

# 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)		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	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 / Sequential	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 / Sequential	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
<b>Total</b>		<b>830,584,559.95</b>	<b>950,000,000.00</b>						

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)													
Series	Option	Average life Years	Final Maturity Date	% 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		
	Final Maturity	Years	03/28/2017	08/01/2014	08/14/2013	10/24/2012	02/19/2012	08/10/2011	02/24/2011	10/10/2010			
	Without optional redemption *	Average life	Years	19.91	16.66	15.16	13.66	12.16	11.16	10.16	9.16		
	Final Maturity	Years	10/24/2026	07/24/2023	01/24/2022	07/24/2020	01/24/2019	01/24/2018	01/24/2017	01/24/2016			
Series B	With optional redemption *	Average life	Years	10.66	8.06	7.11	6.32	5.66	5.10	4.63	4.23		
	Final Maturity	Years	07/25/2017	12/19/2014	01/05/2014	03/23/2013	07/26/2012	01/05/2012	07/17/2011	02/19/2011			
	Without optional redemption *	Average life	Years	15.13	11.65	10.28	9.09	8.06	7.26	6.56	5.94		
	Final Maturity	Years	01/13/2022	07/23/2018	03/08/2017	12/30/2015	12/20/2014	03/01/2014	06/20/2013	11/05/2012			
Series C	With optional redemption *	Average life	Years	19.91	16.66	15.16	13.66	12.16	11.16	10.16	9.16		
	Final Maturity	Years	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		
	Final Maturity	Years	08/15/2022	04/02/2019	11/24/2017	09/25/2016	09/30/2015	11/23/2014	03/03/2014	07/17/2013			
Series D	With optional redemption *	Average life	Years	29.17	29.17	29.17	29.17	29.17	29.17	29.17	29.17		
	Final Maturity	Years	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036	01/24/2036			
	Without optional redemption *	Average life	Years	15.91	12.53	11.17	9.94	8.81	8.01	7.26	6.55		
	Final Maturity	Years	10/23/2022	06/09/2019	01/29/2018	11/06/2016	09/20/2015	11/30/2014	03/01/2014	06/15/2013			
	Without optional redemption *	Average life	Years	20.58	18.85	18.25	17.78	17.40	17.10	16.86	16.65		
	Final Maturity	Years	06/26/2027	10/01/2025	02/24/2025	09/04/2024	04/21/2024	01/02/2024	10/05/2023	07/22/2023			
				28.92	28.92	28.92	28.92	28.92	28.92	28.92	28.92		
				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	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	12/05/2005	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		At constitution date	
	% Pool	% LTV	% Pool	% 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	

Europa de Titulización publishes this report to supplement the information laid down in the Offering Circular for the Bond Issue by this Securitisation Fund.  
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### Additional information

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Banco de Valencia

**Fund Auditors**  
Ernst&Young

### 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				Total	%	Outstanding debt	Total debt	%	% Total debt / Appraisal Value
		Principal	Interest	Other							
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	
<b>Total</b>	<b>706</b>	<b>278,005.98</b>	<b>234,048.35</b>	<b>0.00</b>	<b>512,054.33</b>		<b>51,025,885.16</b>	<b>51,537,939.49</b>		<b>50.71</b>	

#### Additional information