

Company Registration No. 1907659

BBVA Finance (UK) Limited

Report and Financial Statements

31 December 2011

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BBVA Finance (UK) Limited

Report and financial statements 2011

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BBVA Finance (UK) Limited

Directors' report (continued)

The directors submit herewith their report and the statement of accounts for the year ended 31 December 2011

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Incorporation

The company is incorporated in Great Britain and registered in England and Wales and its ultimate holding company is Banco Bilbao Vizcaya Argentaria S A , a company incorporated in Spain

Principal activity

The principal activity of the company is the provision of finance house services

State of affairs

The profit for the year, after taxation, to be transferred to reserves amounted to £37,331 (2010 £50,362)

Going Concern

After making inquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Directors

The company directors at the end of the year were

J R Fernandez

J L Rodriguez

There were no changes to the Board of Directors during the year

Neither of the directors is a beneficial holder of the company's shares

Auditor

Each of the persons who are a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

BBVA Finance (UK) Limited

Directors' report (continued)

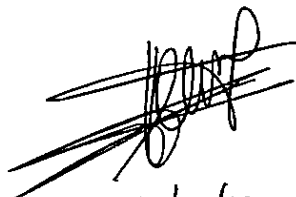
Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board and signed on its behalf by

J Ramon Fernandez

Director
Registered Office
108 Cannon Street
London EC4

2012



12/09/12

BBVA Finance (UK) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of BBVA Finance (UK) Limited

We have audited the financial statements of BBVA Finance (UK) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Reconciliation of Movement in Shareholder's Funds, the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on matters prescribed in the Companies Act 2006

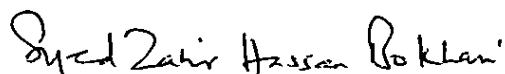
In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of BBVA Finance (UK) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Syed Bokhan FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

12th September 2012

BBVA Finance (UK) Limited

Profit and Loss Account Year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover			
Interest and commission receivable	2	109,537	138,410
Interest payable		(24,484)	(45,962)
		<u>85,053</u>	<u>92,448</u>
Exchange gains		2,985	1,168
Other Expenses		-	(158)
Administration expenses	4	(37,247)	(14,808)
		<u>50,791</u>	<u>78,650</u>
Operating Profit			
		50,791	78,650
Taxation	5	(13,460)	(28,288)
		<u>(13,460)</u>	<u>(28,288)</u>
Retained profit for the year		<u>37,331</u>	<u>50,362</u>

All disclosures relate to continuing operations. There are no recognised gains or losses other than those disclosed in the retained profit for the year.

Reconciliation of Movement in Shareholder's Funds

	2011 £	2010 £
Profit for the year	37,331	50,362
Opening shareholder's funds	<u>9,688,556</u>	<u>9,638,194</u>
Closing shareholder's funds	<u>9,725,887</u>	<u>9,688,556</u>

BBVA Finance (UK) Limited

Balance sheet 31 December 2011

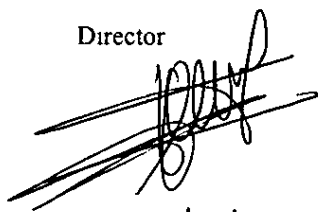
	Notes	2011 £	2010 £
Current assets			
Debtors -- due after one year	3	-	11,686,336
Sundry debtors		2,089	2,862
Cash at bank		9,730,031	9,701,128
		<u>9,732,120</u>	<u>21,390,328</u>
Creditors: Amounts falling within one year			
Other creditors including taxation		6,233	15,081
Net current assets		<u>9,725,887</u>	<u>21,375,247</u>
Total Assets less current liabilities		<u>9,725,887</u>	<u>21,375,247</u>
Creditors: amounts falling due over one year			
Loan from parent	8	-	11,686,691
Net assets		<u>9,725,887</u>	<u>9,688,556</u>
Shareholders equity			
Called up share capital	7	2,250,000	2,250,000
Profit and loss account		7,475,887	7,438,556
		<u>9,725,887</u>	<u>9,688,566</u>

The financial statements of BBVA Finance (UK) Limited registered number 1907659 were approved and authorised for issue by the Board of Directors on 2012

Signed on behalf of the Board of Directors

J R Fernández

Director



12/09/12.

