

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.  
HONG KONG BRANCH**

**FINANCIAL DISCLOSURE STATEMENT  
AS AT 30 JUNE 2020**

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**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.  
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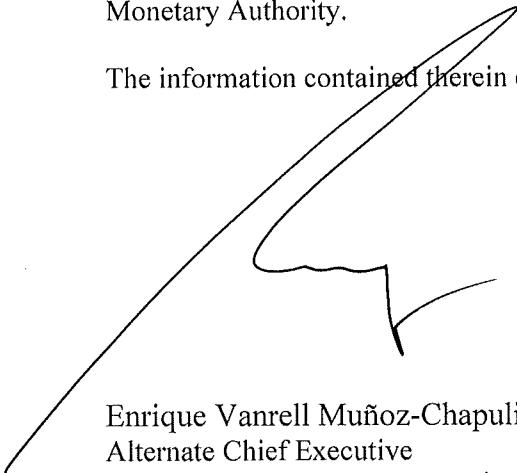
**FINANCIAL DISCLOSURE STATEMENT  
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**Chief Executive's Declaration**

The disclosure statement is prepared in accordance with the Banking (Disclosure) Rules issued by Hong Kong Monetary Authority.

The information contained therein complies with the disclosure requirements and is not false or misleading.



Enrique Vanrell Muñoz-Chapuli  
Alternate Chief Executive  
Banco Bilbao Vizcaya Argentaria, S.A.  
Hong Kong Branch

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**INCOME STATEMENT**

	<u>30 Jun 2020</u> HKD'000	<u>30 Jun 2019</u> HKD'000
Interest Income	392,406	526,026
Interest Expenses	(251,081)	(397,400)
Other Operating Income:		
- Gains less losses arising from trading in foreign currencies	1,845	722
- Gains less losses on securities held for trading purposes	0	0
- Gains less losses from other trading activities	0	0
- Commission income	87,473	72,570
- Commission expense	(1,351)	(2,307)
- Others	0	(549)
Operating Expenses:		
- Staff and Rental Expenses	(67,167)	(78,262)
- Other Expenses	(12,013)	(12,829)
Impairment losses and provision for impaired loans and receivables	(24,164)	39,624
Profit/(Loss) from the disposal of equipment	0	0
Profit before taxation	125,948	147,595
Tax (Expense)/Income	(23,581)	(17,536)
Profit after Taxation	102,367	130,059

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**BALANCE SHEET INFORMATION**

	Note	<u>30 Jun 2020</u>	<u>31 Dec 2019</u>
		HKD'000	HKD'000
<b>ASSETS</b>			
Cash and balances with banks		156,345	117,343
Placements with banks maturing between 1 and 12 months		-	-
Amount due from overseas offices		6,004,780	4,975,394
Trade Bills		-	408
Loans and receivables	1	35,394,115	29,482,535
Investment securities		1,757,213	1,769,741
Provision against value of other claims and investment		(352)	(349)
Plant and equipment		66,730	66,732
Total Assets		43,378,831	36,411,804
<b>LIABILITIES</b>			
Deposits and balances from banks		2,651,050	2,571,355
Deposits from customers:			
- Demand deposits and current accounts		407,105	660,271
- Time, call and notice deposits		57,481	582,013
Certificates of deposit issued		-	-
Amount due to overseas offices		39,889,785	32,143,846
Other liabilities		373,410	454,319
Total Liabilities		43,378,831	36,411,804

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**ADDITIONAL BALANCE SHEET INFORMATION**

	<u>30 Jun 2020</u> HKD'000	<u>31 Dec 2019</u> HKD'000
(1) Loans and receivables		
- Loans and advances to customers	35,316,651	29,402,665
- Loans and advances to banks	-	-
- Accrued interest and other accounts	125,185	103,196
Provisions for impairment loans to customer		
- collective provisions	(25,279)	(13,615)
- specific provisions	(22,442)	(9,711)
	-----	-----
	<u>35,394,115</u>	<u>29,482,535</u>

