

BZ HIPOTECARIO 3 Fondo de Titulización Hipotecaria

Brief report

Date: 07/31/2006
Currency: EUR

Date of constitution
07/23/2001

VAT Reg. no.
G83062406

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
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Market
AIAF Mercado de Renta Fija

Register of Book Securities
Iberclear

Treasury Account
Caja Madrid

Subordinated Loan
Barclays Bank (B. Zaragozano)

Start-up 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 ES0315189003	07/25/2001 2,983	33,577.30 100,161,085.90 33.58%	100,000.00 298,300,000.00	Floating 3-M Euribor + 0.240% 17.Jan/Apr/Jul/Oct	3.3300% 10/17/2006 285.74 Gross 242.88 Net	04/17/2027 Quarterly 17.Jan/Apr/Jul/Oct	10/17/2006 "Pass-Through"	Aaa	Aaa
Series B ES0315189011	07/25/2001 62	64,620.06 4,006,443.72 64.62%	100,000.00 6,200,000.00	Floating 3-M Euribor + 0.500% 17.Jan/Apr/Jul/Oct	3.5900% 10/17/2006 592.85 Gross 503.92 Net	04/17/2027 Quarterly 17.Jan/Apr/Jul/Oct	10/17/2006 "Pass-Through" Pro rata deferred start	A2	A2
Series C ES0315189029	07/25/2001 55	100,000.00 5,500,000.00 100.00%	100,000.00 5,500,000.00	Floating 3-M Euribor + 1.500% 17.Jan/Apr/Jul/Oct	4.5900% 10/17/2006 1,173.00 Gross 997.05 Net	04/17/2027 Quarterly 17.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Secuential	Baa3	Baa3
Total		109,667,529.62	310,000,000.00						

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	
		% Annual equivalent CPR		0.00		10.00		11.00		12.00	
Series A	With optional redemption *	Average life	Years	5.63	3.32	3.18	3.04	2.97	2.84	2.72	2.60
		Final Maturity	Years	03/16/2012	11/24/2009	10/03/2009	08/14/2009	07/18/2009	06/02/2009	04/19/2009	03/07/2009
				9.72	5.97	5.72	5.47	5.47	5.22	4.96	4.72
	Without optional redemption *	Average life	Years	04/17/2016	07/17/2012	04/17/2012	01/17/2012	01/17/2012	10/17/2011	07/17/2011	04/17/2011
		Final Maturity	Years	10/24/2012	06/05/2010	04/08/2010	02/13/2010	12/24/2009	11/07/2009	09/23/2009	08/12/2009
				15.97	11.97	11.47	11.22	10.72	10.47	9.97	9.72
Series B	With optional redemption *	Average life	Years	07/17/2022	07/17/2018	01/17/2018	10/17/2017	04/17/2017	01/17/2017	07/17/2016	04/17/2016
		Final Maturity	Years	03/19/2012	11/29/2009	10/08/2009	08/19/2009	07/23/2009	06/07/2009	04/24/2009	03/13/2009
				9.72	5.97	5.72	5.47	5.47	5.22	4.96	4.72
	Without optional redemption *	Average life	Years	04/17/2016	07/17/2012	04/17/2012	01/17/2012	01/17/2012	10/17/2011	07/17/2011	04/17/2011
		Final Maturity	Years	10/26/2012	06/10/2010	04/13/2010	02/18/2010	12/29/2009	11/12/2009	09/29/2009	08/18/2009
				15.97	11.97	11.47	11.22	10.72	10.47	9.97	9.72
Series C	With optional redemption *	Average life	Years	07/17/2022	07/17/2018	01/17/2018	10/17/2017	04/17/2017	01/17/2017	07/17/2016	04/17/2016
		Final Maturity	Years	04/17/2016	07/17/2012	04/17/2012	01/17/2012	01/17/2012	10/17/2011	07/17/2011	04/17/2011
				9.72	5.97	5.72	5.47	5.47	5.22	4.96	4.72
	Without optional redemption *	Average life	Years	04/17/2016	07/17/2012	04/17/2012	01/17/2012	01/17/2012	10/17/2011	07/17/2011	04/17/2011
		Final Maturity	Years	17.53	14.13	13.78	13.44	13.10	12.75	12.42	12.08
				02/05/2024	09/13/2020	05/09/2020	01/04/2020	08/31/2019	04/29/2019	12/27/2018	08/26/2018

