

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

**FINANCIAL DISCLOSURE STATEMENT
AS AT 30 JUNE 2023**

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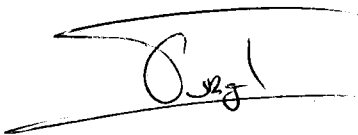
**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
HONG KONG BRANCH**

**FINANCIAL DISCLOSURE STATEMENT
AS AT 30 JUNE 2023**

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, appearing to read 'Iurgi', is written over a horizontal line that extends across the width of the signature.

Iurgi Ruiz de Gauna Itza
Chief Executive
Banco Bilbao Vizcaya Argentaria, S.A.
Hong Kong Branch

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
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INCOME STATEMENT

	<u>30 Jun 2023</u> HKD'000	<u>30 Jun 2022</u> HKD'000
Interest Income	1,352,236	310,090
Interest Expenses	(1,153,981)	(158,057)
Other Operating Income:		
- Gains less losses arising from trading in foreign currencies	(12,260)	(1,312)
- Gains less losses on securities held for trading purposes	0	0
- Gains less losses from other trading activities	0	0
- Commission income	83,235	157,095
- Commission expense	(13,117)	(7,608)
- Others	(177)	0
Operating Expenses:		
- Staff and Rental Expenses	(93,172)	(93,264)
- Other Expenses	(59,762)	(47,253)
Impairment losses and provision for impaired loans and receivables	3,382	4,340
Profit/(Loss) from the disposal of equipment	1	0
Profit before taxation	106,385	164,031
Tax (Expense)/Income	(17,792)	(26,503)
Profit after Taxation	88,593	137,528

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BALANCE SHEET INFORMATION

	Note	<u>30 Jun 2023</u>	<u>31 Dec 2022</u>
		HKD'000	HKD'000
ASSETS			
Cash and balances with banks		134,920	617,312
Due from Exchange Fund		44,689	58,979
Placements with banks maturing between 1 and 12 months		-	-
Amount due from overseas offices		7,912,145	13,035,907
Trade Bills		-	-
Loans and receivables	1	45,100,386	51,302,494
Investment securities		1,769,292	1,764,467
Provision against value of other claims and investment		(220)	(222)
Plant and equipment		10,661	22,229
Total Assets		54,971,873	66,801,166
LIABILITIES			
Deposits and balances from banks		2,443,323	3,153,716
Deposits from customers:			
- Demand deposits and current accounts		150,254	693,552
- Time, call and notice deposits		1,279,567	446,298
Due to Exchange Fund		1,825,369	5,154,966
Amount due to overseas offices		48,676,405	56,638,618
Other liabilities		596,955	714,016
Total Liabilities		54,971,873	66,801,166

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ADDITIONAL BALANCE SHEET INFORMATION

	<u>30 Jun 2023</u> HKD'000	<u>31 Dec 2022</u> HKD'000
(1) Loans and receivables		
- Loans and advances to customers	44,638,145	50,962,596
- Loans and advances to banks	-	-
- Accrued interest and other accounts	475,831	356,767
Provisions for impairment loans to customer		
- collective provisions	(6,558)	(9,132)
- specific provisions	(7,032)	(7,737)
	----- 45,100,386 =====	----- 51,302,494 =====

	<u>30 Jun 2023</u> HKD'000	<u>31 Dec 2022</u> HKD'000
(2) Impaired Loans and Advances		
(a) Amount of impaired loans and advances to customers which are individually determined to be impaired	135,306	153,794
(b) Amount of specific provisions made for such loans and advances	7,032	7,737
(c) Value of collateral which has been taken into account in respect of such loans and advances to which the specific provisions relate	135,306	153,794
(d) Percentage of such loans and advances to total amount of loans and advances to customers	0.30%	0.30%

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	<u>30 Jun 2023</u> HKD'000	<u>31 Dec 2022</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	3,573,412	4,093,432
- Transport and transport equipment	-	-
- Information Technology	980,233	487,448
- Others	4,664,386	5,304,553
Individuals:		
- Loans for the purchase of other residential properties	-	-
- Others	-	-
Trade finance	4,595,347	7,993,909
Loan for use outside Hong Kong	30,824,767	33,083,254
Total customers advances	<u>44,638,145</u>	<u>50,962,596</u>
Extent of customer loans covered by collateral or other security	<u>25.46%</u>	<u>24.79%</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

