

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

**FINANCIAL DISCLOSURE STATEMENT  
AS AT 30 JUNE 2021**

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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.

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a horizontal line and a vertical stroke.

Pablo Riquelme Turrent  
Chief Executive  
Banco Bilbao Vizcaya Argentaria, S.A.  
Hong Kong Branch

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**INCOME STATEMENT**

	<u>30 Jun 2021</u> HKD'000	<u>30 Jun 2020</u> HKD'000
Interest Income	237,736	392,406
Interest Expenses	(50,710)	(251,081)
Other Operating Income:		
- Gains less losses arising from trading in foreign currencies	(956)	1,845
- Gains less losses on securities held for trading purposes	0	0
- Gains less losses from other trading activities	0	0
- Commission income	228,080	87,473
- Commission expense	(13,985)	(1,351)
- Others	0	0
Operating Expenses:		
- Staff and Rental Expenses	(71,448)	(67,167)
- Other Expenses	(11,948)	(11,994)
Impairment losses and provision for impaired loans and receivables	11,115	(24,183)
Profit/(Loss) from the disposal of equipment	0	0
Profit before taxation	327,884	125,948
Tax (Expense)/Income	(51,945)	(23,581)
Profit after Taxation	275,939	102,367

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**BALANCE SHEET INFORMATION**

	Note	<u>30 Jun 2021</u>	<u>31 Dec 2020</u>
		HKD'000	HKD'000
<b>ASSETS</b>			
Cash and balances with banks		147,923	125,090
Placements with banks maturing between 1 and 12 months		-	-
Amount due from overseas offices		3,384,388	6,038,473
Trade Bills		-	-
Loans and receivables	1	38,681,017	40,399,686
Investment securities		1,779,504	1,757,759
Provision against value of other claims and investment		(330)	(368)
Plant and equipment		53,725	65,165
Total Assets		44,046,227	48,385,805
<b>LIABILITIES</b>			
Deposits and balances from banks		790,609	1,855,637
Deposits from customers:			
- Demand deposits and current accounts		526,851	1,536,182
- Time, call and notice deposits		44,992	30,047
Certificates of deposit issued		-	300,000
Amount due to overseas offices		42,308,951	44,315,889
Other liabilities		374,824	348,050
Total Liabilities		44,046,227	48,385,805

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**ADDITIONAL BALANCE SHEET INFORMATION**

	<u>30 Jun 2021</u> HKD'000	<u>31 Dec 2020</u> HKD'000
(1) Loans and receivables		
- Loans and advances to customers	38,611,868	40,355,597
- Loans and advances to banks	-	-
- Accrued interest and other accounts	101,625	87,906
Provisions for impairment loans to customer		
- collective provisions	(19,244)	(30,272)
- specific provisions	(13,232)	(13,545)
	<u>38,681,017</u>	<u>40,399,686</u>

	<u>30 Jun 2021</u> HKD'000	<u>31 Dec 2020</u> HKD'000
(2) Impaired Loans and Advances		
(a) Amount of impaired loans and advances to customers which are individually determined to be impaired	1,249,464	801,993
(b) Amount of specific provisions made for such loans and advances	13,232	13,545
(c) Value of collateral which has been taken into account in respect of such loans and advances to which the specific provisions relate	785,222	803,943
(d) Percentage of such loans and advances to total amount of loans and advances to customers	3.24%	2.0%

