

# VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

## Brief report

Date: 12/31/2005  
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 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

Bond Underwriters and Placement Agents  
Bancaja  
Deutsche Bank  
Dexia  
Fortis Bank

### 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	100,000.00 909,500,000.00	100,000.00 909,500,000.00	Floating 3-M Euribor + 0.140% 24.Jan/Apr/Jul/Oct	2.6610% 04/24/2006 983.091667 Gross 835.627917 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	04/24/2006 "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	2.8410% 04/24/2006 1,049.591667 Gross 892.152917 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	3.0710% 04/24/2006 1,134.563889 Gross 964.379306 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	6.0210% 04/24/2006 2,224.425000 Gross 1,890.761250 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined Due to Cash Reserve reduction	CCC- Ca	CCC- Ca
Total		950,000,000.00		950,000,000.00					

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)												
Series	With optional redemption *	Average life	Years	% Monthly CPR (SMM)								
				0,00	0,70	0,80	0,90	1,00	1,10	1,20	1,30	
				% Annual equivalent CPR								
				0,00	8,08	9,19	10,28	11,36	12,43	13,49	14,53	
Series A	With optional redemption *	Average life	Years	10.67	6.02	5.63	5.28	4.97	4.70	4.44	4.21	
		Final Maturity	Years	08/28/2016	01/04/2012	08/17/2011	04/12/2011	12/18/2010	09/12/2010	06/06/2010	03/17/2010	
	Without optional redemption *	Average life	Years	10.93	6.37	5.99	5.64	5.33	5.05	4.80	4.56	
		Final Maturity	Years	12/01/2016	05/14/2012	12/25/2011	08/21/2011	04/29/2011	01/17/2011	10/16/2010	07/23/2010	
	Series B	With optional redemption *	Average life	Years	16.43	9.90	9.30	8.74	8.22	7.79	7.35	6.99
			Final Maturity	Years	06/01/2022	11/23/2015	04/17/2015	09/23/2014	03/19/2014	10/14/2013	05/04/2013	12/25/2012
Without optional redemption *		Average life	Years	16.97	10.65	10.04	9.48	8.97	8.51	8.09	7.72	
		Final Maturity	Years	12/15/2022	08/21/2016	01/12/2016	06/21/2015	12/19/2014	07/04/2014	01/31/2014	09/16/2013	
Series C		With optional redemption *	Average life	Years	16.43	9.90	9.30	8.74	8.22	7.79	7.35	6.99
			Final Maturity	Years	06/01/2022	11/24/2015	04/17/2015	09/23/2014	03/20/2014	10/14/2013	05/04/2013	12/25/2012
	Without optional redemption *	Average life	Years	16.97	10.65	10.04	9.48	8.97	8.51	8.09	7.72	
		Final Maturity	Years	12/15/2022	08/21/2016	01/13/2016	06/21/2015	12/19/2014	07/04/2014	01/31/2014	09/17/2013	
	Series D	With optional redemption *	Average life	Years	17.22	10.73	10.10	9.51	8.94	8.52	8.00	7.61
			Final Maturity	Years	03/18/2023	09/19/2016	02/04/2016	07/03/2015	12/08/2014	07/07/2014	12/27/2013	08/08/2013
Without optional redemption *		Average life	Years	21.77	18.69	18.44	18.23	18.04	17.87	17.72	17.59	
		Final Maturity	Years	10/03/2027	09/03/2024	06/06/2024	03/20/2024	01/11/2024	11/11/2023	09/17/2023	07/30/2023	

\* 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	95.74%	909,500,000.00	4.31%	95.74%	909,500,000.00	4.31%
Series B	2.23%	21,200,000.00	2.05%	2.23%	21,200,000.00	2.05%
Series C	0.99%	9,400,000.00	1.05%	0.99%	9,400,000.00	1.05%
Series D	1.04%	9,900,000.00	1.04%		9,900,000.00	
Issue of Bonds		950,000,000.00			950,000,000.00	
Reserve Fund	1.05%	9,900,000.00	1.05%		9,900,000.00	

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	18,378,684.27	2.481%	
Servicer ppal collect not yet credited	3,558,901.42		
Servicer ints collect not yet credited	399,079.48		
Liabilities	Available	Balance	Interest
Start-up Loan		1,400,000.00	4.521%

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### Register of Book Securities

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### Treasury Account

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### Start-up Loan

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### Swap

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### Swap Collateral

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## Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	12,145	12,241	
Principal			
Principal outstanding	928,912,837.33	940,242,690.85	
Average loan	76,485.21	76,810.94	
Minimum	77.36	3,356.13	
Maximum	496,461.58	496,461.58	
Interest rate			
Weighted average (wac)	3.12%	3.11%	
Minimum	1.00%	1.00%	
Maximum	5.25%	5.25%	
Final maturity			
Weighted average (WARM) (months)	238	239	
Minimum	01/26/2006	01/04/2007	
Maximum	11/05/2035	11/05/2035	
Index (distribution)			
3-month EURIBOR/MIBOR	0.01	0.01	
1-year EURIBOR/MIBOR	2.18	2.19	
1-year EURIBOR/MIBOR (Mortgage Market)	97.81	97.78	
Mortgage Market: Banks	0.00	0.01	
Mortgage Market: All Institutions	0.00	0.02	

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	0.31	7.74	0.29	7.77
10.01 - 20%	2.04	15.82	1.93	15.83
20.01 - 30%	3.88	25.35	3.82	25.38
30.01 - 40%	7.03	35.56	6.58	35.62
40.01 - 50%	10.95	45.35	10.97	45.35
50.01 - 60%	15.93	55.32	15.89	55.36
60.01 - 70%	22.55	65.46	22.49	65.47
70.01 - 80%	37.32	75.19	38.04	75.26
Weighted average (WALTV)	60.42		60.76	
Minimum	0.06		2.08	
Maximum	80.00		80.00	

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	1.15%				1.15%
Annual Percentage Rate (CPR)	12.92%				12.92%

Geographic distribution		
	Current	At constitution date
Andalucia	4.66%	4.64%
Aragon	6.19%	6.24%
Asturias	0.00%	0.00%
Balearic Islands	0.42%	0.41%
Basque Country	0.02%	0.04%
Canary Islands	0.01%	0.01%
Castilla-La Mancha	0.35%	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	7.40%	7.40%
Murcia	13.15%	13.14%
Navarra	0.43%	0.43%
Unknown	0.04%	
Valencia	65.67%	65.64%

Current delinquency										
Aging	Assets	Overdue debt					Outstanding debt	Total debt	% Total debt / Appraisal Value	
		Principal	Interest	Other	Total	%				
Up to 1 month	460	112,247.72	74,998.20	0.00	187,245.92	100.00	30,067,607.56	30,254,853.48	100.00	53.97
Total	460	112,247.72	74,998.20	0.00	187,245.92		30,067,607.56	30,254,853.48		53.97

### Additional information