

# BZ HIPOTECARIO 2 Fondo de Titulizacion Hipotecaria

## Brief report

**Date:** 10/31/2006  
**Currency:** EUR

**Date of constitution**  
 04/28/2000

**VAT Reg. no.**  
 G82653171

**Management Company**  
 Europea 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	21,940.82 60,468,899.92 21.94%	100,000.00 275,600,000.00	Floating 3-M Euribor + 0.270% 17.Feb/May/Aug/Nov	3.4890% 11/17/2006 195.63 Gross 166.29 Net	05/17/2025 Quarterly 17.Feb/May/Aug/Nov	11/17/2006 "Pass-Through"	Aaa	Aaa
Series B ES0369069010	05/04/2000 94	42,456.89 3,990,947.66 42.46%	100,000.00 9,400,000.00	Floating 3-M Euribor + 0.500% 17.Feb/May/Aug/Nov	3.7190% 11/17/2006 403.51 Gross 342.98 Net	05/17/2025 Quarterly 17.Feb/May/Aug/Nov	11/17/2006 "Pass-Through" Pro rata deferred start / Secutorial	A2	A2
<b>Total</b>		64,459,847.58 285,000,000.00							

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	0,34	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	3.86	3.13	2.80	2.60	2.41	2.24	2.07	1.91	
		Final Maturity	09/25/2010	01/01/2010	09/05/2009	06/23/2009	04/15/2009	02/10/2009	12/11/2008	10/14/2008	
	Without optional redemption *	Average life	5.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	
		Final Maturity	05/17/2012	05/17/2011	11/17/2010	08/17/2010	05/17/2010	02/17/2010	11/17/2009	08/17/2009	
Series B	With optional redemption *	Average life	4.45	3.63	3.24	3.03	2.83	2.64	2.43	2.24	
		Final Maturity	04/27/2011	07/05/2010	02/11/2010	11/28/2009	09/15/2009	07/05/2009	04/23/2009	02/10/2009	
	Without optional redemption *	Average life	5.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	
		Final Maturity	05/17/2012	05/17/2011	11/17/2010	08/17/2010	05/17/2010	02/17/2010	11/17/2009	08/17/2009	
			12.44	11.60	11.11	10.62	10.13	9.65	9.18	8.72	
			04/22/2019	06/21/2018	12/24/2017	06/28/2017	01/01/2017	07/10/2016	01/19/2016	08/03/2015	
			18.27	18.27	18.27	18.27	18.27	18.27	18.27	18.27	
			02/17/2025	02/17/2025	02/17/2025	02/17/2025	02/17/2025	02/17/2025	02/17/2025	02/17/2025	

\* 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	% CE		
Series A	93.81%	60,468,899.92	12.19%	96.70%	275,600,000.00	5.30%
Series B	6.19%	3,990,947.66	6.00%	3.30%	9,400,000.00	2.00%
Issue of Bonds		64,459,847.58			285,000,000.00	
Reserve Fund	6.00%	3,867,592.09	2.00%		5,700,000.00	

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	7,136,843.77	3.140%	
Servicer ppal collect not yet credited	126,083.27		
Servicer ints collect not yet credited	12,932.51		
Liabilities	Available	Balance	Interest
Subordinated Loan		3,867,592.09	3.719%

### Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	2,554	7,400	
Principal			
Principal outstanding	61,455,482.65	285,008,478.12	
Average loan	24,062.44	38,514.66	
Minimum	207.14	8,633.59	
Maximum	450,213.00	555,446.75	
Interest rate			
Weighted average (wac)	4.32%	5.00%	
Minimum	2.75%	2.25%	
Maximum	6.00%	10.00%	
Final maturity			
Weighted average (WARM) (months)	123	166	
Minimum	11/01/2006	06/30/2001	
Maximum	12/01/2024	04/01/2025	
Index (principal outstanding distribution)			
6-month EURIBOR/MIBOR	0.05%	0.07%	
1-year EURIBOR/MIBOR	2.49%	0.00%	
1-year EURIBOR/MIBOR (Mortgage Market)	97.46%	99.93%	

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	6.17	6.95	1.08	7.66
10.01 - 20%	16.18	15.60	6.15	15.70
20.01 - 30%	20.31	25.08	11.02	25.21
30.01 - 40%	19.61	35.23	17.65	35.21
40.01 - 50%	17.73	44.72	16.35	44.97
50.01 - 60%	14.75	54.60	16.07	54.92
60.01 - 70%	5.25	62.41	17.83	65.26
70.01 - 80%			13.85	73.83
Weighted average (WALTV)	34.22			48.08
Minimum	0.07			3.22
Maximum	66.03			79.79

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.91%	0.81%	1.02%	1.15%	1.08%
Annual Percentage Rate (CPR)	10.40%	9.29%	11.60%	12.94%	12.25%

Geographic distribution		
	Current	At constitution date
Andalucia	12.61%	14.52%
Aragon	7.94%	8.00%
Asturias	1.14%	1.02%
Balearic Islands	2.53%	2.05%
Basque Country	2.47%	2.32%
Canary Islands	8.01%	7.55%
Cantabria	1.22%	1.13%
Castilla-La Mancha	6.44%	5.30%
Castilla-Leon	5.18%	4.69%
Catalonia	15.17%	15.89%
Extremadura	0.66%	0.79%
Galicia	1.24%	1.56%
La Rioja	0.52%	0.48%
Madrid	23.62%	22.27%
Murcia	1.29%	1.70%
Navarra	0.57%	0.73%
Valencia	9.38%	10.01%

#### Additional information

# BZ HIPOTECARIO 2 Fondo de Titulizacion Hipotecaria

## Brief report

**Date:** 10/31/2006  
**Currency:** EUR

**Date of constitution**  
 04/28/2000

**VAT Reg. no.**  
 G82653171

**Management Company**  
 Europea 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

Current delinquency										
Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%			%	
Up to 1 month	53	14,184.50	5,028.71	0.00	19,213.21	14.07	1,314,588.85	1,333,802.06	48.39	26.42
1 to 2 months	26	21,131.94	6,627.02	0.00	27,758.96	20.33	888,258.25	916,017.21	33.23	26.29
2 to 3 months	5	3,491.33	945.16	0.00	4,436.49	3.25	86,967.01	91,403.50	3.32	29.70
3 to 6 months	3	1,126.17	395.75	0.00	1,521.92	1.11	27,126.80	28,648.72	1.04	25.20
6 to 12 months	3	5,098.23	2,650.62	0.00	7,748.85	5.68	69,600.51	77,349.36	2.81	33.53
12 to 18 months	2	7,080.13	4,800.92	596.36	12,477.41	9.14	74,889.72	87,367.13	3.17	54.87
18 to 24 months	1	258.75	165.36	414.69	838.80	0.61	1,075.41	1,914.21	0.07	6.43
Over 2 years	5	32,901.96	20,808.58	8,810.29	62,520.83	45.80	157,287.68	219,808.51	7.97	49.11
<b>Total</b>	<b>98</b>	<b>85,273.01</b>	<b>41,422.12</b>	<b>9,821.34</b>	<b>136,516.47</b>		<b>2,619,794.23</b>	<b>2,756,310.70</b>		<b>28.06</b>