	<u>30 Jun 2020</u> HKD'000	<u>31 Dec 2019</u> HKD'000
(2) Impaired Loans and Advances		
(a) Amount of impaired loans and advances to customers which are individually determined to be impaired	273,788	181,787
(b) Amount of specific provisions made for such loans and advances	22,442	9,711
(c) Value of collateral which has been taken into account in respect of such loans and advances to which the specific provisions relate	187,049	160,466
(d) Percentage of such loans and advances to total amount of loans and advances to customers	0.8%	0.6%

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	<u>30 Jun 2020</u> HKD'000	<u>31 Dec 2019</u> HKD'000
(3) Advances to customers – by industry sectors		
Loan for use in Hong Kong		
Industrial, commercial and financial:		
- Property development	-	-
- Property investment	-	-
- Financial concerns	-	-
- Wholesale and retail trade	-	-
- Manufacturing	1,554,093	1,314,821
- Transport and transport equipment	-	-
- Information Technology	-	-
- Others	2,790,159	2,803,457
Individuals:		
- Loans for the purchase of other residential properties	-	-
- Others	-	-
Trade finance	2,553,142	2,546,440
Loan for use outside Hong Kong	28,419,257	22,737,947
Total customers advances	<u>35,316,651</u>	<u>29,402,665</u>
Extent of customer loans covered by collateral or other security	<u>38.81%</u>	<u>25.04%</u>

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(4) Advances to customers – by countries

The analysis of advances to customers by countries, which is according to the location of counterparties, is as follows:

(a) Total advances to customers

	30 Jun 2020		31 Dec 2019	
	HKD <u>in million</u>	% of total advances to <u>customers</u>	HKD <u>in million</u>	% of total advances to <u>customers</u>
Australia	3,281	9.3%	3,203	10.9%
Brazil	600	1.7%	619	2.1%
Hong Kong	6,247	17.7%	5,871	20.0%
Qatar	1,238	3.5%	1,282	4.4%
Peru	2,428	6.9%	3,196	10.9%
United Arab Emirates	3,374	9.5%	391	1.3%
Netherlands	2,750	7.8%	1,986	6.7%
USA	1,151	3.2%	1,850	6.3%
Cayman Islands	907	2.6%	941	3.2%
Kuwait	3,591	10.2%	3,741	12.7%
Singapore	491	1.4%	1,017	3.5%
Mexico	1,783	5.0%	1,791	6.1%
Luxembourg	1,312	3.7%	1,307	4.4%
India	1,190	3.4%	790	2.7%
Belgium	1,550	4.4%	-	-
Chile	1,163	3.3%	-	-
Others	2,261	6.4%	1,418	4.8%
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	35,317	100%	29,403	100%
	=====	=====	=====	=====

(b) Individually determined impaired advances to customers

	30 Jun 2020 HKD in million	31 Dec 2019 HKD in million
By Countries		
Australia	116	-
Panama	158	182
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	274	182
	=====	=====

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(5) International Claims

International claims are derived according to the location of counterparties on which ultimate risk lies after taking into account any transfer of risk (claims arising between branches and subsidiaries are excluded).

<u>As at 30 Jun 2020 (in HKD million)</u>	<u>Banks</u>	<u>Official Sector</u>	<u>Non-Bank private Sector</u>		<u>Others</u>	<u>Total</u>
			<u>Non-Bank Financial Institutions</u>	<u>Non-Financial Private Sector</u>		
1. Developed Countries	86	-	-	5,144	-	5,230
of which Australia	9	-	-	2,745	-	2,754
of which U.S.A.	72	-	-	59	-	131
of which Spain	-	-	-	1	-	1
of which United Kingdom	2	-	-	-	-	2
of which Netherland	-	-	-	1,882	-	1,882
of which Japan	2	-	-	267	-	269
2. Offshore Centre	703	-	-	7,248	-	7,951
of which Cayman Islands	-	-	-	2,123	-	2,123
of which Panama	-	-	-	124	-	124
of which Singapore	-	-	-	491	-	491
of which Mauritius	-	-	-	362	-	362
of which Hong Kong	703	-	-	4,148	-	4,851
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America & Caribbean	-	6	-	1,211	-	1,217
of which Brazil	-	-	-	43	-	43
of which Peru	-	-	-	3	-	3
of which Chile	-	-	-	1,163	-	1,163
5. Developing Africa & Middle East	-	-	-	1,599	-	1,599
of which United Arab Emirates	-	-	-	398	-	398
of which Qatar	-	-	-	1,192	-	1,192
6. Developing Asia & Pacific	156	-	-	19,485	-	19,641
of which China	156	-	-	7,039	-	7,195
of which S. Korea	-	-	-	12,063	-	12,063
7. International Organizations	-	-	-	-	-	-
8. Unallocated by Country	-	-	-	-	-	-



