VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

Brief report

Date: 11/30/2006
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

Issued securities: Mortgage-Backed Bonds

Bonds issue

Series / ISIN Code	Issue date / Nº bonds	Principal outstanding (Bond Unit / Series Total / %Factor) Current	Original	Interest type / Reference rate and margin / Payment Date	Interest Rate / Next coupon	Redemption: Final maturity (legal)	Redemption: Next	Rating Fitch / Moody´s Current	Original
Series A ES0382745000	12/12/2005 9,095	86,870.21 790,084,559.95 86.87%	100,000.00 909,500,000.00	Floating 3-M Euribor + 0.140% 24.Jan/Apr/Jul/Oct	3.6610% 01/24/2007 812.748033 Gross 690.835828 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	01/24/2007 "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	3.8410% 01/24/2007 981.588889 Gross 834.350556 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	4.0710% 01/24/2007 1,040.366667 Gross 884.311667 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	7.0210% 01/24/2007 1,794.255556 Gross 1,525.117223 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined Due to Cash Reserve reduction	CCC- Ca	CCC- Ca
Total		830,584,559.95	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	0,34	0,51	0,69	0,87	1,06	1,25	1,44
	% Annual equivalent CPR			0,00	4,00	6,00	8,00	10,00	12,00	14,00	16,00
Series A	With optional redemption *	Average life	Years	10.33	7.67	6.71	5.91	5.23	4.70	4.24	3.84
			Date	03/28/2017	08/01/2014	08/14/2013	10/24/2012	02/19/2012	08/10/2011	02/24/2011	10/01/2010
		Final Maturity	Years	19.91	16.66	15.16	13.66	12.16	11.16	10.16	9.16
			Date	10/24/2026	07/24/2023	01/24/2022	07/24/2020	01/24/2019	01/24/2018	01/24/2017	01/24/2016
	Without optional redemption *	Average life	Years	10.66	8.06	7.11	6.32	5.66	5.10	4.63	4.23
			Date	07/25/2017	12/19/2014	01/05/2014	03/23/2013	07/26/2012	01/05/2012	07/17/2011	02/19/2011
		Final Maturity	Years	29.17	29.17	29.17	29.17	29.17	29.17	29.17	29.17
			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
Series B	With optional redemption *	Average life	Years	15.13	11.65	10.28	9.09	8.06	7.26	6.56	5.94
			Date	01/13/2022	07/23/2018	03/08/2017	12/30/2015	12/20/2014	03/01/2014	06/20/2013	11/05/2012
		Final Maturity	Years	19.91	16.66	15.16	13.66	12.16	11.16	10.16	9.16
			Date	10/24/2026	07/24/2023	01/24/2022	07/24/2020	01/24/2019	01/24/2018	01/24/2017	01/24/2016
	Without optional redemption *	Average life	Years	15.72	12.35	10.99	9.83	8.84	7.99	7.26	6.64
			Date	08/15/2022	04/02/2019	11/24/2017	09/25/2016	09/29/2015	11/23/2014	03/03/2014	07/17/2013
		Final Maturity	Years	29.17	29.17	29.17	29.17	29.17	29.17	29.17	29.17
			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
Series C	With optional redemption *	Average life	Years	15.13	11.65	10.28	9.09	8.06	7.26	6.56	5.94
			Date	01/13/2022	07/23/2018	03/09/2017	12/30/2015	12/20/2014	03/01/2014	06/20/2013	11/05/2012
		Final Maturity	Years	19.91	16.66	15.16	13.66	12.16	11.16	10.16	9.16
			Date	10/24/2026	07/24/2023	01/24/2022	07/24/2020	01/24/2019	01/24/2018	01/24/2017	01/24/2016
	Without optional redemption *	Average life	Years	15.72	12.35	10.99	9.83	8.84	7.99	7.26	6.64
			Date	08/15/2022	04/02/2019	11/24/2017	09/25/2016	09/30/2015	11/23/2014	03/04/2014	07/18/2013
		Final Maturity	Years	29.17	29.17	29.17	29.17	29.17	29.17	29.17	29.17
			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
Series D	With optional redemption *	Average life	Years	15.91	12.53	11.17	9.94	8.81	8.01	7.26	6.55
			Date	10/23/2022	06/09/2019	01/29/2018	11/06/2016	09/20/2015	11/30/2014	03/01/2014	06/15/2013
		Final Maturity	Years	19.91	16.66	15.16	13.66	12.16	11.16	10.16	9.16
			Date	10/24/2026	07/24/2023	01/24/2022	07/24/2020	01/24/2019	01/24/2018	01/24/2017	01/24/2016
	Without optional redemption *	Average life	Years	20.58	18.85	18.25	17.78	17.40	17.10	16.86	16.65
			Date	06/26/2027	10/01/2025	02/24/2025	09/04/2024	04/21/2024	01/02/2024	10/05/2023	07/22/2023
		Final Maturity	Years	28.92	28.92	28.92	28.92	28.92	28.92	28.92	28.92
			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

