

# RURAL HIPOTECARIO III Fondo de Titulizacion Hipotecaria

## Brief report

**Date:** 09/30/2006  
**Currency:** EUR

**Date of constitution**  
05/14/2002

**VAT Reg. no.**  
G83317768

**Management Company**  
Europa de Titulización, S.G.F.T

**Originator**  
Caixa Rural de Balears  
Caja Rural de Asturias  
Caja Rural de Navarra  
Caja Rural de Soria  
Caja Rural de Zamora  
Caja Rural del Sur  
Caja Rural Intermediterránea

**Servicer**  
Caixa Rural de Balears  
Caja Rural de Asturias  
Caja Rural de Navarra  
Caja Rural de Soria  
Caja Rural de Zamora  
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Caja Rural Intermediterránea

**Lead Managers**  
DZ Bank  
Société Générale  
Banco Cooperativo

**Bond Underwriters and Placement Agents**  
DZ Bank  
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Crédit Agricole Indosuez  
Caja Castilla La Mancha  
Commerz  
EBN Banco  
Natexis Banques Populaires  
Rabobank  
Tokyo-Mitsubishi International PLC

**Servicer Credit Support Provider**  
Banco Cooperativo Español

**Bond Paying Agent**  
Banco Cooperativo

**Market**  
AIAF Mercado de Renta Fija  
**Register of Book Securities**  
Iberclear

**Treasury Account**  
Bancoval

**Start-up Loan**  
Caixa Rural de Balears  
Caja Rural de Asturias  
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**Subordinated Loan**  
Caixa Rural de Balears  
Caja Rural de Asturias  
Caja Rural de Navarra  
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**Assets Custodian**  
Banco Cooperativo Español

**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 ES0358282004	05/20/2002 3,123	46,482.48 145,164,785.04 46.48%	100,000.00 312,300,000.00	Floating 3-M Euribor + 0.210% 13.Mar/Jun/Sep/Dec	3.5150% 12/13/2006 413.00 Gross 351.05 Net	03/13/2032 Quarterly 13.Mar/Jun/Sep/Dec	12/13/2006 "Pass-Through"	Aaa	Aaa
Series B ES0358282012	05/20/2002 127	100,000.00 12,700,000.00 100.00%	100,000.00 12,700,000.00	Floating 3-M Euribor + 0.500% 13.Mar/Jun/Sep/Dec	3.8050% 12/13/2006 961.82 Gross 817.55 Net	03/13/2032 Quarterly 13.Mar/Jun/Sep/Dec	To be determined "Pass-Through" Pro rata deferred start / Sequential	A2	A2
<b>Total</b>		157,864,785.04 325,000,000.00							

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)										
		% Monthly CPR (SMM)								
		0,51	0,69	0,77	0,87	1,06	1,25	1,44	1,64	
% Annual equivalent CPR		6,00	8,00	8,89	10,00	12,00	14,00	16,00	18,00	
Series A	With optional redemption *	Average life	4.38	3.96	3.85	3.60	3.30	3.04	2.80	2.62
		Final Maturity	02/14/2011	09/15/2010	07/19/2010	05/04/2010	01/16/2010	10/12/2009	07/18/2009	05/12/2009
	Without optional redemption *	Average life	4.56	4.14	4.01	3.77	3.46	3.19	2.95	2.73
		Final Maturity	04/22/2011	11/18/2010	09/17/2010	07/08/2010	03/15/2010	12/05/2009	09/09/2009	06/23/2009
Series B	With optional redemption *	Average life	8.96	8.21	8.01	7.45	6.96	6.45	5.96	5.71
		Final Maturity	09/13/2015	12/13/2014	09/13/2014	03/13/2014	09/13/2013	03/13/2013	09/13/2012	06/13/2012
	Without optional redemption *	Average life	12.21	11.46	11.26	10.71	9.96	9.21	8.71	7.96
		Final Maturity	12/13/2018	03/13/2018	12/13/2017	06/13/2017	09/13/2016	12/13/2015	06/13/2015	09/13/2014
Series B	With optional redemption *	Average life	8.96	8.21	8.01	7.45	6.96	6.45	5.96	5.71
		Final Maturity	09/13/2015	12/13/2014	09/13/2014	03/13/2014	09/13/2013	03/13/2013	09/13/2012	06/13/2012
	Without optional redemption *	Average life	14.85	14.07	13.77	13.31	12.56	11.84	11.16	10.52
		Final Maturity	08/01/2021	10/21/2020	06/17/2020	01/16/2020	04/18/2019	07/29/2018	11/24/2017	04/06/2017
			09/13/2031	09/13/2031	09/13/2031	09/13/2031	09/13/2031	09/13/2031	09/13/2031	