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<u>As at 31 Dec 2019 (in HKD million)</u>	Non-Bank private Sector					<u>Total</u>
	<u>Banks</u>	<u>Official Sector</u>	<u>Non-Bank Financial Institutions</u>	<u>Non-Financial Private Sector</u>	<u>Others</u>	
1. Developed Countries	36	-	-	5,460	-	5,496
of which Australia	5	-	-	2,670	-	2,675
of which U.S.A.	25	-	-	577	-	602
of which Spain	-	-	-	1	-	1
of which United Kingdom	3	-	-	-	-	3
of which Netherland	-	-	-	1,876	-	1,876
of which Japan	2	-	-	320	-	322
2. Offshore Centre	38	-	-	4,422	-	4,460
of which Cayman Islands	-	-	-	1,307	-	1,307
of which Panama	-	-	-	110	-	110
of which Singapore	-	-	-	1,017	-	1,017
of which Mauritius	-	-	-	391	-	391
of which Hong Kong	38	-	-	1,597	-	1,635
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America & Caribbean	-	16	-	47	-	63
of which Brazil	-	13	-	35	-	48
of which Peru	-	-	-	8	-	8
of which Chile	-	-	-	-	-	-
5. Developing Africa & Middle East	-	-	-	1,631	-	1,631
of which United Arab Emirates	-	-	-	396	-	396
of which Qatar	-	-	-	1,220	-	1,220
6. Developing Asia & Pacific	156	-	-	17,362	-	17,518
of which China	156	-	-	7,834	-	7,990
of which S. Korea	-	-	-	9,168	-	9,168
7. International Organizations	-	-	-	-	-	-
8. Unallocated by Country	-	-	-	-	-	-

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(6) (a) Analysis of gross amount of overdue and rescheduled advances to customers

	30 Jun 2020		31 Dec 2019	
	<u>HKD'000</u>	<u>% of total advances to customers</u>	<u>HKD'000</u>	<u>% of total advances to customers</u>
Advances to customer overdue for				
- > 3 months and < 6 months	-	-	-	-
- > 6 months and < 1 year	-	-	-	-
- > 1 year	-	-	-	-
Rescheduled advances to customers	-	-	-	-

(b) Other overdue assets:

	30 Jun 2020		31 Dec 2019	
	<u>HKD'000</u>	<u>% of total advances to customers</u>	<u>HKD'000</u>	<u>% of total advances to customers</u>
Overdue trade bills				
- > 3 months	-	-	-	-
Overdue debt securities				
- > 3 months	-	-	-	-

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(7) Breakdown of Mainland exposures to non-bank counterparties.

The following Mainland exposures to non-bank counterparties are prepared in accordance with HKMA Return of Mainland Activities completion instructions.

As at 30 Jun 2020

<u>Types of Counterparties</u>	<u>On-balance sheet exposure HKD million</u>	<u>Off-balance sheet exposure HKD million</u>	<u>Total Exposure HKD million</u>
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	10,412	1,206	11,618
2. Local Government, local government-owned entities and their subsidiaries and JVs	1,242	-	1,242
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,095	2,849	4,944
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local government not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	581	581
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	13,749	4,636	18,385
Total assets after provision	43,379		
On-balance sheet exposures as percentage of total assets	31.70%		

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As at 31 Dec 2019

<u>Types of Counterparties</u>	<u>On-balance sheet exposure HKD million</u>	<u>Off-balance sheet exposure HKD million</u>	<u>Total Exposure HKD million</u>
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	9,079	1,343	10,422
2. Local Government, local government-owned entities and their subsidiaries and JVs	1,249	-	1,249
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,108	2,910	5,018
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local government not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	584	584
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	12,436	4,837	17,273
Total assets after provision	36,412		
On-balance sheet exposures as percentage of total assets	34.15%		

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(8) Currency risk

This information concerning the foreign currency exposures of the bank is calculated in the method set out in the return of "Foreign Currency Position" issued by the HKMA.