BBVA Finance (UK) Limited

Notes to the accounts Year ended 31 December 2011

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Law and accounting standards

Going concern

These financial statements have been prepared on a going concern basis. It is the directors' intention to keep the current business model for the foreseeable future.

The directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Assets and liabilities are translated at the rates ruling at the year end. Differences arising on exchange are dealt with through the profit and loss account.

Interest and Commissions income

Interest and commissions income is recognised on an accruals basis for accounting purposes.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Interest and commissions receivable

	2011 £	2010 £
Interest receivable	92,232	135,018
Commissions and fees	17,305	3,392
	<u>109,537</u>	<u>138,410</u>

All interest and commissions receivable are earned in the UK.

3. Debtors

The debtor amount in the prior year relates to a participation in a syndicated loan maturing on 27 June 2013. The borrower, Atlantic LNG Company of Trinidad and Tobago, notified on 26 August 2011 of their intention to repay the loan on 30 August 2011.

BBVA Finance (UK) Limited

Notes to the accounts Year ended 31 December 2011

4. Administration expenses

	2011 £	2010 £
External Audit	12,936	12,514
Consultancy, Tax advice	9,000	2,264
Computer Software	15,311	
	<u>37,247</u>	<u>14,778</u>

There were no persons employed by the company during the year (2010 none) and therefore no employees' remuneration was paid (2010 £nil) No remuneration was paid to the Directors in the current or prior year, in relation to services for this company

5. Tax on profit on ordinary activities

	2011 £	2010 £
UK corporation tax for current year at 26.5 % (2010 – 28%)	13,460	22,022
Adjustments in respect of previous periods	-	6,266
Current tax charge for the period	<u>13,460</u>	<u>28,288</u>

6. Profit and loss account

	Profit and loss account £
At 31 December 2010	<u>7,438,556</u>
At 1 January 2011	7,438,556
Profit for the financial year	<u>37,331</u>
At 31 December 2011	<u>7,475,887</u>

BBVA Finance (UK) Limited

Notes to the accounts Year ended 31 December 2011

7. Called up share capital

	2011 £	2010 £
Allotted, called up and fully paid 2,250,000 ordinary shares of £1 each	<u>2,250,000</u>	<u>2,250,000</u>

8. Holding company

The ultimate holding company is Banco Bilbao Vizcaya Argentaria S A , a company incorporated in Spain which produces publicly available group consolidated accounts. As a result the company has taken advantage of the FRS 8 exemption not to disclose transactions with other group companies.

The following balances with the ultimate holding company are included in the financial statements

	2011 £	2010 £
Assets		
Cash at bank	9,723,800	9,701,128
Sundry debtors	2,089	1,976
Liabilities		
Loans	-	11,686,336
Accruals	-	355

As the original loan with Atlantic was repaid in August 2011, no funding was utilised from Banco Bilbao Vizcaya Argentaria after that date (the outstanding funding at 31 December 2010 had been USD 18,141,868).

On the 1st of December 2009, BBVA London Branch granted BBVA Finance (UK) Limited a facility of USD 18,200,000 with the object of funding the loan to Atlantic LNG Company of Trinidad y Tobago. This loan had the 30/06/2013 as maturity date and a cost-margin of 10bps.

9. Cash flow statement

The company has taken advantage of the exemption provided by FRS 1, as a subsidiary company in a group which produces publicly available consolidated accounts, not to prepare a cash flow statement.

10. Contingent liabilities

At 31 December 2011 there were no undrawn facilities granted (2010: £nil).