

BZ HIPOTECARIO 1 Fondo de Titulizacion Hipotecaria

Brief report

Date: 01/31/2006
Currency: EUR

Date of constitution
04/16/1999

VAT Reg. no.
G82311796

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

Originator
Banco Zaragozano

Servicer
Barclays Bank (B. Zaragozano)

Lead Managers
Banco Zaragozano

Bond Underwriters and Placement Agents
Banco Zaragozano

Bond Paying Agent
Caja Madrid

Market
AIAF Mercado de Renta Fija

Register of Book Securities
Iberclear

Treasury Account
Barclays Bank (B. Zaragozano)

Treasury Account Collateral
Caja Madrid

Subordinated Loan
Barclays Bank (B. Zaragozano)

Assets Custodian
Barclays Bank (B. Zaragozano)

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 ES0315271009 | 04/20/1999 3,386 | 21,756.70 73,668,186.20 21.76% | 100,000.00 338,600,000.00 | Floating 3-M Euribor + 0.180% 17.Mar/Jun/Sep/Dec | 2.6919% 03/17/2006 141.20 Gross 120.02 Net | 03/17/2024 Quarterly 17.Mar/Jun/Sep/Dec | 03/17/2006 "Pass-Through" | AAA Aaa | AAA Aaa |
| Series B ES0315271017 | 04/20/1999 114 | 100,000.00 11,400,000.00 100.00% | 100,000.00 11,400,000.00 | Floating 3-M Euribor + 0.500% 17.Mar/Jun/Sep/Dec | 3.0163% 03/17/2006 727.22 Gross 618.14 Net | 03/17/2024 Quarterly 17.Mar/Jun/Sep/Dec | To be determined "Pass-Through" Secutorial | AA A2 | A+ A2 |
| Total | | 85,068,186.20 | 350,000,000.00 | | | | | | |

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

| Series | With optional redemption * | Average life Years | Date | % Monthly CPR (SMM) | | | | | | | | | |
|----------|-------------------------------|-----------------------|------------|---------------------|------------|------------|------------|------------|------------|------------|------|--|--|
| | | | | 0,00 | 0,70 | 0,80 | 0,90 | 1,00 | 1,10 | 1,20 | 1,30 | | |
| Series A | With optional redemption * | Average life | 3.02 | 2.20 | 2.15 | 2.04 | 2.00 | 1.89 | 1.86 | 1.83 | | | |
| | | Final Maturity | 02/05/2009 | 04/12/2008 | 03/26/2008 | 02/14/2008 | 01/31/2008 | 12/22/2007 | 12/10/2007 | 11/28/2007 | | | |
| | Without optional redemption * | Average life | 3.56 | 2.60 | 2.50 | 2.41 | 2.33 | 2.25 | 2.18 | 2.11 | | | |
| | | Final Maturity | 12/17/2010 | 09/17/2009 | 09/17/2009 | 06/17/2009 | 06/17/2009 | 03/17/2009 | 03/17/2009 | 03/17/2009 | | | |
| | | Average life | 4.88 | 3.63 | 3.63 | 3.38 | 3.38 | 3.13 | 3.13 | 3.13 | | | |
| | | Final Maturity | 08/22/2009 | 09/04/2008 | 08/01/2008 | 06/29/2008 | 05/30/2008 | 05/02/2008 | 04/05/2008 | 03/11/2008 | | | |
| Series B | With optional redemption * | Average life | 4.88 | 3.63 | 3.63 | 3.38 | 3.38 | 3.13 | 3.13 | 3.13 | | | |
| | | Final Maturity | 12/17/2010 | 09/17/2009 | 09/17/2009 | 06/17/2009 | 06/17/2009 | 03/17/2009 | 03/17/2009 | 03/17/2009 | | | |
| | Without optional redemption * | Average life | 12.40 | 9.78 | 9.46 | 9.15 | 8.87 | 8.60 | 8.34 | 8.10 | | | |
| | | Final Maturity | 06/24/2018 | 11/10/2015 | 07/15/2015 | 03/26/2015 | 12/11/2014 | 09/04/2014 | 06/02/2014 | 03/05/2014 | | | |
| | | Average life | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | | | |
| | | Final Maturity | 06/17/2024 | 06/17/2024 | 06/17/2024 | 06/17/2024 | 06/17/2024 | 06/17/2024 | 06/17/2024 | 06/17/2024 | | | |

* 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

| | Current | | At issue date | |
|----------------|---------|---------------|---------------|----------------|
| | % CE | % CE | % CE | % CE |
| Series A | 86.60% | 73,668,186.20 | 17.40% | 96.74% |
| Series B | 13.40% | 11,400,000.00 | 4.00% | 3.26% |
| Issue of Bonds | | 85,068,186.20 | | 350,000,000.00 |
| Reserve Fund | 4.00% | 3,402,727.45 | 2.00% | 7,000,000.00 |

Other financial operations (current)

| Assets | Balance | Interest |
|--|--------------|------------------|
| Treasury Account | 6,714,236.24 | 2.475% |
| Servicer ppal collect not yet credited | 731,241.78 | |
| Servicer ints collect not yet credited | 22,131.46 | |
| Liabilities | Available | Balance Interest |
| Subordinated Loan | 3,381,213.19 | 3.016% |

