/07/2011	04/09/2011	
Series B	With optional redemption *	Average life	Years	29.59	29.59	29.59	29.59	29.59	29.59	29.59	29.59	
		Final Maturity	Date	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	
	Without optional redemption *	Average life	Years	15.74	10.08	9.48	8.94	8.48	8.00	7.60	7.22	
		Final Maturity	Date	03/24/2022	07/26/2016	12/21/2015	06/05/2015	12/18/2014	06/27/2014	01/31/2014	09/15/2013	
	With optional redemption *	Average life	Years	20.58	14.83	14.08	13.33	12.82	12.07	11.58	11.07	
		Final Maturity	Date	01/24/2027	04/24/2021	07/24/2020	10/24/2019	04/24/2019	07/24/2018	01/24/2018	07/24/2017	
Series C	With optional redemption *	Average life	Years	16.28	10.79	10.20	9.67	9.18	8.72	8.30	7.90	
		Final Maturity	Date	10/07/2022	04/11/2017	09/09/2016	02/28/2016	09/01/2015	03/17/2015	10/13/2014	05/22/2014	
	Without optional redemption *	Average life	Years	29.59	29.59	29.59	29.59	29.59	29.59	29.59	29.59	
		Final Maturity	Date	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	
	With optional redemption *	Average life	Years	15.74	10.08	9.48	8.94	8.48	8.00	7.60	7.22	
		Final Maturity	Date	03/24/2022	07/26/2016	12/21/2015	06/05/2015	12/18/2014	06/27/2014	01/31/2014	09/15/2013	
Series D	With optional redemption *	Average life	Years	20.58	14.83	14.08	13.33	12.82	12.07	11.58	11.07	
		Final Maturity	Date	01/24/2027	04/24/2021	07/24/2020	10/24/2019	04/24/2019	07/24/2018	01/24/2018	07/24/2017	
	Without optional redemption *	Average life	Years	16.57	10.97	10.36	9.77	9.33	8.78	8.38	7.99	
		Final Maturity	Date	01/20/2023	06/17/2017	11/05/2016	04/04/2016	10/05/2015	04/10/2015	11/17/2014	06/24/2014	
	With optional redemption *	Average life	Years	20.58	14.83	14.08	13.33	12.82	12.07	11.58	11.07	
		Final Maturity	Date	01/24/2027	04/24/2021	07/24/2020	10/24/2019	04/24/2019	07/24/2018	01/24/2018	07/24/2017	
Series E	With optional redemption *	Average life	Years	21.12	18.43	18.19	17.99	17.80	17.63	17.48	17.34	
		Final Maturity	Date	08/07/2027	11/28/2024	09/03/2024	06/19/2024	04/12/2024	02/11/2024	12/18/2023	10/28/2023	
	Without optional redemption *	Average life	Years	29.34	29.34	29.34	29.34	29.34	29.34	29.34	29.34	
		Final Maturity	Date	10/24/2035	10/24/2035	10/24/2035	10/24/2035	10/24/2035	10/24/2035	10/24/2035	10/24/2035	
	With optional redemption *	Average life	Years	29.34	29.34	29.34	29.34	29.34	29.34	29.34	29.34	29.34
		Final Maturity	Date	10/24/2035	10/24/2035	10/24/2035	10/24/2035	10/24/2035	10/24/2035	10/24/2035	10/24/2035	10/24/2035

* 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	95.49%	858,131,258.10	4.56%	95.74%	909,500,000.00
Series B	2.36%	21,200,000.00	2.17%	2.23%	21,200,000.00
Series C	1.05%	9,400,000.00	1.11%	0.99%	9,400,000.00
Series D	1.10%	9,900,000.00	1.04%		9,900,000.00
Issue of Bonds		898,631,258.10			950,000,000.00
Reserve Fund	1.11%	9,900,000.00	1.05%		9,900,000.00

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	45,391,726.68	2.736%	
Servicer ppal collect not yet credited	2,803,135.86		
Servicer ints collect not yet credited	453,227.39		
Liabilities	Available	Balance	Interest
Start-up Loan		893,235.64	4.776%

VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

Brief report

Date: 06/30/2006
Currency: EUR

Date of constitution
12/07/2005

VAT Reg. no.
G84530526

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

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

Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	11,430	12,241	
Principal			
Principal outstanding	856,041,015.09	940,242,690.85	
Average loan	74,894.23	76,810.94	
Minimum	214.81	3,356.13	
Maximum	489,314.08	496,461.58	
Interest rate			
Weighted average (wac)	3.49%	3.11%	
Minimum	2.60%	1.00%	
Maximum	5.75%	5.25%	
Final maturity			
Weighted average (WARM) (months)	234	239	
Minimum	07/07/2006	01/04/2007	
Maximum	12/05/2035	11/05/2035	
Index (distribution)			
3-month EURIBOR/MIBOR	0.01	0.01	
1-year EURIBOR/MIBOR	2.32	2.19	
1-year EURIBOR/MIBOR (Mortgage Market)	97.64	97.78	
Mortgage Market: Banks	0.01	0.01	
Mortgage Market: All Institutions	0.02	0.02	

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.93%	0.89%	0.88%		0.92%
Annual Percentage Rate (CPR)	10.59%	10.17%	10.07%		10.48%

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	0.42	7.58	0.29	7.77
10.01 - 20%	2.42	15.94	1.93	15.83
20.01 - 30%	4.40	25.49	3.82	25.38
30.01 - 40%	8.60	35.41	6.58	35.62
40.01 - 50%	11.65	45.42	10.97	45.35
50.01 - 60%	16.58	55.37	15.89	55.36
60.01 - 70%	23.41	65.53	22.49	65.47
70.01 - 80%	32.40	74.54	38.04	75.26
80.01 - 90%	0.10	85.67		
90.01 - 100%	0.03	95.66		
Weighted average (WALTV)	58.66		60.76	
Minimum	0.14		2.08	
Maximum	99.37		80.00	

Geographic distribution		
	Current	At constitution date
Andalucia	4.71%	4.64%
Aragon	6.24%	6.24%
Asturias	0.00%	0.00%
Balearic Islands	0.39%	0.41%
Basque Country	0.03%	0.04%
Canary Islands	0.01%	0.01%
Castilla-La Mancha	0.34%	0.36%
Castilla-Leon	0.03%	0.03%
Catalonia	0.77%	0.77%
Ceuta	0.03%	0.03%
Extremadura	0.01%	0.01%
Galicia	0.01%	0.01%
La Rioja	0.81%	0.83%
Madrid	7.41%	7.40%
Murcia	13.22%	13.14%
Navarra	0.45%	0.43%
Valencia	65.54%	65.64%

Current delinquency										
Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%			%	
Up to 1 month	465	116,595.59	88,458.02	0.00	205,053.61	43.42	34,283,513.40	34,488,567.01	67.38	54.05
1 to 2 months	115	64,518.20	47,171.76	0.00	111,689.96	23.65	8,751,968.58	8,863,658.54	17.32	47.32
2 to 3 months	89	70,526.03	54,957.49	0.00	125,483.52	26.57	6,698,217.15	6,823,700.67	13.33	55.12
3 to 6 months	15	16,962.04	13,017.22	0.00	29,979.26	6.35	979,489.54	1,009,468.80	1.97	51.56
Total	684	268,601.86	203,604.49	0.00	472,206.35		50,713,188.67	51,185,395.02		52.84

Additional information