VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecaria

Brief report

Date: 09/30/2006
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	90,263.03 820,942,257.85 90.26%	100,000.00 909,500,000.00	Floating 3-M Euribor + 0.140% 24.Jan/Apr/Jul/Oct	3.2570% 10/24/2006 751.299316 Gross 638.604419 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	10/24/2006 "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	3.4370% 10/24/2006 878.344444 Gross 746.592777 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	3.6670% 10/24/2006 937.122222 Gross 796.553889 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	6.6170% 10/24/2006 1,691.011111 Gross 1,437.359444 Net	01/24/2043 Quarterly 24.Jan/Apr/Jul/Oct	To be determined Due to Cash Reserve reduction	CCC- Ca	CCC- Ca
Total		861,442,257.85	950,000,000.00						

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)

Series			% Monthly CPR (SMM)	0,00	0,69	0,87	1,06	1,25	1,44	1,64	1,84
			% Annual equivalent CPR	0,00	8,00	10,00	12,00	14,00	16,00	18,00	20,00
Series A	With optional redemption *	Average life	Years	10.27	5.87	5.20	4.68	4.20	3.83	3.50	3.21
			Date	01/05/2017	08/13/2012	12/11/2011	06/02/2011	12/09/2010	07/27/2010	03/30/2010	12/14/2009
		Final Maturity	Years	20.08	13.82	12.33	11.33	10.07	9.32	8.57	7.82
			Date	10/24/2026	07/24/2020	01/24/2019	01/24/2018	10/24/2016	01/24/2016	04/24/2015	07/24/2014
	Without optional redemption *	Average life	Years	10.59	6.27	5.61	5.06	4.59	4.19	3.85	3.55
			Date	04/29/2017	01/03/2013	05/09/2012	10/21/2011	05/03/2011	12/08/2010	08/03/2010	04/16/2010
		Final Maturity	Years	29.34	29.34	29.34	29.34	29.34	29.34	29.34	29.34
			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	15.36	9.26	8.22	7.41	6.65	6.07	5.55	5.09
			Date	02/05/2022	01/01/2016	12/18/2014	02/23/2014	05/22/2013	10/24/2012	04/18/2012	10/30/2011
		Final Maturity	Years	20.08	13.82	12.33	11.33	10.07	9.32	8.57	7.82
			Date	10/24/2026	07/24/2020	01/24/2019	01/24/2018	10/24/2016	01/24/2016	04/24/2015	07/24/2014
	Without optional redemption *	Average life	Years	15.95	10.00	8.99	8.13	7.39	6.76	6.20	5.71
			Date	09/06/2022	09/26/2016	09/25/2015	11/13/2014	02/18/2014	07/01/2013	12/10/2012	06/14/2012
		Final Maturity	Years	29.34	29.34	29.34	29.34	29.34	29.34	29.34	29.34
			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	15.36	9.26	8.22	7.41	6.65	6.07	5.55	5.09
			Date	02/05/2022	01/02/2016	12/18/2014	02/23/2014	05/23/2013	10/24/2012	04/18/2012	10/30/2011
		Final Maturity	Years	20.08	13.82	12.33	11.33	10.07	9.32	8.57	7.82
			Date	10/24/2026	07/24/2020	01/24/2019	01/24/2018	10/24/2016	01/24/2016	04/24/2015	07/24/2014
	Without optional redemption *	Average life	Years	15.95	10.00	8.99	8.13	7.39	6.76	6.20	5.71
			Date	09/06/2022	09/26/2016	09/25/2015	11/14/2014	02/18/2014	07/01/2013	12/10/2012	06/14/2012
		Final Maturity	Years	29.34	29.34	29.34	29.34	29.34	29.34	29.34	29.34
			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	16.13	10.12	8.98	8.17	7.28	6.69	6.14	5.60
			Date	11/12/2022	11/09/2016	09/20/2015	11/27/2014	01/08/2014	06/08/2013	11/16/2012	05/06/2012
		Final Maturity	Years	20.08	13.82	12.33	11.33	10.07	9.32	8.57	7.82
			Date	10/24/2026	07/24/2020	01/24/2019	01/24/2018	10/24/2016	01/24/2016	04/24/2015	07/24/2014
	Without optional redemption *	Average life	Years	20.81	17.95	17.57	17.26	17.01	16.80	16.62	16.47
			Date	07/16/2027	09/08/2024	04/21/2024	12/30/2023	09/29/2023	07/15/2023	05/11/2023	03/17/2023
		Final Maturity	Years	29.08	29.08	29.08	29.08	29.08	29.08	29.08	29.08
			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	95.30%	820,942,257.85	4.76%	95.74%	909,500,000.00	4.31%
Series B	2.46%	21,200,000.00	2.27%	2.23%	21,200,000.00	2.05%
Series C	1.09%	9,400,000.00	1.16%	0.99%	9,400,000.00	1.05%
Series D	1.15%	9,900,000.00		1.04%	9,900,000.00	
Issue of Bonds		861,442,257.85			950,000,000.00	
Reserve Fund	1.16%	9,900,000.00		1.05%	9,900,000.00	

