

VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

Brief report

Date: 12/31/2006
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	Issue date	Principal outstanding	Interest type	Interest Rate	Redemption	Rating			
ISIN Code	N° bonds	(Bond Unit / Series Total / %Factor)	Reference rate and margin	Next coupon	Final maturity (legal)	Fitch / Moody's	Current	Original	
		Current	Original	Payment Date	Next				
Series A ES0382745000	12/12/2005 9,095	86,870.21 790,084,559.95 86.87%	Floating 3-M Euribor + 0.140%	3.6610% 01/24/2007 812.748033 Gross 690.835828 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	AAA Aaa	AAA Aaa	AAA Aaa	
Series B ES0382745018	12/12/2005 212	100,000.00 21,200,000.00 100.00%	Floating 3-M Euribor + 0.320%	3.8410% 01/24/2007 981.588889 Gross 834.350556 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	A+ A1	A+ A1	A+ A1	
Series C ES0382745026	12/12/2005 94	100,000.00 9,400,000.00 100.00%	Floating 3-M Euribor + 0.550%	4.0710% 01/24/2007 1,040.366667 Gross 884.311667 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	BBB+ Baa3	BBB+ Baa3	BBB+ Baa3	
Series D ES0382745034	12/12/2005 99	100,000.00 9,900,000.00 100.00%	Floating 3-M Euribor + 3.500%	7.0210% 01/24/2007 1,794.255556 Gross 1,525.117223 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	CCC- Ca	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	0,51	0,69	0,87	1,06	1,25	1,44	1,64
				% Annual equivalent CPR							
				0,00	6,00	8,00	10,00	12,00	14,00	16,00	18,00
Series A	With optional redemption *	Average life	Years	10.54	6.83	6.01	5.32	4.77	4.31	3.89	3.56
		Final Maturity	Years	08/05/2017	11/22/2013	01/26/2013	05/17/2012	11/01/2011	05/14/2011	12/15/2010	08/14/2010
			Date	19.76	15.01	13.51	12.01	11.01	10.01	9.01	8.25
			Date	10/24/2026	01/24/2022	07/24/2020	01/24/2019	01/24/2018	01/24/2017	01/24/2016	04/24/2015
	Without optional redemption *	Average life	Years	10.88	7.25	6.45	5.77	5.20	4.72	4.31	3.95
		Final Maturity	Years	12/08/2017	04/24/2014	07/03/2013	10/30/2012	04/06/2012	10/13/2011	05/15/2011	01/04/2011
			Date	29.02	29.02	29.02	29.02	29.02	29.02	29.02	29.02
			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	14.93	10.11	8.93	7.92	7.12	6.43	5.81	5.31
		Final Maturity	Years	12/25/2021	03/03/2017	12/28/2015	12/22/2014	03/06/2014	06/27/2013	11/15/2012	05/15/2012
			Date	19.76	15.01	13.51	12.01	11.01	10.01	9.01	8.25
			Date	10/24/2026	01/24/2022	07/24/2020	01/24/2019	01/24/2018	01/24/2017	01/24/2016	04/24/2015
	Without optional redemption *	Average life	Years	15.52	10.83	9.68	8.70	7.86	7.14	6.52	5.98
		Final Maturity	Years	07/27/2022	11/20/2017	09/25/2016	10/04/2015	12/01/2014	03/14/2014	07/31/2013	01/15/2013
			Date	29.02	29.02	29.02	29.02	29.02	29.02	29.02	29.02
			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	14.93	10.11	8.93	7.92	7.12	6.43	5.82	5.31
		Final Maturity	Years	12/25/2021	03/03/2017	12/28/2015	12/22/2014	03/06/2014	06/28/2013	11/15/2012	05/15/2012
			Date	19.76	15.01	13.51	12.01	11.01	10.01	9.01	8.25
			Date	10/24/2026	01/24/2022	07/24/2020	01/24/2019	01/24/2018	01/24/2017	01/24/2016	04/24/2015
	Without optional redemption *	Average life	Years	15.52	10.83	9.68	8.70	7.86	7.14	6.52	5.98
		Final Maturity	Years	07/28/2022	11/20/2017	09/25/2016	10/04/2015	12/01/2014	03/15/2014	07/31/2013	01/15/2013
			Date	29.02	29.02	29.02	29.02	29.02	29.02	29.02	29.02
			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	15.71	11.01	9.78	8.66	7.86	7.12	6.41	5.86
		Final Maturity	Years	10/07/2022	01/23/2018	11/03/2016	09/20/2015	12/02/2014	03/05/2014	06/21/2013	12/03/2012
			Date	19.76	15.01	13.51	12.01	11.01	10.01	9.01	8.25
			Date	10/24/2026	01/24/2022	07/24/2020	01/24/2019	01/24/2018	01/24/2017	01/24/2016	04/24/2015
	Without optional redemption *	Average life	Years	20.39	18.08	17.62	17.25	16.96	16.72	16.52	16.35
		Final Maturity	Years	06/10/2027	02/18/2025	09/01/2024	04/21/2024	01/04/2024	10/09/2023	07/28/2023	05/28/2023
			Date	28.77	28.77	28.77	28.77	28.77	28.77	28.77	28.77
			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				At issue date			
				% CE			
					% 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 financial operations (current)			
Assets	Balance	Interest	
Treasury Account	43,250,773.32	3.471%	
Servicer ppal collect not yet credited	5,165,265.31		
Servicer ints collect not yet credited	573,311.13		
Liabilities	Available	Balance	Interest
Start-up Loan		799,210.84	5.521%