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	<u>30 Jun 2021</u> HKD'000	<u>31 Dec 2020</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	1,366,702	1,478,942
- Transport and transport equipment	-	-
- Information Technology	-	-
- Others	1,552,776	2,287,025
Individuals:		
- Loans for the purchase of other residential properties	-	-
- Others	-	-
Trade finance	4,892,714	3,789,557
Loan for use outside Hong Kong	30,799,676	32,800,073
Total customers advances	<u>38,611,868</u>	<u>40,355,597</u>
Extent of customer loans covered by collateral or other security	<u>33.94%</u>	<u>34.21%</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 2021		31 Dec 2020	
	<u>HKD</u> <u>in million</u>	<u>% of total</u> <u>advances to</u> <u>customers</u>	<u>HKD</u> <u>in million</u>	<u>% of total</u> <u>advances to</u> <u>customers</u>
Australia	4,425	11.5%	4,358	10.8%
Brazil	594	1.6%	598	1.5%
Hong Kong	6,339	16.4%	6,740	16.70%
Qatar	1,162	3.0%	1,200	3.0%
Peru	1,693	4.4%	1,673	4.2%
United Arab Emirates	3,355	8.7%	3,363	8.3%
Netherlands	2,598	6.7%	2,713	6.7%
USA	1,341	3.4%	1,386	3.4%
Cayman Islands	1,289	3.3%	878	2.2%
Kuwait	3,333	8.6%	3,460	8.6%
Singapore	-	-	736	1.8%
Mexico	1,397	3.6%	1,783	4.4%
Luxembourg	1,418	3.7%	2,023	5.0%
India	2,060	5.3%	2,071	5.1%
Indonesia	1,958	5.1%	1,395	3.5%
Chile	3,469	9.0%	3,557	8.8%
Others	2,181	5.7%	2,422	6.0%
	38,612	100%	40,356	100%
	38,612	100%	40,356	100%

(b) Individually determined impaired advances to customers

	<u>30 Jun 2021</u> <u>HKD in million</u>	<u>31 Dec 2020</u> <u>HKD in million</u>
By Countries		
Argentina	55	60
Brazil	594	598
Cayman Islands	461	-
Panama	139	144
	1,249	802
	1,249	802

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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 2021 (in HKD million)</u>	<u>Non-Bank private Sector</u>					<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	91	-	-	6,985	-	7,076
of which Australia	43	-	-	3,072	-	3,115
of which U.S.A.	40	-	-	872	-	912
of which Spain	1	-	-	818	-	819
of which United Kingdom	4	-	-	143	-	147
of which Netherland	-	-	-	1,516	-	1,516
of which Japan	2	-	-	190	-	192
2. Offshore Centre	258	-	-	11,638	-	11,896
of which Cayman Islands	-	-	-	4,571	-	4,571
of which Panama	-	-	-	100	-	100
of which Singapore	-	-	-	-	-	-
of which Mauritius	-	-	-	194	-	194
of which Hong Kong	258	-	-	6,773	-	7,031
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America & Caribbean	-	2	-	38	-	40
of which Brazil	-	-	-	33	-	33
of which Peru	-	-	-	1	-	1
of which Chile	-	-	-	2	-	2
5. Developing Africa & Middle East	-	-	-	1,516	-	1,516
of which United Arab Emirates	-	-	-	364	-	364
of which Qatar	-	-	-	1,147	-	1,147
6. Developing Asia & Pacific	621	-	-	17,236	-	17,857
of which China	621	-	-	4,965	-	5,586
of which S. Korea	-	-	-	11,506	-	11,506
7. International Organizations	-	-	-	-	-	-
8. Unallocated by Country	-	-	-	-	-	-



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As at 31 Dec 2020 (in HKD million)	Non-Bank private Sector					Total
	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private Sector	Others	
1. Developed Countries	52	-	-	6,458	-	6,510
of which Australia	2	-	-	2,991	-	2,993
of which U.S.A.	43	-	-	394	-	437
of which Spain	1	-	-	844	-	845
of which United Kingdom	3	-	-	1	-	4
of which Netherland	-	-	-	1,863	-	1,863
of which Japan	2	-	-	228	-	230
2. Offshore Centre	255	-	-	12,974	-	13,229
of which Cayman Islands	-	-	-	4,172	-	4,172
of which Panama	-	-	-	110	-	110
of which Singapore	-	-	-	736	-	736
of which Mauritius	-	-	-	361	-	361
of which Hong Kong	255	-	-	7,595	-	7,850
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America & Caribbean	-	-	-	26	-	26
of which Brazil	-	-	-	17	-	17
of which Peru	-	-	-	2	-	2
of which Chile	-	-	-	2	-	2
5. Developing Africa & Middle East	-	-	-	1,552	-	1,552
of which United Arab Emirates	-	-	-	377	-	377
of which Qatar	-	-	-	1,169	-	1,169
6. Developing Asia & Pacific	621	-	-	18,517	-	19,138
of which China	621	-	-	5,152	-	5,773
of which S. Korea	-	-	-	12,585	-	12,585
7. International Organizations	-	-	-	-	-	-
8. Unallocated by Country	-	-	-	-	-	-