* 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	91.33%	100,161,085.90	12.42%	96.23%	298,300,000.00	5.27%
Series B	3.65%	4,006,443.72	8.77%	2.00%	6,200,000.00	3.27%
Series C	5.02%	5,500,000.00	3.75%	1.77%	5,500,000.00	1.50%
Issue of Bonds		109,667,529.62			310,000,000.00	
Reserve Fund	3.75%	4,112,532.61	1.50%		4,650,000.00	

Other financial operations (current)			
Assets		Balance	Interest
Treasury Account		4,676,970.01	3.010%
Servicer ppal collect not yet credited		800,812.56	
Servicer ints collect not yet credited		60,076.75	
Liabilities	Available	Balance	Interest
Subordinated Loan		4,112,532.61	
Start-up Loan		0.00	

Collateral: Residential mortgage loans

General			
		Current	At constitution date
Count		3,278	6,648
Principal			
Principal outstanding		108,214,412.73	310,001,720.87
Average loan		33,012.33	46,630.82
Minimum		121.42	5,951.29
Maximum		512,148.07	974,868.56
Interest rate			
Weighted average (wac)		3.86%	5.89%
Minimum		2.25%	3.90%
Maximum		6.00%	8.88%
Final maturity			
Weighted average (WARM) (months)		147	190
Minimum		08/01/2006	01/01/2003
Maximum		04/01/2034	07/05/2026
Index (distribution)			
1-year EURIBOR/MIBOR		0.17	0.00
1-year EURIBOR/MIBOR (Mortgage Market)		99.83	100.00

LTV Distribution			
		Current	At constitution date
		% Pool % LTV	% Pool % LTV
0.01 - 10%		3.86 7.03	1.02 7.66
10.01 - 20%		12.57 15.45	5.28 15.75
20.01 - 30%		17.32 25.22	9.60 25.34
30.01 - 40%		18.89 34.91	14.76 35.36
40.01 - 50%		20.73 45.14	19.38 45.38
50.01 - 60%		16.60 54.55	17.45 55.09
60.01 - 70%		13.44 63.86	14.46 64.93
70.01 - 80%			18.05 74.76
Weighted average (WALTV)		38.00	49.86
Minimum		0.13	0.99
Maximum		69.01	79.58

Additional information

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Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	1.04%	1.11%	1.14%	1.23%	1.12%
Annual Percentage Rate (CPR)	11.82%	12.57%	12.87%	13.83%	12.64%

Geographic distribution		
	Current	At constitution date
Andalucia	17.89%	19.08%
Aragon	6.58%	6.29%
Asturias	2.04%	1.68%
Balearic Islands	2.50%	2.73%
Basque Country	2.25%	2.59%
Canary Islands	6.51%	6.05%
Cantabria	0.91%	0.96%
Castilla-La Mancha	6.24%	5.20%
Castilla-Leon	4.61%	4.71%
Catalonia	14.96%	14.51%
Extremadura	1.09%	1.09%
Galicia	2.42%	2.40%
La Rioja	0.40%	0.38%
Madrid	21.57%	21.66%
Murcia	0.93%	1.25%
Navarra	0.57%	0.55%
Valencia	8.54%	8.88%

Current delinquency										
Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%			%	
Up to 1 month	76	23,339.43	8,057.79	0.00	31,397.22	18.23	2,505,583.18	2,536,980.40	58.89	25.35
1 to 2 months	22	12,476.56	4,953.08	0.00	17,429.64	10.12	751,324.95	768,754.59	17.84	32.47
2 to 3 months	12	12,514.37	3,550.57	0.00	16,064.94	9.33	344,409.30	360,474.24	8.37	27.59
3 to 6 months	9	18,948.08	4,104.58	0.00	23,052.66	13.39	254,321.48	277,374.14	6.44	16.91
6 to 12 months	2	2,188.64	1,592.75	0.00	3,781.39	2.20	62,411.92	66,193.31	1.54	55.65
12 to 18 months	3	3,589.01	2,512.16	387.15	6,488.32	3.77	54,544.80	61,033.12	1.42	18.91
18 to 24 months	3	28,117.44	4,287.81	3,722.27	36,127.52	20.98	67,261.09	103,388.61	2.40	25.32
Over 2 years	4	22,886.95	10,093.23	4,901.09	37,881.27	22.00	96,283.27	134,164.54	3.11	57.40
Total	131	124,060.48	39,151.97	9,010.51	172,222.96		4,136,139.99	4,308,362.95		26.26