Other finantial operations (current)

Assets		Balance	Interest
Treasury Account		38,707,701.81	3.064%
Servicer ppal collect not yet credited		3,110,057.26	
Servicer ints collect not yet credited		535,847.70	
Liabilities	**Available**	**Balance**	**Interest**
Start-up Loan		846,223.24	5.117%

Collateral: Residential mortgage loans

General

	Current	At constitution date
Count	11,142	12,241
Principal		
Principal outstanding	825,083,327.86	940,242,690.85
Average loan	74,051.64	76,810.94
Minimum	131.04	3,356.13
Maximum	485,704.71	496,461.58
Interest rate		
Weighted average (wac)	3.75%	3.11%
Minimum	2.72%	1.00%
Maximum	5.75%	5.25%
Final maturity		
Weighted average (WARM) (months)	232	239
Minimum	10/26/2006	01/04/2007
Maximum	12/05/2035	11/05/2035
Index (distribution)		
3-month EURIBOR/MIBOR	0.01	0.01
1-year EURIBOR/MIBOR	2.39	2.19
1-year EURIBOR/MIBOR (Mortgage Market)	97.57	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%	0.44	7.29	0.29	7.77
10.01 - 20%	2.47	15.80	1.93	15.83
20.01 - 30%	4.70	25.57	3.82	25.38
30.01 - 40%	8.93	35.35	6.58	35.62
40.01 - 50%	12.05	45.45	10.97	45.35
50.01 - 60%	16.60	55.34	15.89	55.36
60.01 - 70%	24.14	65.44	22.49	65.47
70.01 - 80%	30.56	74.22	38.04	75.26
80.01 - 90%	0.10	85.89		
90.01 - 100%	0.02	98.84		
Weighted average (WALTV)	58.02		60.76	
Minimum	0.16		2.08	
Maximum	98.84		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)	0.62%	0.80%	0.85%		0.88%
Annual Percentage Rate (CPR)	7.14%	9.23%	9.70%		10.11%

Geographic distribution

	Current	At constitution date
Andalucia	4.69%	4.64%
Aragon	6.27%	6.24%
Asturias	0.00%	0.00%
Balearic Islands	0.40%	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	0.77%	0.77%
Ceuta	0.03%	0.03%
Extremadura	0.01%	0.01%
Galicia	0.01%	0.01%
La Rioja	0.82%	0.83%
Madrid	7.38%	7.40%
Murcia	13.17%	13.14%
Navarra	0.45%	0.43%
Valencia	65.61%	65.64%

Current delinquency

Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%			%	
Up to 1 month	515	128,451.76	106,163.86	0.00	234,615.62	41.72	36,811,774.68	37,046,390.30	67.26	51.67
1 to 2 months	138	72,358.44	57,459.70	0.00	129,818.14	23.08	10,004,227.47	10,134,045.61	18.40	51.60
2 to 3 months	86	74,383.72	56,438.94	0.00	130,822.66	23.26	6,039,322.42	6,170,145.08	11.20	45.10
3 to 6 months	14	18,917.46	16,727.84	0.00	35,645.30	6.34	1,025,002.38	1,060,647.68	1.93	55.66
6 to 12 months	7	16,492.58	15,001.28	0.00	31,493.86	5.60	638,091.97	669,585.83	1.22	52.09
Total	760	310.603,96	251,791.62	0.00	562,395.58		54,518,418.92	55,080,814.50		50.90

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