

BZ HIPOTECARIO 3 Fondo de Titulización Hipotecaria

Brief report

Date: 09/30/2006
Currency: EUR

Date of constitution
07/23/2001

VAT Reg. no.
G83062406

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)

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" Securitized	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)												
Series	With optional redemption *	Average life	Years	% Monthly CPR (SMM)								
				0.00	0.51	0.60	0.69	0.78	0.87	0.97	1.06	
				% Annual equivalent CPR								
				0.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00	
Series A	With optional redemption *	Average life	Years	5.40	3.86	3.69	3.53	3.32	3.17	3.04	2.96	
		Final Maturity	Years	02/21/2012	08/09/2010	06/08/2010	04/10/2010	01/23/2010	12/01/2009	10/12/2009	09/14/2009	
	Without optional redemption *	Average life	Years	6.00	4.43	4.23	4.05	3.87	3.71	3.56	3.41	
		Final Maturity	Years	09/26/2012	03/05/2011	12/22/2010	10/15/2010	08/13/2010	06/14/2010	04/20/2010	02/27/2010	
Series B	With optional redemption *	Average life	Years	5.41	3.87	3.70	3.54	3.33	3.19	3.05	2.97	
		Final Maturity	Years	02/25/2012	08/13/2010	06/12/2010	04/14/2010	01/27/2010	12/05/2009	10/16/2009	09/18/2009	
	Without optional redemption *	Average life	Years	6.01	4.44	4.24	4.06	3.88	3.72	3.57	3.43	
		Final Maturity	Years	09/30/2012	03/09/2011	12/26/2010	10/20/2010	08/17/2010	06/19/2010	04/24/2010	03/03/2010	
Series C	With optional redemption *	Average life	Years	9.55	7.05	6.80	6.55	6.05	5.80	5.55	5.55	
		Final Maturity	Years	04/17/2016	10/17/2013	07/17/2013	04/17/2013	10/17/2012	07/17/2012	04/17/2012	04/17/2012	
	Without optional redemption *	Average life	Years	17.35	15.37	15.02	14.67	14.33	13.99	13.65	13.30	
		Final Maturity	Years	02/02/2024	02/07/2022	10/02/2021	05/30/2021	01/24/2021	09/21/2020	05/19/2020	01/16/2020	

* 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	% CE	At issue date	% CE	
Series A	91.33%	100,161,085.90	12.42%	96.23%	298,300,000.00
Series B	3.65%	4,006,443.72	8.77%	2.00%	6,200,000.00
Series C	5.02%	5,500,000.00	3.75%	1.77%	5,500,000.00
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	8,907,994.66	3.010%	
Servicer ppal collect not yet credited	272,771.31		
Servicer ints collect not yet credited	38,756.47		
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	3,223	6,648	
Principal			
Principal outstanding	105,254,998.19	310,001,720.87	
Average loan	32,657.46	46,630.82	
Minimum	205.37	5,951.29	
Maximum	509,233.07	974,868.56	
Interest rate			
Weighted average (wac)	3.87%	5.89%	
Minimum	2.25%	3.90%	
Maximum	6.00%	8.88%	
Final maturity			
Weighted average (WARM) (months)	146	190	
Minimum	10/01/2006	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%	3.84	6.93	1.02	7.66
10.01 - 20%	12.96	15.36	5.28	15.75
20.01 - 30%	17.75	25.23	9.60	25.34
30.01 - 40%	18.26	34.87	14.76	35.36
40.01 - 50%	21.59	45.14	19.38	45.38
50.01 - 60%	15.82	54.56	17.45	55.09
60.01 - 70%	14.67	63.51	14.46	64.93
70.01 - 80%	9.78	63.51	18.05	74.76
Weighted average (WALTV)	37.69		49.86	
Minimum	0.12		0.99	
Maximum	68.60		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)	0.66%	0.76%	0.95%	1.13%	1.10%
Annual Percentage Rate (CPR)	7.62%	8.72%	10.78%	12.79%	12.47%

Geographic distribution

	Current	At constitution date
Andalucia	17.81%	19.08%
Aragon	6.57%	6.29%
Asturias	2.05%	1.68%
Balearic Islands	2.44%	2.73%
Basque Country	2.24%	2.59%
Canary Islands	6.60%	6.05%
Cantabria	0.88%	0.96%
Castilla-La Mancha	6.10%	5.20%
Castilla-Leon	4.65%	4.71%
Catalonia	14.99%	14.51%
Extremadura	1.10%	1.09%
Galicia	2.44%	2.40%
La Rioja	0.40%	0.38%
Madrid	21.71%	21.66%
Murcia	0.94%	1.25%
Navarra	0.58%	0.55%
Valencia	8.50%	8.88%

Current delinquency

Aging	Assets	Overdue debt					Outstanding debt	Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%			%	
Up to 1 month	80	20,779.86	8,029.92	0.00	28,809.78	17.86	2,464,222.66	2,493,032.44	65.79	26.86
1 to 2 months	16	7,960.04	2,899.44	0.00	10,859.48	6.73	429,049.07	439,908.55	11.61	29.19
2 to 3 months	8	10,229.18	2,306.75	0.00	12,535.93	7.77	231,392.07	243,928.00	6.44	22.51
3 to 6 months	7	8,175.68	2,269.54	0.00	10,445.22	6.48	152,706.92	163,152.14	4.31	25.85
6 to 12 months	5	7,176.86	3,934.00	0.00	11,110.86	6.89	143,063.10	154,173.96	4.07	27.00
12 to 18 months	1	2,466.43	1,887.06	0.00	4,353.49	2.70	38,242.73	42,596.22	1.12	43.97
18 to 24 months	4	32,235.30	5,374.17	4,824.90	42,434.37	26.31	74,697.37	117,131.74	3.09	21.13
Over 2 years	4	24,555.76	10,729.22	5,437.65	40,722.63	25.25	94,614.46	135,337.09	3.57	57.91
Total	125	113,579.11	37,430.10	10,262.55	161,271.76		3,627,988.38	3,789,260.14		27.14

Additional information