* 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		% CE	At issue date		% CE
Series A	95.12%	790,084,559.95	4.93%	95.74%	909,500,000.00	4.31%
Series B	2.55%	21,200,000.00	2.35%	2.23%	21,200,000.00	2.05%
Series C	1.13%	9,400,000.00	1.21%	0.99%	9,400,000.00	1.05%
Series D	1.19%	9,900,000.00		1.04%	9,900,000.00	
Issue of Bonds		830,584,559.95			950,000,000.00	
Reserve Fund	1.21%	9,900,000.00		1.05%	9,900,000.00	

Other finantial operations (current)

Assets		Balance	Interest
Treasury Account		29,369,312.19	3.481%
Servicer ppal collect not yet credited		3,595,287.76	
Servicer ints collect not yet credited		474,374.64	
Liabilities	**Available**	**Balance**	**Interest**
Start-up Loan		799,210.84	5.521%

Collateral: Residential mortgage loans

General

	Current	At constitution date
Count	10,917	12,241
Principal		
Principal outstanding	800,761,503.55	940,242,690.85
Average loan	73,349.96	76,810.94
Minimum	87.32	3,356.13
Maximum	483,739.01	496,461.58
Interest rate		
Weighted average (wac)	3.96%	3.11%
Minimum	2.72%	1.00%
Maximum	5.97%	5.25%
Final maturity		
Weighted average (WARM) (months)	230	239
Minimum	12/05/2006	01/04/2007
Maximum	12/05/2035	11/05/2035
Index (principal outstanding distribution)		
3-month EURIBOR/MIBOR	0.01%	0.01%
1-year EURIBOR/MIBOR	2.41%	2.19%
1-year EURIBOR/MIBOR (Mortgage Market)	97.55%	97.78%
Mortgage Market: Banks	0.01%	0.01%
Mortgage Market: All Institutions	0.02%	0.02%

LTV Distribution

	Current % Pool	Current % LTV	At constitution date % Pool	At constitution date % LTV
0.01 - 10%	0.47	7.33	0.29	7.77
10.01 - 20%	2.56	15.79	1.93	15.83
20.01 - 30%	4.78	25.64	3.82	25.38
30.01 - 40%	9.18	35.30	6.58	35.62
40.01 - 50%	12.39	45.44	10.97	45.35
50.01 - 60%	16.65	55.33	15.89	55.36
60.01 - 70%	24.55	65.40	22.49	65.47
70.01 - 80%	29.31	74.02	38.04	75.26
80.01 - 90%	0.10	85.53		
90.01 - 100%	0.02	98.49		
Weighted average (WALTV)		57.60		60.76
Minimum		0.08		2.08
Maximum		98.49		80.00

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Additional information
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Official register CNMV: Pº de la Castellana, 19 - 28046 Madrid ☎ +34 91 585 15 00 www.cnmv.com

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Prepayments

	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.98%	0.88%	0.89%	0.91%	0.91%
Annual Percentage Rate (CPR)	11.13%	10.10%	10.16%	10.44%	10.44%

Geographic distribution

	Current	At constitution date
Andalucia	4.67%	4.64%
Aragon	6.28%	6.24%
Asturias	0.00%	0.00%
Balearic Islands	0.41%	0.41%
Basque Country	0.01%	0.04%
Canary Islands	0.01%	0.01%
Castilla-La Mancha	0.34%	0.36%
Castilla-Leon	0.04%	0.03%
Catalonia	0.74%	0.77%
Ceuta	0.03%	0.03%
Extremadura	0.01%	0.01%
Galicia	0.02%	0.01%
La Rioja	0.79%	0.83%
Madrid	7.38%	7.40%
Murcia	13.17%	13.14%
Navarra	0.43%	0.43%
Valencia	65.68%	65.64%

Current delinquency

Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%			%	
Up to 1 month	494	121,463.12	103,554.73	0.00	225,017.85	43.94	35,707,774.64	35,932,792.49	69.72	50.75
1 to 2 months	112	56,568.82	48,922.57	0.00	105,491.39	20.60	8,045,559.99	8,151,051.38	15.82	47.53
2 to 3 months	84	73,831.59	60,228.47	0.00	134,060.06	26.18	6,214,240.75	6,348,300.81	12.32	56.20
3 to 6 months	10	8,735.27	7,477.37	0.00	16,212.64	3.17	579,222.76	595,435.40	1.16	47.41
6 to 12 months	6	17,407.18	13,865.21	0.00	31,272.39	6.11	479,087.02	510,359.41	0.99	45.09
Total	706	278.005,98	234,048.35	0.00	512,054.33		51,025,885.16	51,537,939.49		50.71

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