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
Series A	91.96%	145,164,785.04	12.16%	96.09%	312,300,000.00	5.91%
Series B	8.04%	12,700,000.00	4.12%	3.91%	12,700,000.00	2.00%
Issue of Bonds		157,864,785.04			325,000,000.00	
Reserve Fund	4.12%	6,500,000.00	2.00%		6,500,000.00	

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	8,168,200.39	3.225%	
Servicer ppal collect not yet credited	580,025.12		
Servicer ints collect not yet credited	177,234.84		
Liabilities	Available	Balance	Interest
Start-up Loan		170,489.14	4.305%
Subordinated Loan		6,500,000.00	4.305%

### Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	4,166	6,541	
Principal			
Principal outstanding	155,721,240.51	325,017,181.99	
Average loan	37,379.08	49,689.22	
Minimum	0.52	2,972.77	
Maximum	242,318.90	294,139.49	
Interest rate			
Weighted average (wac)	3.96%	5.25%	
Minimum	2.72%	3.50%	
Maximum	7.00%	8.03%	
Final maturity			
Weighted average (WARM) (months)	156	199	
Minimum	10/02/2006	05/05/2004	
Maximum	07/27/2031	07/27/2031	
Index (distribution)			
1-year EURIBOR/MIBOR	4.00	3.83	
1-year EURIBOR/MIBOR (Mortgage Market)	50.80	48.74	
Mortgage Market: Banks	2.65	2.64	
Mortgage Market: Savings Banks	28.90	31.24	
Mortgage Market: All Institutions	13.40	13.21	
Savings Banks Lending Rate (CECA Indicator)	0.25	0.34	

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	1.22	7.19	0.13	8.10
10.01 - 20%	6.43	15.69	1.71	16.29
20.01 - 30%	12.15	25.59	5.18	25.66
30.01 - 40%	16.45	35.22	10.63	35.34
40.01 - 50%	21.31	45.07	15.13	45.40
50.01 - 60%	21.86	55.04	16.51	54.85
60.01 - 70%	20.14	64.63	19.68	65.19
70.01 - 80%	0.44	71.14	31.01	75.21
Weighted average (WALTV)	44.97		57.47	
Minimum	0.00		5.13	
Maximum	73.93		79.55	

#### Additional information

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Banco Cooperativo Español

### Fund Auditors

Ernst&Young

## Prepayments

	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.58%	0.58%	0.76%	0.91%	0.82%
Annual Percentage Rate (CPR)	6.70%	6.80%	8.78%	10.41%	9.40%

## Geographic distribution

	Current	At constitution date
Andalucia	34.82%	37.42%
Aragon	0.06%	0.11%
Asturias	6.56%	5.25%
Balearic Islands	3.21%	3.53%
Basque Country	5.42%	4.80%
Canary Islands	0.03%	0.03%
Cantabria	0.03%	0.08%
Castilla-La Mancha	0.04%	0.03%
Castilla-Leon	11.66%	10.72%
Catalonia	1.91%	2.51%
Ceuta	0.03%	0.06%
Galicia	0.23%	0.24%
La Rioja	1.57%	1.22%
Madrid	0.59%	0.77%
Melilla	1.19%	1.12%
Murcia	11.92%	13.03%
Navarra	20.62%	18.87%
Valencia	0.10%	0.19%

## Current delinquency

Aging	Assets	Overdue debt				Outstanding debt		Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%	%			
Up to 1 month	174	35,908.79	14,495.99	0.00	50,404.78	16.31	6,180,580.56	6,230,985.34	68.96	41.95
1 to 2 months	34	15,111.22	6,554.77	0.00	21,665.99	7.01	1,195,787.03	1,217,453.02	13.47	39.15
2 to 3 months	7	6,944.96	3,537.69	0.00	10,482.65	3.39	492,249.48	502,732.13	5.56	56.22
3 to 6 months	8	9,017.42	3,900.04	0.00	12,917.46	4.18	253,137.31	266,054.77	2.94	40.21
6 to 12 months	5	7,394.59	4,054.22	0.00	11,448.81	3.70	150,153.77	161,602.58	1.79	52.44
12 to 18 months	2	2,936.41	1,667.03	0.00	4,603.44	1.49	33,957.69	38,561.13	0.43	64.94
18 to 24 months	2	12,002.34	7,344.70	0.00	19,347.04	6.26	108,710.13	128,057.17	1.42	64.55
Over 2 years	17	118,497.29	59,695.05	0.00	178,192.34	57.66	312,155.66	490,348.00	5.43	53.33
<b>Total</b>	<b>249</b>	<b>207,813.02</b>	<b>101,249.49</b>	<b>0.00</b>	<b>309,062.51</b>		<b>8,726,731.63</b>	<b>9,035,794.14</b>		<b>43.02</b>

### Additional information