

HIPOTECARIO 2 Fondo de Titulización Hipotecaria

Brief report

Date: 10/31/2006
Currency: EUR

Date of constitution
12/04/1998

VAT Reg. no.
G82191453

Management Company
Europa de Titulización S.G.F.T

Originator
BBVA (Argentina)

Servicer
BBVA (Argentina)

Lead Managers
Argentina
Banco Negocios Argentina

Bond Underwriters and Placement Agents
Banco Negocios Argentina

Bond Paying Agent
BBVA (Argentina)

Market
AIAF Mercado de Renta Fija

Register of Book Securities
Iberclear

Treasury Account
BBVA (Argentina)

Swap
BBVA (Argentina)

Subordinated Loan
BBVA (Argentina)

Assets Custodian
BBVA (Argentina)

Fund Auditors
Ernst&Young

Issued securities: Residential Mortgages 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 Moody's | |
| | | Current | Original | | | Final maturity (legal) | Next | Current | Original |
| Series A ES0345791000 | 12/09/1998 6,758 | 34,370.07 232,272,933.06 22.87% | 150,253.03 1,015,409,950.36 | Floating 6-M Euribor + 0.200% 16.May/Nov | 3.3114% 11/16/2006 573.74 Gross 487.68 Net | 05/16/2023 Half-yearly 16.May/Nov | 11/16/2006 "Pass-Through" | Aaa | Aaa |
| Series B ES0345791018 | 12/09/1998 242 | 66,226.59 16,026,834.78 44.08% | 150,253.03 36,361,232.32 | Floating 6-M Euribor + 0.480% 16.May/Nov | 3.5953% 11/16/2006 1,200.31 Gross 1,020.26 Net | 05/16/2023 Half-yearly 16.May/Nov | 11/16/2006 "Pass-Through" Pro rata deferred start / Secuential | A2 | A2 |
| Total | | 248,299,767.84 | 1,051,771,182.67 | | | | | | |

| 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 | 0,34 | 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 | 1.97 | 3.12 | 3.12 | 3.12 | 3.12 | 3.12 | 3.12 | 3.12 | 3.12 | 3.12 | 3.12 |
| | | Final Maturity | 11/17/2008 | 01/11/2010 | 01/11/2010 | 01/11/2010 | 01/11/2010 | 01/11/2010 | 01/11/2010 | 01/11/2010 | 01/11/2010 | 01/11/2010 | 01/11/2010 |
| | Without optional redemption * | Average life | 2.55 | 4.37 | 4.37 | 4.37 | 4.37 | 4.37 | 4.37 | 4.37 | 4.37 | 4.37 | 4.37 |
| | | Final Maturity | 06/18/2009 | 04/13/2011 | 04/13/2011 | 04/13/2011 | 04/13/2011 | 04/13/2011 | 04/13/2011 | 04/13/2011 | 04/13/2011 | 04/13/2011 | 04/13/2011 |
| Series B | With optional redemption * | Average life | 2.37 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | |
| | | Final Maturity | 04/12/2009 | 07/02/2010 | 07/02/2010 | 07/02/2010 | 07/02/2010 | 07/02/2010 | 07/02/2010 | 07/02/2010 | 07/02/2010 | 07/02/2010 | |
| | Without optional redemption * | Average life | 7.90 | 11.17 | 11.17 | 11.17 | 11.17 | 11.17 | 11.17 | 11.17 | 11.17 | 11.17 | |
| | | Final Maturity | 10/20/2014 | 01/29/2018 | 01/29/2018 | 01/29/2018 | 01/29/2018 | 01/29/2018 | 01/29/2018 | 01/29/2018 | 01/29/2018 | 01/29/2018 | |
| Date | | | | 05/16/2023 | 05/16/2023 | 05/16/2023 | 05/16/2023 | 05/16/2023 | 05/16/2023 | 05/16/2023 | 05/16/2023 | 05/16/2023 | |

* 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 | % CE | % CE | |
| Series A | 93.55% | 232,272,933.06 | 9.60% | 96.54% | 1,015,409,950.36 | 4.51% |
| Series B | 6.45% | 16,026,834.78 | 3.15% | 3.46% | 36,361,232.32 | 1.05% |
| Issue of Bonds | | 248,299,767.84 | | | 1,051,771,182.67 | |
| Reserve Fund | 3.15% | 7,821,442.73 | | 1.05% | 11,043,597.42 | |

| Other financial operations (current) | | | |
|--|--------------|------------------|---------------|
| Assets | | Balance | Interest |
| | | Treasury Account | 38,145,912.27 |
| Servicer ppal collect not yet credited | 2,996,433.72 | | |
| Servicer ints collect not yet credited | 710,611.05 | | |
| Liabilities | Available | Balance | Interest |
| Subordinated Loan | | 7,904,951.42 | 4.066% |

