

# BZ HIPOTECARIO 2 Fondo de Titulizacion Hipotecaria

## Brief report

Date: 05/31/2006  
Currency: EUR

Date of constitution  
04/28/2000

VAT Reg. no.  
G82653171

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  
Barclays Bank (B. Zaragozano)

Market  
AIAF Mercado de Renta Fija

Register of Book Securities  
Iberclear

Treasury Account  
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 Moody's	
		Current	Original			Final maturity (legal)	Next	Current	Original
Series A ES0369069002	05/04/2000 2,756	23,493.47 64,748,003.32 23.49%	100,000.00 275,600,000.00	Floating 3-M Euribor + 0.270% 17.Feb/May/Aug/Nov	3.1550% 08/17/2006 189.42 Gross 161.01 Net	05/17/2025 Quarterly 17.Feb/May/Aug/Nov	08/17/2006 "Pass-Through"	Aaa	Aaa
Series B ES0369069010	05/04/2000 94	45,461.37 4,273,368.78 45.46%	100,000.00 9,400,000.00	Floating 3-M Euribor + 0.500% 17.Feb/May/Aug/Nov	3.3850% 08/17/2006 393.27 Gross 334.28 Net	05/17/2025 Quarterly 17.Feb/May/Aug/Nov	08/17/2006 "Pass-Through" Pro rata deferred start / Secuential	A2	A2
Total		69,021,372.10	285,000,000.00						

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)											
Series	Option	Average life Years	% Monthly CPR (SMM)								
			0,00	0,07	0,97	1,06	1,15	1,25	1,35	1,44	
% Annual equivalent CPR			0,00	10,00	11,00	12,00	13,00	14,00	15,00	16,00	
Series A	With optional redemption *	Average life	4.23	2.65	2.60	2.47	2.34	2.30	2.27	2.14	
		Final Maturity	08/23/2010	01/22/2009	01/05/2009	11/18/2008	09/30/2008	09/17/2008	09/03/2008	07/20/2008	
	Without optional redemption *	Average life	5.59	3.62	3.48	3.36	3.24	3.13	3.02	2.92	
		Final Maturity	01/01/2012	01/11/2010	11/22/2009	10/07/2009	08/25/2009	07/15/2009	06/06/2009	04/30/2009	
Series B	With optional redemption *	Average life	4.70	2.99	2.98	2.80	2.62	2.60	2.43	2.43	
		Final Maturity	02/08/2011	05/25/2009	05/20/2009	03/18/2009	01/12/2009	01/09/2009	01/05/2009	11/02/2008	
	Without optional redemption *	Average life	11.67	9.49	9.26	9.04	8.82	8.59	8.38	8.16	
		Final Maturity	08/17/2012	05/17/2010	05/17/2010	02/17/2010	11/17/2009	11/17/2009	11/17/2009	08/17/2009	

\* 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	93.81%	64,748,003.32	12.19%	96.70%	275,600,000.00	5.30%
Series B	6.19%	4,273,368.78	6.00%	3.30%	9,400,000.00	2.00%
Issue of Bonds		69,021,372.10			285,000,000.00	
Reserve Fund	6.00%	4,141,282.56	2.00%		5,700,000.00	

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	4,311,102.74	2.810%	
Servicer ppal collect not yet credited	669,368.80		
Servicer ints collect not yet credited	29,353.42		
Liabilities	Available	Balance	Interest
Subordinated Loan	4,141,282.56	3.385%	

### Collateral: Residential mortgage loans

General				
	Current	At constitution date		
Count	2,796	7,400		
Principal				
Principal outstanding	68,114,655.90	285,008,478.12		
Average loan	24,361.46	38,514.66		
Minimum	2.21	8,633.59		
Maximum	457,780.24	555,446.75		
Interest rate				
Weighted average (wac)	4.11%	5.00%		
Minimum	2.66%	2.25%		
Maximum	8.00%	10.00%		
Final maturity				
Weighted average (WARM) (months)	126	166		
Minimum	06/01/2006	06/30/2001		
Maximum	12/01/2024	04/01/2025		
Index (distribution)				
6-month EURIBOR/MIBOR	0.05	0.07		
1-year EURIBOR/MIBOR	2.46	0.00		
1-year EURIBOR/MIBOR (Mortgage Market)	97.49	99.93		

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	5.25	6.68	1.08	7.66
10.01 - 20%	15.17	15.50	6.15	15.70
20.01 - 30%	20.32	25.04	11.02	25.21
30.01 - 40%	18.49	34.98	17.65	35.21
40.01 - 50%	18.90	44.61	16.35	44.97
50.01 - 60%	15.57	54.68	16.07	54.92
60.01 - 70%	6.31	62.97	17.83	65.26
70.01 - 80%			13.85	73.83
Weighted average (WALTV)	35.17			48.08
Minimum	0.00			3.22
Maximum	67.01			79.79

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	1.20%	1.06%	1.11%	1.26%	1.09%
Annual Percentage Rate (CPR)	13.46%	12.03%	12.53%	14.07%	12.32%

Geographic distribution		
	Current	At constitution date
Andalucia	12.51%	14.52%
Aragon	7.68%	8.00%
Asturias	1.18%	1.02%
Balearic Islands	2.48%	2.05%
Basque Country	2.40%	2.32%
Canary Islands	8.13%	7.55%
Cantabria	1.19%	1.13%
Castilla-La Mancha	6.55%	5.30%
Castilla-Leon	5.12%	4.69%
Catalonia	14.89%	15.89%
Extremadura	0.64%	0.79%
Galicia	1.38%	1.56%
La Rioja	0.54%	0.48%
Madrid	23.91%	22.27%
Murcia	1.25%	1.70%
Navarra	0.62%	0.73%
Valencia	9.53%	10.01%

#### Additional information

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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	60	19,310.89	6,820.05	0.00	26,130.94	19.56	1,882,236.35	1,908,367.29	48.99	26.77
1 to 2 months	43	19,846.62	8,384.05	0.00	28,230.67	21.13	1,196,093.28	1,224,323.95	31.43	29.99
2 to 3 months	16	11,151.04	3,922.89	0.00	15,073.93	11.28	339,914.59	354,988.52	9.11	28.64
3 to 6 months	4	1,654.18	1,721.80	0.00	3,375.98	2.53	102,534.35	105,910.33	2.72	45.04
6 to 12 months	2	4,684.25	3,210.70	353.20	8,248.15	6.17	77,285.60	85,533.75	2.20	53.72
18 to 24 months	3	14,497.68	8,775.18	3,039.53	26,312.39	19.70	116,871.05	143,183.44	3.68	46.70
Over 2 years	3	13,566.59	8,817.11	3,831.64	26,215.34	19.62	46,588.48	72,803.82	1.87	42.63
<b>Total</b>	<b>131</b>	<b>84,711.25</b>	<b>41,651.78</b>	<b>7,224.37</b>	<b>133,587.40</b>		<b>3,761,523.70</b>	<b>3,895,111.10</b>		<b>29.24</b>

**Additional information**