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

	<u>30 Jun 2021</u>		<u>31 Dec 2020</u>	
	<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:

	<u>30 Jun 2021</u>		<u>31 Dec 2020</u>	
	<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 2021

<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)	10,109	757	10,866
2. Local Government, local government-owned entities and their subsidiaries and JVs	988	-	988
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,516	3,240	4,756
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	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	440	608	1,048
Total	13,053	4,605	17,658
Total assets after provision	44,046		
On-balance sheet exposures as percentage of total assets	29.64%		

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As at 31 Dec 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)	11,502	1,117	12,619
2. Local Government, local government-owned entities and their subsidiaries and JVs	738	-	738
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,095	2,850	4,945
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	14,335	4,548	18,883
Total assets after provision	48,386		
On-balance sheet exposures as percentage of total assets	29.63%		

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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 2021</u>										
	In HKD million										
	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	Others	Total
Spot assets	30,466	5	2	3,976	22	0	1	3,481	0	3,862	41,815
Spot liabilities	(29,528)	(6)	(0)	(3,926)	(32)	(0)	(0)	(3,472)	(0)	(3,854)	(40,818)
Forward purchases	979	0	0	461	10	0	0	5	0	535	1,990
Forward Sales	(1,890)	(0)	(0)	(508)	(0)	(0)	(0)	(0)	(0)	(543)	(2,941)
Net option position	0	0	0	0	0	0	0	0	0	0	0
Net long (short) position	27	(1)	2	3	0	0	1	14	0	0	46
Net structural position	0	0	0	0	0	0	0	0	0	0	0

	<u>As at 31 Dec 2020</u>										
	In HKD million										
	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	Others	Total
Spot assets	35,345	373	2	4,645	19	0	1	3,338	0	2,778	46,501
Spot liabilities	(34,345)	(374)	(0)	(4,642)	(20)	(0)	(0)	(3,335)	(0)	(2,778)	(45,494)
Forward purchases	310	0	0	0	1	0	0	5	0	314	630
Forward Sales	(1,277)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(314)	(1,591)
Net option position	0	0	0	0	0	0	0	0	0	0	0
Net long (short) position	33	(1)	2	3	0	0	1	8	0	0	46
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 2021</u> HKD'000	<u>31 Dec 2020</u> HKD'000
Contingent Liabilities and Commitments		
- Direct credit substitutes	182,285	145,217
- Transaction-related contingent items	505,817	926,575
- Trade related contingencies	97,434	149,343
- Other commitments	6,583,698	6,975,506
- Others	10,792	-
Derivatives		
- Exchange rate contracts	2,940,755	1,592,155
- Interest rate contract	10,792	111,621
Replacement cost of derivatives *		
- Exchange rate contracts	315	1,456
- Interest rate contract	10,793	111,462

\*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 ended 30 Jun 2021</u>	<u>Three Months ended 30 Jun 2020</u>
Average liquidity maintenance ratio (LMR)	47.78%	44.98%

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 2021</u> EUR million	<u>31 Dec 2020</u> EUR million
<b><u>CAPITAL AND CAPITAL ADEQUACY</u></b>		
Consolidated Capital Adequacy Ratio*	18.75%	16.46%
Aggregate amount of shareholders' funds	49,944	50,020

\*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	648,169	736,176
- Total liabilities	598,225	686,156
- Total loans and advances to customers	327,372	378,139
- Total customer deposits	338,795	409,122

	<u>30 Jun 2021</u> EUR million	<u>30 Jun 2020</u> EUR million
Pre-tax profit	3,883	(368)

Exchange rate:

EUR 1.00 = HKD 8.74559557 as at 30 Jun 2020

EUR 1.00 = HKD 9.52099928 as at 31 Dec 2020

EUR 1.00 = HKD 9.22970479 as at 30 Jun 2021