Collateral: Residential mortgage loans

| General | | |
|--|---------------|----------------------|
| | Current | At constitution date |
| Count | 3,451 | 7,760 |
| Principal | | |
| Principal outstanding | 81,255,901.15 | 350,002,847.85 |
| Average loan | 23,545.61 | 45,103.46 |
| Minimum | 64.56 | 14,743.02 |
| Maximum | 163,333.63 | 291,614.96 |
| Interest rate | | |
| Weighted average (wac) | 4.03% | 5.18% |
| Minimum | 2.17% | 3.75% |
| Maximum | 10.00% | 7.90% |
| Final maturity | | |
| Weighted average (WARM) (months) | 106 | 168 |
| Minimum | 02/01/2006 | 09/01/2002 |
| Maximum | 03/01/2024 | 02/01/2024 |
| Index (distribution) | | |
| 1-year EURIBOR/MIBOR | 8.40 | 0.00 |
| 1-year EURIBOR/MIBOR (Mortgage Market) | 91.60 | 100.00 |

LTV Distribution

| | Current | | At constitution date | |
|--------------------------|---------|-------|----------------------|-------|
| | % Pool | % LTV | % Pool | % LTV |
| 0.01 - 10% | 5.46 | 6.77 | 0.29 | 7.95 |
| 10.01 - 20% | 17.65 | 15.29 | 3.21 | 16.52 |
| 20.01 - 30% | 22.72 | 25.13 | 8.36 | 25.74 |
| 30.01 - 40% | 24.12 | 34.80 | 12.87 | 35.31 |
| 40.01 - 50% | 15.26 | 44.40 | 18.46 | 45.38 |
| 50.01 - 60% | 12.56 | 54.32 | 20.93 | 55.23 |
| 60.01 - 70% | 2.23 | 62.00 | 23.90 | 64.88 |
| 70.01 - 80% | | | 11.99 | 73.64 |
| Weighted average (WALTV) | 32.15 | | 51.52 | |
| Minimum | | 0.08 | | 3.78 |
| Maximum | | 65.69 | | 79.15 |

Prepayments

| | Current month | Last 3 months | Last 6 months | Last 12 months | Historical |
|------------------------------|---------------|---------------|---------------|----------------|------------|
| Single month. mort. (SMM) | 1.74% | 1.51% | 1.17% | 1.08% | 1.00% |
| Annual Percentage Rate (CPR) | 19.01% | 16.69% | 13.20% | 12.23% | 11.37% |

Geographic distribution

| | Current | At constitution date |
|--------------------|---------|----------------------|
| Andalucia | 9.67% | 10.70% |
| Aragon | 6.55% | 6.87% |
| Asturias | 1.88% | 1.14% |
| Balearic Islands | 2.74% | 3.12% |
| Basque Country | 2.49% | 2.36% |
| Canary Islands | 4.18% | 5.23% |
| Cantabria | 1.27% | 0.98% |
| Castilla-La Mancha | 6.41% | 5.48% |
| Castilla-Leon | 5.29% | 4.57% |
| Catalonia | 16.01% | 16.70% |
| Extremadura | 0.90% | 0.73% |
| Galicia | 2.51% | 2.65% |
| La Rioja | 0.29% | 0.35% |
| Madrid | 29.51% | 28.65% |
| Murcia | 1.00% | 1.13% |
| Navarra | 0.68% | 0.56% |
| Valencia | 8.62% | 8.78% |

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| Current delinquency | | | | | | | | | | |
|---------------------|--------|--------------|-----------|-----------|------------|-------|------------------|--------------|-------|--------------------------------|
| Aging | Assets | Overdue debt | | | | | Outstanding debt | Total debt | | % Total debt / Appraisal Value |
| | | Principal | Interest | Other | Total | % | | | % | |
| Up to 1 month | 62 | 21,805.12 | 6,357.37 | 0.00 | 28,162.49 | 22.20 | 1,803,772.93 | 1,831,935.42 | 59.07 | 22.76 |
| 1 to 2 months | 28 | 16,538.41 | 4,795.90 | 0.00 | 21,334.31 | 16.81 | 653,017.36 | 674,351.67 | 21.75 | 23.74 |
| 2 to 3 months | 10 | 11,171.19 | 2,922.30 | 0.00 | 14,093.49 | 11.11 | 264,695.06 | 278,788.55 | 8.99 | 23.12 |
| 3 to 6 months | 5 | 3,589.04 | 2,352.84 | 0.00 | 5,941.88 | 4.68 | 139,088.89 | 145,030.77 | 4.68 | 38.50 |
| 6 to 12 months | 3 | 2,503.32 | 1,308.06 | 0.00 | 3,811.38 | 3.00 | 49,709.13 | 53,520.51 | 1.73 | 23.55 |
| 12 to 18 months | 2 | 10,675.40 | 1,797.76 | 1,362.34 | 13,835.50 | 10.90 | 22,597.87 | 36,433.37 | 1.17 | 24.87 |
| 18 to 24 months | 1 | 14,092.83 | 718.75 | 1,525.95 | 16,337.53 | 12.88 | 3,859.14 | 20,196.67 | 0.65 | 16.83 |
| Over 2 years | 4 | 3,906.63 | 11,887.07 | 7,575.10 | 23,368.80 | 18.42 | 37,423.34 | 60,792.14 | 1.96 | 27.50 |
| Total | 115 | 84,281.94 | 32,140.05 | 10,463.39 | 126,885.38 | | 2,974,163.72 | 3,101,049.10 | | 24.43 |