	<u>30 Jun 2023</u>		<u>31 Dec 2022</u>	
	<u>HKD in million</u>	<u>% of total advances to customers</u>	<u>HKD in million</u>	<u>% of total advances to customers</u>
Hong Kong	17,664	39.6%	18,423	36.1%
Chile	4,650	10.4%	4,412	8.7%
United Arab Emirates	4,192	9.4%	4,339	8.5%
USA	2,120	4.7%	3,611	7.1%
Netherlands	2,815	6.3%	3,497	6.9%
Australia	2,887	6.5%	2,973	5.8%
Kuwait	2,625	5.9%	2,812	5.5%
Singapore	-	-	1,961	3.9%
India	1,788	4.0%	1,874	3.7%
Cayman Islands	1,572	3.5%	1,594	3.1%
Qatar	829	1.9%	963	1.9%
Others	3,496	7.8%	4,504	8.8%
	-----	-----	-----	-----
	<u>44,638</u>	<u>100%</u>	<u>50,963</u>	<u>100%</u>
	=====	=====	=====	=====

(b) Individually determined impaired advances to customers

	<u>30 Jun 2023</u>	<u>31 Dec 2022</u>
	<u>HKD in million</u>	<u>HKD in million</u>
By Countries		
Argentina	135	154
	-----	-----
	<u>135</u>	<u>154</u>
	=====	=====

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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).

As at 30 Jun 2023 (in HKD million)	Non-Bank private Sector					Total
	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private Sector	Others	
1. Developed Countries	103	-	-	6,485	-	6,588
of which Australia	6	-	-	2,334	-	2,340
of which U.S.A.	80	-	-	1,812	-	1,892
of which Spain	1	-	-	574	-	575
of which United Kingdom	12	-	-	4	-	16
of which Netherland	-	-	-	606	-	606
of which Japan	2	-	-	33	-	35
2. Offshore Centre	191	-	-	17,506	-	17,697
of which Cayman Islands	-	-	-	1,995	-	1,995
of which Panama	-	-	-	161	-	161
of which Singapore	-	-	-	-	-	-
of which Mauritius	-	-	-	-	-	-
of which Hong Kong	191	-	-	15,350	-	15,541
3. Developing Europe	-	-	-	55	-	55
of which Poland	-	-	-	55	-	55
4. Developing Latin America & Caribbean	-	7	-	47	-	54
of which Brazil	-	-	-	-	-	-
of which Chile	-	-	-	16	-	16
5. Developing Africa & Middle East	-	-	-	1,201	-	1,201
of which United Arab Emirates	-	-	-	324	-	324
of which Qatar	-	-	-	831	-	831
6. Developing Asia & Pacific	-	-	-	18,819	-	18,819
of which Mainland China	-	-	-	9,117	-	9,117
of which S. Korea	-	-	-	9,611	-	9,611
7. International Organizations	-	-	-	-	-	-
8. Unallocated by Country	-	-	-	-	-	-

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<u>As at 31 Dec 2022 (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	601	-	-	8,274	-	8,875
of which Australia	8	-	-	2,354	-	2,362
of which U.S.A.	551	-	-	3,269	-	3,820
of which Spain	1	-	-	591	-	592
of which United Kingdom	37	-	-	5	-	42
of which Netherland	-	-	-	951	-	951
of which Japan	2	-	-	65	-	67
2. Offshore Centre	168	-	-	19,825	-	19,993
of which Cayman Islands	-	-	-	1,983	-	1,983
of which Panama	-	-	-	100	-	100
of which Singapore	-	-	-	1,961	-	1,961
of which Mauritius	-	-	-	-	-	-
of which Hong Kong	168	-	-	15,780	-	15,948
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America & Caribbean	-	1	-	521	-	522
of which Brazil	-	-	-	27	-	27
of which Chile	-	-	-	460	-	460
5. Developing Africa & Middle East	-	-	-	1,376	-	1,376
of which United Arab Emirates	-	-	-	372	-	372
of which Qatar	-	-	-	965	-	965
6. Developing Asia & Pacific	-	-	-	20,453	-	20,453
of which Mainland China	-	-	-	9,296	-	9,296
of which S. Korea	-	-	-	10,759	-	10,759
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 2023		31 Dec 2022	
	<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 2023		31 Dec 2022	
	<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 2023