Collateral: Residential mortgage loans

General			
		Current	At constitution date
Count		10,824	12,241
Principal			
Principal outstanding		787,950,271.43	940,242,690.85
Average loan		72,796.59	76,810.94
Minimum		3,356.13	87.10
Maximum		482,751.01	496,461.58
Interest rate			
Weighted average (wac)		4.08%	3.11%
Minimum		2.75%	1.00%
Maximum		5.97%	5.25%
Final maturity			
Weighted average (WARM) (months)		229	239
Minimum		01/04/2007	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		2.42%	2.19%
1-year EURIBOR/MIBOR (Mortgage Market)		97.54%	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%		0.49	0.29
10.01 - 20%		2.66	1.93
20.01 - 30%		4.95	3.82
30.01 - 40%		9.33	6.58
40.01 - 50%		12.38	10.97
50.01 - 60%		16.94	15.89
60.01 - 70%		24.88	22.49
70.01 - 80%		28.25	38.04
80.01 - 90%		0.10	85.86
90.01 - 100%		0.02	98.31
Weighted average (WALTV)		57.24	60.76
Minimum		0.08	2.08
Maximum		98.31	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)	1.14%	1.06%	0.92%	0.91%	0.93%
Annual Percentage Rate (CPR)	12.88%	12.05%	10.50%	10.43%	10.63%

Geographic distribution		
	Current	At constitution date
Andalucia	4.65%	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	0.35%	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	0.80%	0.83%
Madrid	7.40%	7.40%
Murcia	13.26%	13.14%
Navarra	0.41%	0.43%
Valencia	65.59%	65.64%

Current delinquency										
Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%			%	
Up to 1 month	420	106,511.34	91,736.51	0.00	198,247.85	41.12	30,264,475.69	30,462,723.54	66.00	49.85
1 to 2 months	122	57,574.45	51,759.56	0.00	109,334.01	22.68	8,183,440.04	8,292,774.05	17.97	49.38
2 to 3 months	85	74,948.37	60,117.27	0.00	135,065.64	28.01	6,193,247.26	6,328,312.90	13.71	48.28
3 to 6 months	9	9,720.29	10,221.43	0.00	19,941.72	4.14	713,082.69	733,024.41	1.59	55.34
6 to 12 months	5	9,860.90	9,721.03	0.00	19,581.93	4.06	318,945.92	338,527.85	0.73	53.83
Total	641	258,615.35	223,555.80	0.00	482,171.15		45,673,191.60	46,155,362.75		49.65