

# BZ HIPOTECARIO 2 Fondo de Titulizacion Hipotecaria

## Brief report

**Date:** 08/31/2006  
**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<br>ISIN Code      | Issue date<br>Nº bonds | Principal outstanding<br>(Bond Unit / Series Total / %Factor) |                              | Interest type<br>Reference rate and margin<br>Payment Date | Interest Rate<br>Next coupon                        | Redemption                                    |                                                                            | Rating<br>Moody's |          |
|                          |                        | Current                                                       | Original                     |                                                            |                                                     | Final maturity (legal)                        | Next                                                                       | Current           | Original |
| Series A<br>ES0369069002 | 05/04/2000<br>2,756    | 21,940.82<br>60,468,899.92<br>21.94%                          | 100,000.00<br>275,600,000.00 | Floating<br>3-M Euribor + 0.270%<br>17.Feb/May/Aug/Nov     | 3.4890%<br>11/17/2006<br>195.63 Gross<br>166.29 Net | 05/17/2025<br>Quarterly<br>17.Feb/May/Aug/Nov | 11/17/2006<br>"Pass-Through"                                               | Aaa               | Aaa      |
| Series B<br>ES0369069010 | 05/04/2000<br>94       | 42,456.89<br>3,990,947.66<br>42.46%                           | 100,000.00<br>9,400,000.00   | Floating<br>3-M Euribor + 0.500%<br>17.Feb/May/Aug/Nov     | 3.7190%<br>11/17/2006<br>403.51 Gross<br>342.98 Net | 05/17/2025<br>Quarterly<br>17.Feb/May/Aug/Nov | 11/17/2006<br>"Pass-Through"<br>Pro rata<br>deferred start /<br>Secuential | A2                | A2       |
| Total                    |                        | 64,459,847.58                                                 | 285,000,000.00               |                                                            |                                                     |                                               |                                                                            |                   |          |

| Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR) |                               |                         |            |            |            |            |            |            |            |            |            |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                                                                                                     |                               | % Monthly CPR (SMM)     |            | 0,00       | 0,87       | 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            | Years      | 3.91       | 2.48       | 2.35       | 2.31       | 2.18       | 2.15       | 2.02       | 1.99       |
|                                                                                                                     |                               |                         | Date       | 07/28/2010 | 02/22/2009 | 01/04/2009 | 12/22/2008 | 11/04/2008 | 10/23/2008 | 09/06/2008 | 08/27/2008 |
|                                                                                                                     |                               | Final Maturity          | Years      | 5.72       | 3.71       | 3.47       | 3.47       | 3.22       | 3.22       | 2.96       | 2.96       |
|                                                                                                                     | Without optional redemption * | Average life            | Years      | 5.347      | 3.47       | 3.34       | 3.34       | 3.22       | 3.22       | 2.96       | 2.96       |
|                                                                                                                     |                               |                         | Date       | 05/17/2012 | 05/17/2010 | 02/17/2010 | 02/17/2010 | 11/17/2009 | 11/17/2009 | 08/17/2009 | 08/17/2009 |
|                                                                                                                     |                               | Final Maturity          | Years      | 12/31/2011 | 02/17/2010 | 01/01/2010 | 11/18/2009 | 10/08/2009 | 08/30/2009 | 07/24/2009 | 06/19/2009 |
|                                                                                                                     |                               | Date                    | 14.97      | 11.22      | 10.72      | 10.47      | 10.22      | 9.72       | 9.47       | 9.22       |            |
| Series B                                                                                                            | With optional redemption *    | Average life            | Years      | 4.45       | 2.89       | 2.71       | 2.70       | 2.52       | 2.51       | 2.32       | 2.32       |
|                                                                                                                     |                               |                         | Date       | 02/10/2011 | 07/21/2009 | 05/15/2009 | 05/13/2009 | 03/05/2009 | 03/03/2009 | 12/26/2008 | 12/24/2008 |
|                                                                                                                     |                               | Final Maturity          | Years      | 5.72       | 3.71       | 3.47       | 3.47       | 3.22       | 3.22       | 2.96       | 2.96       |
|                                                                                                                     | Without optional redemption * | Average life            | Years      | 05/17/2012 | 05/17/2010 | 02/17/2010 | 02/17/2010 | 11/17/2009 | 11/17/2009 | 08/17/2009 | 08/17/2009 |
|                                                                                                                     |                               |                         | Date       | 12.01      | 9.77       | 9.54       | 9.31       | 9.08       | 8.85       | 8.63       | 8.40       |
|                                                                                                                     |                               | Final Maturity          | Years      | 08/31/2018 | 06/04/2016 | 03/12/2016 | 12/18/2015 | 09/25/2015 | 07/05/2015 | 04/14/2015 | 01/23/2015 |
|                                                                                                                     |                               | Date                    | 18.48      | 18.48      | 18.48      | 18.48      | 18.48      | 18.48      | 18.48      | 18.48      |            |
|                                                                                                                     |                               | Date                    | 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  |
| 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                       | 4,178,145.78 | 3.140%       |          |
| Servicer ppal collect not yet credited | 308,998.66   |              |          |
| Servicer ints collect not yet credited | 23,849.84    |              |          |
| Liabilities                            | Available    | Balance      | Interest |
| Subordinated Loan                      |              | 3,867,592.09 | 3.719%   |

