

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
Europa 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 / Secutorial	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 / Secutorial	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
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)											
Series	Option	Type	Date	% 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
Series B	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
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
Series D	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

* 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	% CE	% CE
Series A	95.12%	790,084,559.95	4.93%	95.74%	909,500,000.00
Series B	2.55%	21,200,000.00	2.35%	2.23%	21,200,000.00
Series C	1.13%	9,400,000.00	1.21%	0.99%	9,400,000.00
Series D	1.19%	9,900,000.00	1.04%	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		
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	7.30	0.29	7.77
10.01 - 20%	2.66	15.76	1.93	15.83
20.01 - 30%	4.95	29.71	3.82	25.38
30.01 - 40%	9.33	35.33	6.58	35.62
40.01 - 50%	12.38	45.38	10.97	45.35
50.01 - 60%	16.94	55.25	15.89	55.36
60.01 - 70%	24.88	65.32	22.49	65.47
70.01 - 80%	28.25	73.92	38.04	75.26
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	

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

Europa de Titulización: C/ Lagasca, 120 - 28006 Madrid ☎ +34 91 411 84 67 📠 +34 91 411 84 68 🌐 www.edt-sg.com ✉ info@eurtitulizacion.com
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

Additional information