

BZ HIPOTECARIO 3 Fondo de Titulización Hipotecaria

Brief report

Date: 05/31/2006
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
 Barclays Bank (B. Zaragozano)

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	35,607.84 106,218,186.72 35.61%	100,000.00 298,300,000.00	Floating 3-M Euribor + 0.240% 17.Jan/Apr/Jul/Oct	3.0020% 07/17/2006 267.24 Gross 227.15 Net	04/17/2027 Quarterly 17.Jan/Apr/Jul/Oct	07/17/2006 "Pass-Through"	Aaa	Aaa
Series B ES0315189011	07/25/2001 62	68,527.87 4,248,727.94 68.53%	100,000.00 6,200,000.00	Floating 3-M Euribor + 0.500% 17.Jan/Apr/Jul/Oct	3.2620% 07/17/2006 558.84 Gross 475.01 Net	04/17/2027 Quarterly 17.Jan/Apr/Jul/Oct	07/17/2006 "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	4.2620% 07/17/2006 1,065.50 Gross 905.67 Net	04/17/2027 Quarterly 17.Jan/Apr/Jul/Oct	To be determined "Pass-Through" Secutorial	Baa3	Baa3
Total		115,966,914.66	310,000,000.00						

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

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	0,87	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	5.59	3.31	3.16	3.03	2.90	2.83	2.71	2.60		
		Final Maturity	Years	12/31/2011	09/18/2009	07/29/2009	06/09/2009	04/23/2009	03/29/2009	02/13/2009	01/03/2009		
	Without optional redemption *	Average life	Years	6.18	3.80	3.65	3.50	3.36	3.23	3.11	3.00		
		Final Maturity	Years	08/01/2012	03/19/2010	01/21/2010	11/28/2009	10/09/2009	08/23/2009	07/10/2009	05/30/2009		
Series B	With optional redemption *	Average life	Years	5.60	3.32	3.18	3.04	2.91	2.84	2.73	2.61		
		Final Maturity	Years	01/04/2012	09/23/2009	08/03/2009	06/15/2009	04/28/2009	04/03/2009	02/19/2009	01/08/2009		
	Without optional redemption *	Average life	Years	6.19	3.82	3.66	3.51	3.38	3.25	3.13	3.02		
		Final Maturity	Years	08/06/2012	03/24/2010	01/26/2010	12/03/2009	10/14/2009	08/29/2009	07/16/2009	06/04/2009		
Series C	With optional redemption *	Average life	Years	9.89	6.13	5.88	5.64	5.38	5.38	5.13	4.88		
		Final Maturity	Years	04/17/2016	07/17/2012	04/17/2012	01/17/2012	10/17/2011	10/17/2011	07/17/2011	04/17/2011		
	Without optional redemption *	Average life	Years	17.73	14.30	13.95	13.60	13.25	12.91	12.56	12.22		
		Final Maturity	Years	02/16/2024	09/14/2020	05/08/2020	01/02/2020	08/27/2019	04/23/2019	12/19/2018	08/17/2018		

* 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	% CE	% CE	
Series A	91.59%	106,218,186.72	12.15%	96.23%	298,300,000.00
Series B	3.66%	4,248,727.94	8.49%	2.00%	6,200,000.00
Series C	4.74%	5,500,000.00	3.75%	1.77%	5,500,000.00
Issue of Bonds		115,966,914.66			310,000,000.00
Reserve Fund	3.75%	4,348,759.70	1.50%		4,650,000.00

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	7,345,623.34	2,680%	
Servicer ppal collect not yet credited	1,084,816.88		
Servicer ints collect not yet credited	67,597.13		
Liabilities	Available	Balance	Interest
Subordinated Loan		4,348,759.70	
Start-up Loan		0.00	

Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	3,364	6,648	
Principal			
Principal outstanding	112,177,646.42	310,001,720.87	
Average loan	33,346.51	46,630.82	
Minimum	81.05	5,951.29	
Maximum	515,110.91	974,868.56	
Interest rate			
Weighted average (wac)	3.76%	5.89%	
Minimum	2.25%	3.90%	
Maximum	6.00%	8.88%	
Final maturity			
Weighted average (WARM) (months)	148	190	
Minimum	06/01/2006	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%	3.66	7.03	1.02	7.66
10.01 - 20%	12.31	15.44	5.28	15.75
20.01 - 30%	17.07	25.18	9.60	25.34
30.01 - 40%	19.12	34.88	14.76	35.36
40.01 - 50%	19.97	45.13	19.38	45.38
50.01 - 60%	17.53	54.60	17.45	55.09
60.01 - 70%	10.34	64.13	14.46	64.93
70.01 - 80%			18.05	74.76
Weighted average (WALTV)	38.34		49.86	
Minimum	0.04		0.99	
Maximum	69.42		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)	1.29%	1.25%	1.30%	1.24%	1.12%
Annual Percentage Rate (CPR)	14.40%	14.05%	14.51%	13.94%	12.67%

Geographic distribution

	Current	At constitution date
Andalucia	17.95%	19.08%
Aragon	6.56%	6.29%
Asturias	1.99%	1.68%
Balearic Islands	2.55%	2.73%
Basque Country	2.22%	2.59%
Canary Islands	6.45%	6.05%
Cantabria	0.90%	0.96%
Castilla-La Mancha	6.15%	5.20%
Castilla-Leon	4.61%	4.71%
Catalonia	15.07%	14.51%
Extremadura	1.12%	1.09%
Galicia	2.41%	2.40%
La Rioja	0.39%	0.38%
Madrid	21.54%	21.66%
Murcia	0.97%	1.25%
Navarra	0.56%	0.55%
Valencia	8.53%	8.88%

Current delinquency

Aging	Assets	Overdue debt				Total	%	Outstanding debt	Total debt	%	% Total debt / Appraisal Value
		Principal	Interest	Other							
Up to 1 month	78	23,113.33	8,311.05	0.00	31,424.38	19.45	2,646,241.52	2,677,665.90	58.27	27.32	
1 to 2 months	34	18,939.50	6,527.78	0.00	25,467.28	15.76	971,299.83	996,767.11	21.69	28.13	
2 to 3 months	14	18,292.98	4,090.37	0.00	22,383.35	13.85	413,772.16	436,155.51	9.49	22.55	
3 to 6 months	5	6,345.25	3,038.24	0.00	9,383.49	5.81	179,306.82	188,690.31	4.11	33.06	
6 to 12 months	2	2,023.46	1,635.93	0.00	3,659.39	2.26	44,556.21	48,215.60	1.05	27.28	
12 to 18 months	2	6,510.70	2,007.10	1,095.26	9,613.06	5.95	39,586.08	49,199.14	1.07	22.15	
18 to 24 months	3	28,599.05	4,375.68	3,716.21	36,690.94	22.70	67,980.89	104,671.83	2.28	26.28	
Over 2 years	3	12,509.03	7,438.23	3,033.73	22,980.99	14.22	70,917.14	93,898.13	2.04	55.99	
Total	141	116,333.30	37,424.38	7,845.20	161,602.88		4,433,660.65	4,595,263.53		27.33	

Additional information