

# BBVA HIPOTECARIO 3 Fondo de Titulización de Activos

## Brief report

Date: 09/30/2006  
Currency: EUR

Date of constitution  
06/13/2005

VAT Reg. no.  
G84373000

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

Originator  
BBVA

Servicer  
BBVA

Lead Managers  
BBVA  
JPMorgan

Bond Underwriters and Placement Agents  
BBVA  
JPMorgan  
Banco Cooperativo  
Caixa Catalunya  
Calyon  
CSFB  
Dresdner Kleinwort Wasserstein  
Société Générale

Bond Paying Agent  
BBVA

Market

AIAF Mercado de Renta Fija

Register of Book Securities  
Iberclear

Treasury Account  
BBVA

Amortisation Account  
BBVA

Subordinated Credit  
BBVA

Start-up Loan  
BBVA

Swap  
BBVA

Assets Custodian  
BBVA

Fund Auditors  
Ernst&Young

### Issued securities: Asset-Backed Bonds

Bonds issue									
Series ISIN Code	Issue date Nº bonds	Principal outstanding (Bond Unit / Series Total / %Factor) Current Original		Interest type Reference rate and margin Payment Date	Interest Rate Next coupon	Redemption		Rating	
						Final maturity (legal)	Next	Fitch / Moody's / S&P Current Original	
Series A1 ES0314227002	06/16/2005 4,495	20,855.91 93,747,315.45 20.86%	100,000.00 449,500,000.00	Floating 3-M Euribor + 0.050% 21.Feb/May/Aug/Nov	3.2840% 11/21/2006 175.032066 Gross 148.777256 Net	11/21/2038 Quarterly 21.Feb/May/Aug/Nov	11/21/2006 "Pass-Through"	AAA Aaa AAA	AAA Aaa AAA
Series A2 ES0314227010	06/16/2005 9,257	100,000.00 925,700,000.00 100.00%	100,000.00 925,700,000.00	Floating 3-M Euribor + 0.170% 21.Feb/May/Aug/Nov	3.4040% 11/21/2006 869.911111 Gross 739.424444 Net	11/21/2038 Quarterly 21.Feb/May/Aug/Nov	To be determined "Pass-Through" Secutorial / Pro rata under certain circumstances	AAA Aaa AAA	AAA Aaa AAA
Series B ES0314227028	06/16/2005 559	100,000.00 55,900,000.00 100.00%	100,000.00 55,900,000.00	Floating 3-M Euribor + 0.320% 21.Feb/May/Aug/Nov	3.5540% 11/21/2006 908.244444 Gross 772.007777 Net	11/21/2038 Quarterly 21.Feb/May/Aug/Nov	To be determined "Pass-Through" Pro rata deferred start / Secutorial	A A2 A	A A2 A
Series C ES0314227036	06/16/2005 189	100,000.00 18,900,000.00 100.00%	100,000.00 18,900,000.00	Floating 3-M Euribor + 0.600% 21.Feb/May/Aug/Nov	3.8340% 11/21/2006 979.800000 Gross 832.830000 Net	11/21/2038 Quarterly 21.Feb/May/Aug/Nov	To be determined "Pass-Through" Pro rata deferred start / Secutorial	BBB+ Baa2 BBB	BBB+ Baa2 BBB
Total		1,094,247,315.45	1,450,000,000.00						

Estimated average life (in years) and maturity according to different hypothesis of constant prepayment rates (CPR)											
			% Monthly CPR (SMM)								
			0,00	0,51	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 A1	With optional redemption *	Average life	Years	0,33	0,27	0,27	0,26	0,26	0,26	0,26	
		Date	01/30/2007	01/06/2007	01/05/2007	01/04/2007	01/03/2007	01/02/2007	01/01/2007	12/31/2006	
	Final Maturity	Years	0,64	0,39	0,39	0,39	0,39	0,39	0,39	0,39	
		Date	05/21/2007	02/21/2007	02/21/2007	02/21/2007	02/21/2007	02/21/2007	02/21/2007	02/21/2007	
Series A2	With optional redemption *	Average life	Years	4,67	3,80	3,67	3,54	3,42	3,34	3,23	
		Date	05/31/2011	07/17/2010	05/31/2010	04/15/2010	03/01/2010	01/31/2010	12/21/2009	11/11/2009	
	Final Maturity	Years	8,64	7,40	7,15	6,90	6,64	6,40	6,15	5,90	
		Date	05/21/2015	02/21/2014	11/21/2013	08/21/2013	05/21/2013	02/21/2013	11/21/2012		
Series B	With optional redemption *	Average life	Years	5,93	4,89	4,71	4,56	4,41	4,30	4,16	
		Date	09/04/2012	08/18/2011	06/16/2011	04/21/2011	02/26/2011	01/17/2011	11/27/2010	10/08/2010	
	Final Maturity	Years	8,64	7,40	7,15	6,90	6,64	6,40	6,15	5,90	
		Date	05/21/2015	02/21/2014	11/21/2013	08/21/2013	05/21/2013	02/21/2013	11/21/2012		
Series C	With optional redemption *	Average life	Years	6,47	5,34	5,17	5,02	4,88	4,73	4,60	
		Date	03/19/2013	02/01/2012	12/01/2011	10/07/2011	08/16/2011	06/21/2011	05/04/2011	03/19/2011	
	Final Maturity	Years	28,16	28,16	28,16	28,16	28,16	28,16	28,16	28,16	
		Date	11/21/2034	11/21/2034	11/21/2034	11/21/2034	11/21/2034	11/21/2034	11/21/2034		