### Collateral: Residential mortgage loans

| General                                |  |               |                      |
|----------------------------------------|--|---------------|----------------------|
|                                        |  | Current       | At constitution date |
| Count                                  |  | 2,606         | 7,400                |
| Principal                              |  |               |                      |
| Principal outstanding                  |  | 63,777,934.73 | 285,008,478.12       |
| Average loan                           |  | 24,473.50     | 38,514.66            |
| Minimum                                |  | 192.80        | 8,633.59             |
| Maximum                                |  | 453,255.96    | 555,446.75           |
| Interest rate                          |  |               |                      |
| Weighted average (wac)                 |  | 4.17%         | 5.00%                |
| Minimum                                |  | 2.66%         | 2.25%                |
| Maximum                                |  | 8.00%         | 10.00%               |
| Final maturity                         |  |               |                      |
| Weighted average (WARM) (months)       |  | 124           | 166                  |
| Minimum                                |  | 09/01/2006    | 06/30/2001           |
| Maximum                                |  | 12/01/2024    | 04/01/2025           |
| Index (distribution)                   |  |               |                      |
| 6-month EURIBOR/MIBOR                  |  | 0.05          | 0.07                 |
| 1-year EURIBOR/MIBOR                   |  | 2.47          | 0.00                 |
| 1-year EURIBOR/MIBOR (Mortgage Market) |  | 97.48         | 99.93                |

| LTV Distribution         |  |              |                      |
|--------------------------|--|--------------|----------------------|
|                          |  | Current      | At constitution date |
|                          |  | % Pool % LTV | % Pool % LTV         |
| 0.01 - 10%               |  | 5.66 6.83    | 1.08 7.66            |
| 10.01 - 20%              |  | 16.24 15.64  | 6.15 15.70           |
| 20.01 - 30%              |  | 20.26 25.23  | 11.02 25.21          |
| 30.01 - 40%              |  | 18.48 35.11  | 17.65 35.21          |
| 40.01 - 50%              |  | 18.58 44.57  | 16.35 44.97          |
| 50.01 - 60%              |  | 14.93 54.47  | 16.07 54.92          |
| 60.01 - 70%              |  | 5.85 62.49   | 17.83 65.26          |
| 70.01 - 80%              |  |              | 13.85 73.83          |
| Weighted average (WALTV) |  | 34.60        | 48.08                |
| Minimum                  |  | 0.07         | 3.22                 |
| Maximum                  |  | 66.42        | 79.79                |

| Prepayments                  |               |               |               |                |            |
|------------------------------|---------------|---------------|---------------|----------------|------------|
|                              | Current month | Last 3 months | Last 6 months | Last 12 months | Historical |
| Single month. mort. (SMM)    | 0.87%         | 1.13%         | 1.09%         | 1.21%          | 1.09%      |
| Annual Percentage Rate (CPR) | 9.91%         | 12.70%        | 12.37%        | 13.60%         | 12.33%     |

| Geographic distribution |         |                      |
|-------------------------|---------|----------------------|
|                         | Current | At constitution date |
| Andalucia               | 12.54%  | 14.52%               |
| Aragon                  | 7.86%   | 8.00%                |
| Asturias                | 1.12%   | 1.02%                |
| Balearic Islands        | 2.51%   | 2.05%                |
| Basque Country          | 2.47%   | 2.32%                |
| Canary Islands          | 8.05%   | 7.55%                |
| Cantabria               | 1.21%   | 1.13%                |
| Castilla-La Mancha      | 6.53%   | 5.30%                |
| Castilla-Leon           | 5.12%   | 4.69%                |
| Catalonia               | 15.12%  | 15.89%               |
| Extremadura             | 0.66%   | 0.79%                |
| Galicia                 | 1.22%   | 1.56%                |
| La Rioja                | 0.56%   | 0.48%                |
| Madrid                  | 23.84%  | 22.27%               |
| Murcia                  | 1.29%   | 1.70%                |
| Navarra                 | 0.56%   | 0.73%                |
| Valencia                | 9.36%   | 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       | 55     | 15,316.45    | 5,192.36  | 0.00     | 20,508.81  | 16.36 | 1,353,989.85     | 1,374,498.66 | 53.83 | 26.85                          |
| 1 to 2 months       | 24     | 16,680.02    | 4,531.15  | 0.00     | 21,211.17  | 16.92 | 616,861.37       | 638,072.54   | 24.99 | 20.74                          |
| 2 to 3 months       | 9      | 4,458.55     | 1,529.76  | 0.00     | 5,988.31   | 4.78  | 136,918.49       | 142,906.80   | 5.60  | 24.57                          |
| 3 to 6 months       | 3      | 4,299.01     | 700.34    | 0.00     | 4,999.35   | 3.99  | 31,986.50        | 36,985.85    | 1.45  | 11.33                          |
| 6 to 12 months      | 3      | 4,868.19     | 4,709.12  | 0.00     | 9,577.31   | 7.64  | 112,476.57       | 122,053.88   | 4.78  | 52.05                          |
| 12 to 18 months     | 1      | 2,539.04     | 1,060.81  | 492.60   | 4,092.45   | 3.26  | 15,605.85        | 19,698.30    | 0.77  | 44.56                          |
| 18 to 24 months     | 2      | 12,580.94    | 10,105.78 | 3,091.70 | 25,778.42  | 20.56 | 115,159.65       | 140,938.07   | 5.52  | 52.68                          |
| Over 2 years        | 4      | 18,530.18    | 9,523.29  | 5,151.77 | 33,205.24  | 26.49 | 45,253.03        | 78,458.27    | 3.07  | 37.39                          |
| Total               | 101    | 79,272.38    | 37,352.61 | 8,736.07 | 125,361.06 |       | 2,428,251.31     | 2,553,612.37 |       | 25.90                          |