Collateral: Residential mortgage loans

| General | | |
|--|----------------|----------------------|
| | Current | At constitution date |
| Count | 10,231 | 25,780 |
| Principal | | |
| Principal outstanding | 218,492,738.89 | 1,051,772,964.04 |
| Average loan | 21,355.95 | 40,798.02 |
| Minimum | 3.90 | 6,019.02 |
| Maximum | 182,295.63 | 235,884.32 |
| Interest rate | | |
| Weighted average (wac) | 4.25% | 5.42% |
| Minimum | 3.16% | 3.75% |
| Maximum | 5.75% | 8.75% |
| Final maturity | | |
| Weighted average (WARM) (months) | 101 | 172 |
| Minimum | 11/30/2006 | 01/31/2000 |
| Maximum | 02/28/2023 | 02/28/2023 |
| Index (principal outstanding distribution) | | |
| 1-year EURIBOR/MIBOR (Mortgage Market) | 87.44% | 87.99% |
| Mortgage Market: All Institutions | 12.56% | 12.01% |

| LTV Distribution | | | | |
|--------------------------|---------|-------|----------------------|-------|
| | Current | | At constitution date | |
| | % Pool | % LTV | % Pool | % LTV |
| 0.01 - 10% | 3.55 | 6.67 | 0.09 | 8.19 |
| 10.01 - 20% | 11.75 | 15.53 | 1.55 | 16.19 |
| 20.01 - 30% | 18.21 | 25.34 | 4.45 | 25.56 |
| 30.01 - 40% | 23.98 | 35.10 | 6.25 | 35.35 |
| 40.01 - 50% | 16.38 | 44.61 | 12.12 | 45.40 |
| 50.01 - 60% | 16.90 | 54.54 | 16.48 | 55.30 |
| 60.01 - 70% | 9.23 | 61.77 | 23.87 | 65.32 |
| 70.01 - 80% | | | 33.18 | 74.83 |
| Weighted average (WALTV) | 37.32 | | | 59.35 |
| Minimum | 0.00 | | | 5.42 |
| Maximum | 67.35 | | | 79.98 |

| Prepayments | | | | | |
|------------------------------|---------------|---------------|---------------|----------------|------------|
| | Current month | Last 3 months | Last 6 months | Last 12 months | Historical |
| Single month. mort. (SMM) | 0.79% | 0.64% | 0.73% | 0.80% | 0.80% |
| Annual Percentage Rate (CPR) | 9.09% | 7.41% | 8.39% | 9.17% | 9.20% |

| Geographic distribution | | |
|-------------------------|---------|----------------------|
| | Current | At constitution date |
| Andalucia | 21.21% | 20.61% |
| Aragon | 1.37% | 1.37% |
| Asturias | 1.50% | 1.41% |
| Balearic Islands | 3.77% | 4.03% |
| Basque Country | 1.60% | 1.43% |
| Canary Islands | 8.93% | 7.74% |
| Cantabria | 1.19% | 1.15% |
| Castilla-La Mancha | 4.47% | 4.03% |
| Castilla-Leon | 5.40% | 5.11% |
| Catalonia | 7.84% | 8.01% |
| Extremadura | 2.29% | 2.23% |
| Galicia | 4.38% | 3.37% |
| La Rioja | 1.08% | 0.98% |
| Madrid | 23.67% | 27.54% |
| Murcia | 1.95% | 2.19% |
| Navarra | 0.52% | 0.62% |
| Valencia | 8.82% | 8.19% |

Additional information

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Ernst&Young

| Current delinquency | | | | | | | | | | |
|---------------------|------------|-------------------|-------------------|-----------------|-------------------|-------|----------------------|----------------------|-------|--------------------------------|
| Aging | Assets | Overdue debt | | | | | Outstanding debt | Total debt | | % Total debt / Appraisal Value |
| | | Principal | Interest | Other | Total | % | | | % | |
| Up to 1 month | 509 | 130,303.39 | 39,995.38 | 0.00 | 170,298.77 | 45.52 | 11,509,154.13 | 11,679,452.90 | 74.46 | 30.73 |
| 1 to 2 months | 81 | 26,870.08 | 8,942.45 | 0.00 | 35,812.53 | 9.57 | 1,889,403.51 | 1,925,216.04 | 12.27 | 37.63 |
| 2 to 3 months | 48 | 26,261.74 | 10,282.40 | 0.00 | 36,544.14 | 9.77 | 1,176,804.32 | 1,213,348.46 | 7.74 | 41.49 |
| 3 to 6 months | 12 | 6,796.61 | 1,280.14 | 59.98 | 8,136.73 | 2.17 | 136,468.48 | 144,605.21 | 0.92 | 20.09 |
| 6 to 12 months | 13 | 18,808.84 | 5,202.58 | 2,968.97 | 26,980.39 | 7.21 | 226,047.00 | 253,027.39 | 1.61 | 27.41 |
| 12 to 18 months | 3 | 11,811.58 | 3,323.63 | 638.65 | 15,773.86 | 4.22 | 90,030.77 | 105,804.63 | 0.67 | 44.15 |
| 18 to 24 months | 3 | 6,704.39 | 4,730.63 | 1,174.37 | 12,609.39 | 3.37 | 66,368.66 | 78,978.05 | 0.50 | 66.87 |
| Over 2 years | 7 | 33,836.39 | 30,184.73 | 3,958.72 | 67,979.84 | 18.17 | 217,432.28 | 285,412.12 | 1.82 | 40.06 |
| Total | 676 | 261,393.02 | 103,941.94 | 8,800.69 | 374,135.65 | | 15,311,709.15 | 15,685,844.80 | | 32.17 |

Additional information