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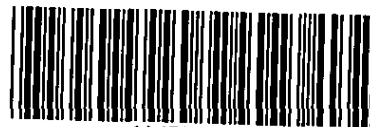
Company Registration No. 1907659

BBVA Finance (UK) Limited

Statement of accounts for the year ended

31 December 2009

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BBVA Finance (UK) Limited

Report and financial statements 2009

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BBVA Finance (UK) Limited

Directors' report

The directors submit herewith their report and the statement of accounts for the year ended 31 December 2009

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 register 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 £62,487 (2008 £308,936)

The directors do not propose paying a dividend (2008 nil)

Going Concern

After making inquiries, the directors have a reasonable expectation that the Company and the Group have 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 directors who have served throughout the period except where otherwise shown were

I Lopez –Perea
A J White
J L Rodriguez
J Ferrer

None of the directors is a beneficial holder of the company's shares

Auditors

Each of the persons who is 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 auditors are 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 auditors are aware of that information

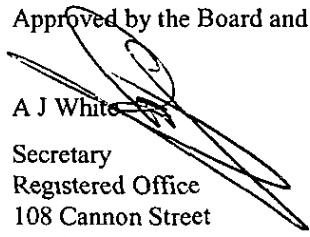
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

BBVA Finance (UK) Limited

Directors' report

Deloitte LLP have expressed their willingness to continue in office as auditors 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


A J White
Secretary
Registered Office
108 Cannon Street
London EC4

10 JUNE 2010

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, 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' 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 2009 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 auditors' 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 auditors

As more fully explained in the Directors' Responsibilities Statements, 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 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 (APB'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.

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 2009 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 auditors' 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



Kari Hale (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

10 June 2010

BBVA Finance (UK) Limited

Profit and Loss Account Year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover			
Interest and commission receivable	2	163,517	877,745
Interest payable		(53,692)	(367,323)
		<u>109,825</u>	<u>510,422</u>
Exchange gains		0	5,395
Administration expenses	4	(22,198)	(76,784)
		<u>87,627</u>	<u>439,033</u>
Operating Profit			
Taxation	5	(25,140)	(130,097)
		<u>62,487</u>	<u>308,936</u>
Retained profit for the year			

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

	2009 £	2008 £
Profit for the year	62,487	308,936
Opening shareholder funds	<u>9,575,707</u>	<u>9,266,771</u>
Closing shareholder funds	<u>9,638,194</u>	<u>9,575,707</u>

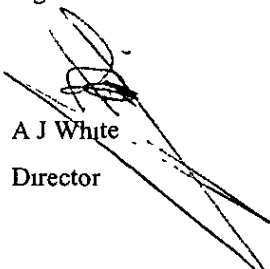
BBVA Finance (UK) Limited

Balance sheet 31 December 2009

	Notes	2009 £	2008 £
Current assets			
Debtors – due after one year	3	11,184,186	12,416,582
Sundry debtors		1,595	20,728
Cash at bank		9,667,435	9,627,960
		<u>20,853,217</u>	<u>22,065,270</u>
Creditors: Amounts falling within one year			
Other creditors including taxation		30,823	72,981
Net current assets		<u>20,822,394</u>	<u>21,992,289</u>
Total Assets less current liabilities		<u>20,822,394</u>	<u>21,992,289</u>
Creditors: amounts falling due over one year			
Loan from parent	8	11,184,200	12,416,582
Net assets		<u>9,638,194</u>	<u>9,575,707</u>
Shareholders equity			
Called up share capital	7	2,250,000	2,250,000
Profit and loss account		7,388,194	7,325,707
		<u>9,638,194</u>	<u>9,575,707</u>

The financial statements of BBVA Finance (UK) Limited registered number 1907659 were approved and authorised for issue by the Board of Directors on *15th June* 2010

Signed on behalf of the Board of Directors


A J White
Director

BBVA Finance (UK) Limited

Notes to the accounts Year ended 31 December 2009

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, and where appropriate, writing down the company's net assets to net realisable value

Notes 2 to 11 show the financial position of BBVA Finance (UK) Limited and its access to borrowing facilities (Note 8)

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

	2009 £	2008 £
Interest receivable	160,160	874,880
Commissions and fees	3,358	2,865
	<u>163,517</u>	<u>877,745</u>

3. Debtors

The debtor amount in the current and prior year is the equivalent of USD 18,141,868 and relates to a participation in a syndicated loan maturing on 27 June 2013. The interest being earned on the loan was 50bp over the USD monthly libor until 30 June 2009, and after this date 65bp over the USD monthly libor

BBVA Finance (UK) Limited

Notes to the accounts

Year ended 31 December 2009

4 Administration expenses

Administration expenses include provision for auditors' remuneration of £14,848 (2008 £10,000) and leasehold amortisation of £0.00 (2008 £15,785). There were no persons employed by the company during the year (2008 nil) and therefore no employees' remuneration was paid (2008 £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

The differences between the total current tax shown above and the calculated by applying the standard rate UK corporation tax is as follows:

(i) Analysis of charge in period

	2009 £	2008 £
UK corporation tax for current year at 28 % (2008 – 28.5%)	24,536	129,611
Adjustments in respect of previous periods	604	486
Current tax charge for the period	<u>25,140</u>	<u>130,097</u>

(ii) Factors affecting tax charge for period

The standard UK corporation tax rate changed from 30% to 28% with effect from 1 April 2008. The tax assessed for the year is higher than the standard rate of corporation tax in the UK 28.5% (2007 - 30%). The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before tax	87,627	439,033
Tax on profit on ordinary activities at standard UK tax rate of 28 % (2008 28.5%)	24,536	125,124
Effects of:		
Expenses not deductible for tax purposes		4,487
Adjustments to tax charge in respect of previous periods	604	486
Current tax charge for the period	<u>25,140</u>	<u>130,097</u>

BBVA Finance (UK) Limited

Notes to the accounts

Year ended 31 December 2009

6. Profit and loss account

	Profit and loss account £
At 31 December 2008	7,325,707
At 1 January 2009	7,325,707
Profit for the financial year	62,487
At 31 December 2009	<u>7,388,194</u>

7. Called up share capital

	2009 £	2008 £
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

	2009 £	2008 £
Assets		
Cash at bank	9,667,435	9,627,960
Sundry debtors	1,319	19,723
Liabilities		
Loans	11,184,186	12,416,582
Accruals	14	591

Banco Bilbao Vizcaya Argentaria S A lends to BBVA Finance (UK) Limited under a USD 18,200,000 facility with final maturity date 30/06/2013

Under this facility, there is an outstanding loan of USD 18,141,868 that has not changed during 2008 and 2009. The GBP equivalent of this loan as shown in the year end accounts, has decreased to GBP 11,184,186 as at 31 December 2009 (USD/GBP = 1.6221) from GBP 12,416,582 as at 31 December 2008 (USD/GBP = 1.461).

For this loan, BBVA Finance (UK) Limited pays a margin of 10bps on the monthly UK USD LIBOR.

BBVA Finance (UK) Limited

Notes to the accounts

Year ended 31 December 2009

9. Cash flow statements

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 2009 there were no undrawn facilities granted (2008 £nil)