<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)	18,431	1,162	19,593
2. Local Government, local government-owned entities and their subsidiaries and JVs	1,498	-	1,498
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,597	3,026	6,623
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	-	-	-
Total	23,526	4,188	27,714
Total assets after provision	54,972		
On-balance sheet exposures as percentage of total assets	42.80%		

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As at 31 Dec 2022

<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)	19,185	1,687	20,872
2. Local Government, local government-owned entities and their subsidiaries and JVs	1,678	-	1,678
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,439	3,847	7,286
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	-	-	-
Total	24,302	5,534	29,836
Total assets after provision	66,801		
On-balance sheet exposures as percentage of total assets	36.38%		

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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 2023</u>										Total
	In HKD million										
	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	Others	
Spot assets	35,096	1,840	2	9,449	29	0	1	2,584	0	3,245	52,246
Spot liabilities	(33,686)	(1,842)	(0)	(9,459)	(52)	(0)	(0)	(2,592)	(0)	(3,243)	(50,874)
Forward purchases	1,824	0	0	10	22	0	0	11	0	1,766	3,633
Forward Sales	(3,251)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1,765)	(5,016)
Net option position	0	0	0	0	0	0	0	0	0	0	0
Net long (short) position	(17)	(2)	2	0	(1)	0	1	3	0	3	(11)
Net structural position	0	0	0	0	0	0	0	0	0	0	0

	<u>As at 31 Dec 2022</u>										Total
	In HKD million										
	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	Others	
Spot assets	43,642	5,195	2	9,480	11	0	1	2,592	0	3,369	64,292
Spot liabilities	(42,233)	(5,197)	(0)	(9,482)	(30)	(0)	(0)	(2,602)	(0)	(3,365)	(62,909)
Forward purchases	647	0	0	0	15	0	0	11	0	678	1,351
Forward Sales	(2,037)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(678)	(2,715)
Net option position	0	0	0	0	0	0	0	0	0	0	0
Net long (short) position	19	(2)	2	(2)	(4)	0	1	1	0	4	19
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 2023</u> HKD'000	<u>31 Dec 2022</u> HKD'000
Contingent Liabilities and Commitments		
- Direct credit substitutes	150,120	72,901
- Transaction-related contingent items	755,155	1,101,612
- Trade related contingencies	245,025	190,410
- Other commitments	6,911,861	7,866,675
- Others	2,885,859	5,812,481
Derivatives		
- Exchange rate contracts	5,133,157	2,714,843
- Interest rate contract	2,885,859	6,167,182
Replacement cost of derivatives *		
- Exchange rate contracts	1,026	270
- Interest rate contract	2,891,249	6,169,108

*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 2023</u>	<u>Three Months</u> <u>ended</u> <u>30 Jun 2022</u>
Average liquidity maintenance ratio (LMR)	55.44%	49.92%

This information is available at the Bank's website:-
<https://www.bbvacib.com/en/sobre-bbva-cib/due-diligence/-/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 2023</u> EUR million	<u>31 Dec 2022</u> EUR million
<u>CAPITAL AND CAPITAL ADEQUACY</u>		
Consolidated Capital Adequacy Ratio*	16.79%	15.98%
Aggregate amount of shareholders' funds	52,568	50,615

*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	762,456	713,140
- Total liabilities	709,888	662,525
- Total loans and advances to customers	380,949	369,260
- Total customer deposits	402,344	393,856

	<u>30 Jun 2023</u> EUR million	<u>30 Jun 2022</u> EUR million
Pre-tax profit	6,122	4,921

Exchange rate:

EUR 1.00 = HKD 8.25320426 as at 30 Jun 2022
 EUR 1.00 = HKD 8.29940312 as at 31 Dec 2022
 EUR 1.00 = HKD 8.57129934 as at 30 Jun 2023