\* 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		
Class A	93.16%	1,019,447,315.45	9.23%	94.84%	1,375,200,000.00	6.96%
Series A1	8.57%	93,747,315.45	31.00%	449,500,000.00		
Series A2	84.60%	925,700,000.00	63.84%	925,700,000.00		
Series B	5.11%	55,900,000.00	4.12%	3.86%	55,900,000.00	3.10%
Series C	1.73%	18,900,000.00	2.39%	1.30%	18,900,000.00	1.80%
Issue of Bonds		1,094,247,315.45			1,450,000,000.00	
Subord. Line of Credit (Available)	2.39%	26,100,000.00	1.80%	26,100,000.00		

Other financial operations (current)			
Assets	Balance	Interest	
Treasury Account	22,473,938.72	3.178%	
Amortization Account		0.00	
Servicer ppal collect not yet credited	10,643,612.60		
Servicer ints collect not yet credited	3,083,536.76		
Liabilities	Available	Balance	Interest
Subordinated Line of Credit	26,100,000.00	0.00	5.234%
Start-up Loan		1,064,226.08	5.234%

#### Additional information

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Ernst&Young

### Collateral: Residential mortgage loans

General			
	Current	At constitution date	
Count	5,917	6,795	
Principal			
Principal outstanding	1,064,032,415.63	1,450,012,562.59	
Average loan	179,826.33	213,394.05	
Minimum	561.67	3,040.36	
Maximum	7,156,479.29	7,891,415.63	
Interest rate			
Weighted average (wac)	3.91%	3.20%	
Minimum	2.49%	2.13%	
Maximum	6.64%	6.50%	
Final maturity			
Weighted average (WARM) (months)	105	117	
Minimum	01/01/1900	05/31/2008	
Maximum	08/31/2034	03/31/2041	
Index (distribution)			
3-month EURIBOR/MIBOR	24.40	24.50	
4-month EURIBOR/MIBOR	0.46	0.41	
5-month EURIBOR/MIBOR	0.11	0.10	
6-month EURIBOR/MIBOR	14.33	15.29	
7-month EURIBOR/MIBOR	0.21	0.17	
9-month EURIBOR/MIBOR	0.07	0.06	
10-month EURIBOR/MIBOR	0.00	0.00	
11-month EURIBOR/MIBOR	0.08	0.06	
1-year EURIBOR/MIBOR	19.21	18.58	
1-year EURIBOR/MIBOR (Mortgage Market)	35.62	35.08	
Mortgage Market: Banks	3.35	3.43	
Mortgage Market: All Institutions	2.11	2.14	
Fixed Interest	0.04	0.18	

LTV Distribution				
	Current		At constitution date	
	% Pool	% LTV	% Pool	% LTV
0.01 - 10%	1.42	7.46	0.96	6.96
10.01 - 20%	5.79	15.79	3.42	15.46
20.01 - 30%	10.72	25.54	7.55	25.60
30.01 - 40%	19.31	35.58	12.33	35.26
40.01 - 50%	20.41	44.82	21.45	45.25
50.01 - 60%	17.13	54.83	18.70	55.08
60.01 - 70%	10.41	64.18	14.35	64.63
70.01 - 80%	7.19	75.07	8.31	75.22
80.01 - 90%	5.94	83.53	5.90	85.23
90.01 - 100%	1.65	91.77	6.82	94.25
100.01 - 110%	0.03	102.46	0.02	107.83
110.01 - 120%			0.17	117.27
120.01 - 130%	0.01	129.82		
Weighted average (WALTV)	47.76		54.12	
Minimum	0.23		1.17	
Maximum	171.91		182.24	

Prepayments					
	Current month	Last 3 months	Last 6 months	Last 12 months	Historical
Single month. mort. (SMM)	0.56%	0.58%	0.59%	0.67%	0.69%
Annual Percentage Rate (CPR)	6.57%	6.73%	6.87%	7.80%	7.98%

Geographic distribution		
	Current	At constitution date
Andalucia	21.50%	22.22%
Aragon	1.94%	1.75%
Asturias	1.63%	1.46%
Balearic Islands	2.26%	2.14%
Basque Country	4.99%	4.86%
Canary Islands	9.16%	9.85%
Cantabria	0.58%	0.51%
Castilla-La Mancha	2.01%	1.97%
Castilla-Leon	4.53%	4.56%
Catalonia	19.27%	19.05%
Ceuta	0.20%	0.19%
Extremadura	0.94%	0.84%
Galicia	2.72%	2.59%
La Rioja	1.20%	1.18%
Madrid	12.76%	13.01%
Melilla	0.08%	0.08%
Murcia	2.21%	2.35%
Navarra	0.78%	0.70%
Valencia	11.25%	10.90%

Current delinquency										
Aging	Assets	Overdue debt				Outstanding debt		Total debt		% Total debt / Appraisal Value
		Principal	Interest	Other	Total	%	Total	%		
Up to 1 month	316	476,023.02	149,270.84	0.00	625,293.86	52.01	41,094,089.35	41,719,383.21	71.47	37.52
1 to 2 months	85	220,645.35	59,564.09	0.00	280,209.44	23.31	11,569,706.59	11,849,916.03	20.30	35.54
2 to 3 months	34	101,354.49	21,686.01	0.00	123,040.50	10.23	3,057,490.61	3,180,531.11	5.45	33.50
3 to 6 months	4	14,948.81	5,366.86	101.22	20,416.89	1.70	378,917.76	399,334.65	0.68	7.94
6 to 12 months	7	92,488.40	23,077.37	549.40	116,115.17	9.66	893,690.37	1,009,805.54	1.73	41.61
12 to 18 months	1	25,874.58	11,271.23	0.00	37,145.81	3.09	175,717.67	212,863.48	0.36	59.10
Total	447	931,334.65	270,236.40	650.62	1,202,221.67		57,169,612.35	58,371,834.02		36.06

#### Additional information