

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
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	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 / 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	0,34	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	Years	3.86	3.13	2.80	2.60	2.41	2.24	2.07	1.91	
			Date	09/25/2010	01/01/2010	09/05/2009	06/23/2009	04/15/2009	02/10/2009	12/11/2008	10/14/2008	
		Final Maturity	Years	5.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	
	Without optional redemption *	Average life	Years	05/17/2012	05/17/2011	11/17/2010	08/17/2010	05/17/2010	02/17/2010	11/17/2009	08/17/2009	
			Date									
		Final Maturity	Years	5.36	4.45	4.08	3.75	3.47	3.22	2.99	2.79	
Series B	With optional redemption *	Average life	Years	03/26/2012	04/27/2011	12/13/2010	08/17/2010	05/05/2010	02/02/2010	11/13/2009	09/01/2009	
			Date	14.76	13.01	12.26	11.76	11.01	10.26	9.76	9.01	
		Final Maturity	Years	08/17/2021	11/17/2019	02/17/2019	08/17/2018	11/17/2017	02/17/2017	08/17/2016	11/17/2015	
	Without optional redemption *	Average life	Years	4.45	3.63	3.24	3.03	2.83	2.64	2.43	2.24	
			Date	04/27/2011	07/05/2010	02/11/2010	11/28/2009	09/15/2009	07/05/2009	04/23/2009	02/10/2009	
		Final Maturity	Years	5.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	
		Average life	Years	05/17/2012	05/17/2011	11/17/2010	08/17/2010	05/17/2010	02/17/2010	11/17/2009	08/17/2009	
			Date	12.44	11.60	11.11	10.62	10.13	9.65	9.18	8.72	
		Final Maturity	Years	04/22/2019	06/21/2018	12/24/2017	06/28/2017	01/01/2017	07/10/2016	01/19/2016	08/03/2015	
		Average life	Years	18.27	18.27	18.27	18.27	18.27	18.27	18.27	18.27	
			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	
		Final Maturity	Years	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		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

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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	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
Total	98	85,273.01	41,422.12	9,821.34	136,516.47		2,619,794.23	2,756,310.70		28.06