	<u>As at 30 Jun 2020</u>										Total
	In HKD million										
	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	Others	
Spot assets	36,659	3	2	2,742	4	0	1	2,235	0	0	41,646
Spot liabilities	(36,078)	(4)	(0)	(2,739)	(6)	(0)	(0)	(2,248)	(0)	(0)	(41,075)
Forward purchases	47	0	0	0	0	0	0	4	0	47	98
Forward Sales	(581)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(47)	(628)
Net option position	0	0	0	0	0	0	0	0	0	0	0
Net long (short) position	47	(1)	2	3	(2)	0	1	(9)	0	0	41
Net structural position	0	0	0	0	0	0	0	0	0	0	0

	<u>As at 31 Dec 2019</u>										Total
	In HKD million										
	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	Others	
Spot assets	30,818	3	15	2,143	36	0	1	1,904	0	0	34,920
Spot liabilities	(30,340)	(4)	(0)	(2,139)	(40)	(0)	(0)	(1,906)	(0)	(0)	(34,429)
Forward purchases	37	0	0	0	0	0	0	4	0	24	65
Forward Sales	(491)	(0)	(13)	(0)	(0)	(0)	(0)	(0)	(0)	(24)	(528)
Net option position	0	0	0	0	0	0	0	0	0	0	0
Net long (short) position	24	(1)	2	4	(4)	0	1	2	0	0	28
Net structural position	0	0	0	0	0	0	0	0	0	0	0

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**OFF BALANCE SHEET EXPOSURES**

	<u>30 Jun 2020</u> HKD'000	<u>31 Dec 2019</u> HKD'000
Contingent Liabilities and Commitments		
- Direct credit substitutes	2,769,226	3,100,750
- Transaction-related contingent items	528,074	703,105
- Trade related contingencies	208,297	49,914
- Other commitments	8,941,094	6,812,946
- Others	-	-
Derivatives		
- Exchange rate contracts	627,546	528,961
- Interest rate contract	-	-
Replacement cost of derivatives *		
- Exchange rate contracts	399	249
- Interest rate contract	-	-

\*The replacement costs of contract represent the mark to market assets on all contracts and which have not been subjected to any bilateral netting agreement.

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**LIQUIDITY INFORMATION DISCLOSURE**

Average liquidity maintenance ratio (LMR) is calculated as the simple average of each month's average liquidity maintenance ratio for the financial year computed in accordance with Banking Liquidity Rules.

	<u>Three Months</u> <u>ended</u> <u>30 Jun 2020</u>	<u>Three Months</u> <u>ended</u> <u>30 Jun 2019</u>
Average liquidity maintenance ratio (LMR)	44.98%	50.56%

This information is available at the Bank's website:-  
<https://www.bbvacib.com/en/sobre-bbva-cib/que-diligencia/-/0045/445333>

**REMUNERATION DISCLOSURE**

In respect to the disclosure requirement under the HKMA's Supervisory Policy Manual (CG-5)-Guideline on a Sound Remuneration System, please refer to the Bank's link shown below:

<https://shareholdersandinvestors.bbva.com>

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**CONSOLIDATED FINANCIAL INFORMATION FOR BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

	<u>30 Jun 2020</u> EUR million	<u>31 Dec 2019</u> EUR million
<b><u>CAPITAL AND CAPITAL ADEQUACY</u></b>		
Consolidated Capital Adequacy Ratio*	15.89%	15.92%
Aggregate amount of shareholders' funds	49,555	54,925

\*An allowance for market risk has been incorporated in the above ratio which is calculated under Capital Requirements Directive IV from Basel III regulation.

**OTHER FINANCIAL INFORMATION**

- Total assets	753,824	698,690
- Total liabilities	704,269	643,765
- Total loans and advances	400,764	394,763
- Total customer deposits	402,184	384,219

	<u>30 Jun 2020</u> EUR million	<u>30 Jun 2019</u> EUR million
Pre-tax profit	(368)	4,052

Exchange rate:

EUR 1.00 = HKD 8.88360524 as at 30 Jun 2019

EUR 1.00 = HKD 8.71329868 as at 31 Dec 2019

EUR 1.00 = HKD 8.74559557 as at 30 Jun 2020