

# 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  
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" Secutorial	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	0,87	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	5.63	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	
	Without optional redemption *	Average life	Years	6.24	3.85	3.69	3.54	3.40	3.27	3.15	3.04	
		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	
Series B	With optional redemption *	Average life	Years	5.64	3.33	3.19	3.06	2.98	2.86	2.74	2.62	
		Final Maturity	Years	03/19/2012	11/20/2009	10/08/2009	08/19/2009	07/23/2009	06/07/2009	04/24/2009	03/13/2009	
	Without optional redemption *	Average life	Years	6.25	3.86	3.71	3.56	3.42	3.29	3.17	3.05	
		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	
Series C	With optional redemption *	Average life	Years	9.72	5.97	5.72	5.47	5.47	5.22	4.96	4.72	
		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	
	Without optional redemption *	Average life	Years	17.53	14.13	13.78	13.44	13.10	12.75	12.42	12.08	
		Final Maturity	Years	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	% 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	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
0.01 - 10%	3.86	7.03	1.02
10.01 - 20%	12.57	15.45	5.28
20.01 - 30%	17.32	25.22	9.60
30.01 - 40%	18.89	34.91	14.76
40.01 - 50%	20.73	45.14	19.38
50.01 - 60%	16.60	54.55	17.45
60.01 - 70%	13.10	63.86	14.46
70.01 - 80%	10.04	63.86	18.05
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
Asturias	2.04%	1.68%
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			Total	%	Outstanding debt	Total debt	%	% Total debt / Appraisal Value
		Principal	Interest	Other						
Up to 1 month	76	23,339.43	8,067.79	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

#### Additional information