

# VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

## Brief report

Date: 04/30/2006  
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 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 Nº 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 / 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	3.3260% 07/24/2006 840,738888 Gross 714,828056 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	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)													
Series	With optional redemption *	Average life	Years	% Monthly CPR (SMM)									
				0,00	0,60	0,69	0,78	0,87	0,97	1,06	1,15		
Series A	With optional redemption *	Average life	Years	10.58	6.42	6.03	5.67	5.36	5.06	4.80	4.56		
			Date	11/25/2016	09/26/2012	05/07/2012	12/29/2011	09/08/2011	05/20/2011	02/15/2011	11/20/2010		
		Final Maturity	Years	20.75	14.99	14.24	13.49	12.99	12.24	11.75	11.24	11.24	
			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	10.85	6.77	6.39	6.04	5.72	5.42	5.15	4.90	
				Date	03/05/2017	02/04/2013	09/17/2012	05/12/2012	01/16/2012	09/30/2011	06/24/2011	03/25/2011	
	Final Maturity		Years	29.76	29.76	29.76	29.76	29.76	29.76	29.76	29.76	29.76	
			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	15.94	10.24	9.64	9.09	8.62	8.14	7.73	7.35
					Date	04/05/2022	07/23/2016	12/16/2015	05/29/2015	12/09/2014	06/16/2014	01/19/2014	09/01/2013
		Final Maturity		Years	20.75	14.99	14.24	13.49	12.99	12.24	11.75	11.24	11.24
			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	16.48	10.94	10.35	9.81	9.31	8.85	8.42	8.02	8.02	
			Date	10/16/2022	04/04/2017	08/31/2016	02/17/2016	08/18/2015	03/02/2015	09/26/2014	05/03/2014		
	Final Maturity	Years	29.76	29.76	29.76	29.76	29.76	29.76	29.76	29.76	29.76		
Series C	With optional redemption *	Average life	Years	15.94	10.24	9.64	9.09	8.62	8.14	7.73	7.35		
			Date	04/05/2022	07/23/2016	12/17/2015	05/29/2015	12/10/2014	06/16/2014	01/19/2014	09/02/2013		
		Final Maturity	Years	20.75	14.99	14.24	13.49	12.99	12.24	11.75	11.24	11.24	
	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	16.48	10.94	10.35	9.81	9.31	8.85	8.42	8.02	8.02	
			Date	10/16/2022	04/04/2017	08/31/2016	02/17/2016	08/19/2015	03/03/2015	09/27/2014	05/04/2014		
Final Maturity		Years	29.76	29.76	29.76	29.76	29.76	29.76	29.76	29.76	29.76		
Series D	With optional redemption *	Average life	Years	16.77	11.14	10.52	9.93	9.49	8.94	8.53	8.14		
			Date	02/01/2023	06/18/2017	11/03/2016	04/01/2016	10/23/2015	04/04/2015	11/08/2014	06/16/2014		
		Final Maturity	Years	20.75	14.99	14.24	13.49	12.99	12.24	11.75	11.24	11.24	
	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	21.32	18.60	18.36	18.15	17.95	17.78	17.63	17.49		
			Date	08/19/2027	11/29/2024	09/02/2024	06/16/2024	04/08/2024	02/05/2024	12/11/2023	10/20/2023		
Final Maturity		Years	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50	29.50		
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)					
Series		Current		At issue date	
		% CE	% CE	% 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%	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		17,740,078.79	2.736%
Servicer ppal collect not yet credited		2,996,637.36	
Servicer ints collect not yet credited		523,308.76	
Liabilities	Available	Balance	Interest
Start-up Loan		893,235.64	4.776%

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### 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

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## Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	11,636	12,241	
Principal			
Principal outstanding	878,450,774.34	940,242,690.85	
Average loan	75,494.22	76,810.94	
Minimum	557.47	3,356.13	
Maximum	491,707.10	496,461.58	
Interest rate			
Weighted average (wac)	3.30%	3.11%	
Minimum	2.50%	1.00%	
Maximum	5.41%	5.25%	
Final maturity			
Weighted average (WARM) (months)	236	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	2.25	2.19	
1-year EURIBOR/MIBOR (Mortgage Market)	97.71	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)	0.92%	0.87%			0.94%
Annual Percentage Rate (CPR)	10.46%	9.97%			10.66%

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	0.40	7.78	0.29	7.77
10.01 - 20%	2.28	15.85	1.93	15.83
20.01 - 30%	4.24	25.39	3.82	25.38
30.01 - 40%	8.40	35.47	6.58	35.62
40.01 - 50%	11.34	45.44	10.97	45.35
50.01 - 60%	16.11	55.37	15.89	55.36
60.01 - 70%	22.88	65.46	22.49	65.47
70.01 - 80%	34.23	74.69	38.04	75.26
80.01 - 90%	0.10	86.03		
90.01 - 100%	0.03	95.99		
Weighted average (WALTV)	59.17		60.76	
Minimum	0.16		2.08	
Maximum	99.72		80.00	

Geographic distribution		
	Current	At constitution date
Andalucia	4.68%	4.64%
Aragon	6.21%	6.24%
Asturias	0.00%	0.00%
Balearic Islands	0.42%	0.41%
Basque Country	0.03%	0.04%
Canary Islands	0.01%	0.01%
Castilla-La Mancha	0.35%	0.36%
Castilla-Leon	0.03%	0.03%
Catalonia	0.78%	0.77%
Ceuta	0.03%	0.03%
Extremadura	0.01%	0.01%
Galicia	0.01%	0.01%
La Rioja	0.79%	0.83%
Madrid	7.37%	7.40%
Murcia	13.22%	13.14%
Navarra	0.44%	0.43%
Valencia	65.62%	65.64%

Current delinquency										
Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%		%		
Up to 1 month	613	167,096.70	115,148.45	0.00	282,245.15	54.78	44,894,032.71	45,176,277.86	74.04	53.83
1 to 2 months	137	74,832.99	54,468.50	0.00	129,301.49	25.09	10,485,780.02	10,615,081.51	17.40	53.60
2 to 3 months	61	52,814.69	36,812.16	0.00	89,626.85	17.39	4,663,063.33	4,752,690.18	7.79	54.38
3 to 6 months	8	9,587.26	4,488.85	0.00	14,076.11	2.73	461,820.60	475,896.71	0.78	43.28
Total	819	304,331.64	210,917.96	0.00	515,249.60		60,504,696.66	61,019,946.26		53.73

### Additional information